

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997  
4

As Engrossed: S2/21/97 S3/18/97

## A Bill

SENATE BILL 371

5 *By: Senators Hopkins, Fitch, Canada, Bearden, Walker, Jeffries, Edwards, Gwatney, and Mahony*  
6 *By: Representatives Dawson, Faris, Mullenix, Whorton, Curran, Bisbee, Critcher, Cook, and Rodgers*  
7

### For An Act To Be Entitled

9 "AN ACT TO CREATE A TIER TWO BENEFIT PROGRAM FOR STATE  
10 POLICE OFFICERS; TO PROVIDE ADDITIONAL FUNDING FOR THE  
11 STATE POLICE RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."  
12

### Subtitle

13 "TO CREATE A TIER TWO BENEFIT PROGRAM  
14 FOR STATE POLICE OFFICERS; TO PROVIDE  
15 ADDITIONAL FUNDING FOR THE STATE POLICE  
16 RETIREMENT SYSTEM."  
17  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
20

21 SECTION 1. Chapter 6 of Title 24 of the Arkansas Code is amended to add the  
22 following subchapter at the end thereof to read as follows:

23 "Subchapter 4 - Tier Two Benefit Plan.

24 24-6-401. Creation of Tier Two Benefit Plan. A Tier Two Benefit Plan  
25 for the State Police Retirement System is created and established in  
26 conformance with this subchapter.  
27

28 24-6-402. Membership.

29 All state police officers first hired on or after the effective date of  
30 this act shall be covered by the benefit provision of this subchapter.

31 All state police officers who were hired prior to the effective date of  
32 this act and who are active members of the system on the effective date, shall  
33 have twelve (12) months from the effective date to elect coverage under the  
34 benefit provisions of this subchapter; provided the person must be an active  
35 member on the date of the election. Such election shall be made as directed  
36 by the Board and shall be irrevocable.

1       24-6-403. Definitions.

2       As used in this subchapter, unless the context otherwise requires:

3       (1) System means the State Police Retirement System;

4       (2) Department means the Department of Arkansas State Police;

5       (3) Director means the Director of the Department of Arkansas State  
6 Police;

7       (4) Board means the Board of Trustees of the State Police Retirement  
8 System;

9       (5)(A) State police officer means any employee of the Department of  
10 Arkansas State Police who holds the rank of state trooper or higher rank, and  
11 it shall include the director.

12       (B) The term state police officer shall not include any civilian  
13 employee of the department, nor shall it include any person who is temporarily  
14 employed as a state trooper for an emergency.

15       (C) In any case of doubt as to who is a state police officer, the  
16 board shall decide the question;

17       (6) Member means any state police officer who is included in the  
18 membership of the system as provided in § 24-6-401;

19       (7) Retirant means any member who retires with a pension payable from  
20 funds of the system;

21       (8) Beneficiary means any person, except a retirant, who is in receipt  
22 of, or who is entitled to receive, a pension or other benefit payable from  
23 funds of the system;

24       (9) Service means service rendered to the department by a state police  
25 officer and shall include previous service, if any, rendered by him as an  
26 Arkansas state ranger;

27       (10) Credited service means the service credited a member by the board  
28 to the extent provided in this subchapter. Employment in a position covered  
29 by this subchapter shall be credited at one and one-half (1½) times the  
30 regular rate for crediting service, except that at least five (5) years of  
31 actual service shall be required to meet the retirement eligibility  
32 requirements of 24-6-404, 24-6-405, 24-6-410, and 24-6-411.

33       (11)(A) Salary means the compensation paid a member for service  
34 rendered by him as a state police officer;

35       (B) In no case shall the term salary include reimbursement for  
36 lodging, meals, or travel expenses;

1           (12) Final Average Salary means the average of the highest annual  
2 salaries paid a member during any period of forty-eight (48) calendar months  
3 of credited service with a public employer. Should a member have less than  
4 forty-eight (48) calendar months of credited service, final average salary  
5 means the average of the annual salaries paid to him during his total years of  
6 service.

7           (13) Accumulated contribution means the sum of all amounts deducted  
8 from the salaries of a member and credited to his individual account in the  
9 members deposit account, together with regular interest credited thereon;

10           (14) Regular interest means such rates of interest per annum,  
11 compounded annually, as the board, from time to time, shall prescribe;

12           (15)(A) Pension means an annual amount payable from the funds of the  
13 system throughout the life of a person;

14           (B) All pensions shall be paid in equal monthly installments;

15           (16) Pension reserve means the present value of a pension computed  
16 upon the basis of such mortality and other tables of experience, and regular  
17 interest, as the board, from time to time, shall adopt;

18           (17) Retirement means a members withdrawal from the employ of the  
19 department with a pension payable from the funds of the system; and

20           (18) Actuarial equivalent means a benefit of equal reserve value where  
21 reserve means the present value of all payments paid on account of any  
22 benefit based upon such reasonable rates of interest and tables of experience  
23 as a plan shall adopt from time to time.

24

25           24-6-404. Eligibility for Benefits - Voluntary Retirement.

26           (a)(1) Any member who has acquired five (5) years but less than thirty  
27 (30) years of actual service and has attained age sixty-five (65) may retire  
28 upon his written application filed with the board. Any member who has  
29 acquired thirty (30) or more years of actual service may retire at any age  
30 upon his written application filed with the board. For those members with  
31 less than thirty (30) actual years of service, the age sixty-five (65) years  
32 of requirement shall be reduced by one (1) month for each two (2) months of  
33 credited service as provided in 24-6-403(10), but in no event to an age  
34 younger than fifty-five (55) years.

35           (2) This application shall set forth at what time, not less than  
36 thirty (30) days nor more than ninety (90) days subsequent to the execution

1 and filing thereof, he desires to be retired.

2 (b) Upon his retirement, he shall receive a pension provided for in 24-  
3 6-406.

4  
5 24-6-405. Eligibility for Benefits - Disability Retirement.

6 (a)(1)(A) Upon application filed with the Board of Trustees of the  
7 State Police Retirement System by a member or by the Director of the  
8 Department of Arkansas State Police on behalf of a member, a member who is in  
9 the employ of the Department of Arkansas State Police, who has five (5) or  
10 more years of actual service, and who becomes totally and permanently  
11 incapacitated for duty in the employ of the department by reason of personal  
12 injury or disease may be retired by the board, but only after a medical  
13 examination of the member.

14 (B) This examination shall be made by or under the direction of  
15 a medical committee consisting of three (3) physicians, one (1) of whom shall  
16 be selected by the board, one (1) by the member, and the third by the first  
17 two (2) physicians so named if the medical committee reports to the board, by  
18 majority opinion in writing, that the member is physically or mentally  
19 incapacitated for duty in the employ of the department, that the incapacity  
20 will probably be permanent, and that the member should be retired.

21 (2) The five (5) years of service requirement contained in this  
22 subsection (a) shall not apply to a member whom the board finds to be in  
23 receipt of workers compensation for his disability arising solely and  
24 exclusively out of and in the course of his employment with the department.

25 (b) Upon his retirement upon account of disability as provided in  
26 subsection (a) of this section, a member shall receive a disability pension  
27 computed according to § 24-6-406.

28 (c)(1) At least once each year during the first five (5) years  
29 following a members retirement on account of disability and at least once in  
30 every three (3) year period thereafter, the board may, and upon the retirant s  
31 application shall, require any disability retirant who has not attained age  
32 fifty-five (55) years to undergo a medical examination to be made by or under  
33 the direction of a physician designated by the board.

34 (2) If the retirant refuses to submit to a medical examination in  
35 any such period, his disability pension may be suspended by the board until  
36 his withdrawal of his refusal.

1           (3) If his refusal continues for one (1) year, all his rights in  
2 and to a disability pension may be revoked by the board.

3           (4) If, upon the medical examination of the retirant, the physician  
4 reports to the board that the retirant is physically capable of performing the  
5 duties of the rank held by him at the time of his retirement, the retirant  
6 shall be returned to the employ of the department, and his disability pension  
7 shall be terminated.

8           (d)(1) Upon a disability retirants return to the employ of the  
9 department as provided in subsection (c) of this section, his credited service  
10 at the time of his retirement shall be restored to his credit.

11           (2) He shall be given service credit for the period he was  
12 receiving a disability pension if, within that period, he was in receipt of  
13 workers compensation on account of his department employment.

14           (e) In the event a disability retirant who has not attained the age of  
15 fifty-five (55) years performs personal services in an occupation, business,  
16 or employment, his disability pension shall be reduced so that the sum of his  
17 disability pension and the compensation received by him from the occupation,  
18 business or employment shall not exceed his annual rate of salary at the time  
19 of his retirement.

20

21           24-6-406. Benefits Generally.

22           (a)(1) Upon his retirement as provided in this subchapter, a member  
23 shall receive a straight life pension equal to one and sixty-five hundredths  
24 percent (1.65%) of his final average salary multiplied by the number of years,  
25 and any fraction of a year, of his credited service.

26           (2)(A) In addition, if a member has credited service resulting from  
27 employment in a position covered at any time by social security or another  
28 federal retirement plan supported wholly or in part by employer contributions,  
29 and if that members age at retirement is younger than:

30                   (i) Social securitys minimum age for an immediate  
31 retirement benefit; and

32                   (ii) Age sixty-two (62),  
33 then the member shall receive a temporary annuity equal to three hundred  
34 forty-two thousandths percent (0.342%) of his final average salary for each  
35 year of such credited service.

36                   (B) The temporary annuity shall terminate at the end of the

1 calendar month in which the earliest of the following events occurs:

2 (i) The member's death;

3 (ii) His attainment of the social security minimum age; or

4 (iii) His attainment of age sixty-two (62).

5 (b) In the event a member with five (5) years or more of actual service  
6 in the system ceases to be employed as a state police officer prior to  
7 reaching fifty-five (55) years of age and does not withdraw his accumulated  
8 employee contributions to the State Police Retirement System, the member shall  
9 be entitled to receive a pension upon reaching what his voluntary retirement  
10 age would have been if he had continued state police employment from time of  
11 termination of employment.

12 (c) Any member may elect to withdraw his accumulated contributions to  
13 the system at the time of terminating employment as a state police officer and  
14 to waive any pension rights the member may have earned in the system.

15 (d) It is considered sound public policy that retirement pay not exceed  
16 working pay except for increases after retirement caused by inflation.  
17 Accordingly, at the time of retirement, the total of named plan annuities  
18 shall not exceed his final average salary.

19

20 24-6-407. Benefits - Death of Retirant.

21 (a) In the event a retirant who is in receipt of a straight life  
22 pension dies before he has received in straight life pension payments an  
23 aggregate amount equal to his accumulated contributions standing to his credit  
24 in the members deposit account at the time of his retirement, then the  
25 difference between his accumulated contributions and the aggregate amount of  
26 straight life pension payments received by him shall be paid to such persons  
27 as he shall have nominated by written designation duly executed and filed with  
28 the Board of Trustees of the State Police Retirement System.

29 (b) If there is no designated person surviving the retirant, the  
30 difference, if any, shall be paid in accordance with the laws of descent and  
31 distribution of the State of Arkansas.

32 (c) The payments may be made directly to a curator, guardian,  
33 administrator, or executor authorized to receive such payments, wherever the  
34 representative may be, with or without the appointment of a representative in  
35 this state.

36 (d) In no case shall any benefits be paid under this section on account

1 of the death of a retirant if any pensions become payable from funds of the  
2 State Police Retirement System on account of his death.

3

4 24-6-408. Benefit Provisions - Election of Annuity Options.

5 (a) Before the date the first payment of his annuity becomes due, but  
6 not thereafter, a member may elect to receive his annuity as a straight life  
7 annuity or he may elect to have his annuity reduced and nominate a beneficiary  
8 in accordance with the provisions of one (1) of the following options:

9 (1) Option A60 - Sixty (60) Months Certain and Life Annuity.

10 (A) Under Option A60, the retirant shall be paid a reduced  
11 annuity for life with the provisions that if the retirant's death occurs  
12 before sixty (60) monthly payments have been made, then the full reduced  
13 annuity shall continue to be paid for the remainder of the sixty (60) months  
14 to such persons and in such shares as the retirant shall have designated in  
15 writing and filed with the plan;

16 (B) If there is no payee surviving, the lump sum actuarial  
17 equivalent of the remaining monthly payments shall be paid to the estate of  
18 the last survivor among the retirant and the designated persons.

19 (C) The reduced annuity shall be ninety-six percent (96%) of the  
20 straight life annuity.

21 (2) Option A120 - One Hundred Twenty (120) Monthly Certain and Life  
22 Annuity.

23 (A) Under Option A120, the retirant shall be paid a reduced  
24 annuity for life with the provision that if the retirant's death occurs before  
25 one hundred twenty (120) monthly payments have been made, the full reduced  
26 annuity shall continue to be paid for the remainder of the one hundred twenty  
27 (120) months to such persons and in such shares as the retirant shall have  
28 designated in writing and filed with the plan;

29 (B) If there is no payee surviving, the lump sum actuarial  
30 equivalent of the remaining monthly payment shall be paid to the estate of the  
31 last survivor among the retirant and the designated persons;

32 (C) The reduced annuity shall be ninety percent (90%) of the  
33 straight life annuity.

34 (3) Option B50 - Fifty Percent (50%) Survivor Beneficiary Annuity.

35 (A) Under Option B50, the retirant shall be paid a reduced  
36 annuity for life with the provision that, upon his death, one-half (½) of the

1 reduced annuity shall be continued throughout the future lifetime of and paid  
2 to such person as the retirant shall have designated in writing and filed with  
3 the plan before his annuity starting date. However, that person must be  
4 either his spouse for not less than one (1) year immediately preceding the  
5 first payment due date or another person aged forty (40) years or older  
6 receiving more than one-half (½) support from the retirant for not less than  
7 one (1) year immediately preceding the first payment due date.

8           (B) The reduced annuity to the retirant shall be eighty-three  
9 percent (83%) if the retirants age and his beneficiarys age are the same on  
10 the first payment due date, which shall be decreased by one-half of one  
11 percent (0.5%) for each year that the beneficiarys age is less than the  
12 retirants age, or which shall be increased by one-half of one percent (0.5%),  
13 up to a maximum of ninety-five percent (95%), for each year that the  
14 beneficiarys age is more than the retirants age.

15           (4) Option B75 - Seventy-Five Percent (75%) Survivor Beneficiary  
16 Annuity.

17           (A) Under Option B75, the retirant shall be paid a reduced  
18 annuity for life with the provision that, upon his death, three-quarters (3/4)  
19 of the reduced annuity shall be continued throughout the future lifetime of  
20 and paid to such person as the retirant shall have designated in writing and  
21 filed with the plan before his annuity starting date; however, that person  
22 must be either his spouse for not less than one (1) year immediately preceding  
23 the first payment due date or another person aged forty (40) years or older  
24 receiving more than one-half (1/2) support from the retirant for not less than  
25 one (1) year immediately preceding the first payment due date.

26           (B) The reduced annuity to the retirant shall be seventy-five  
27 percent (75%) if the retirants age and his beneficiarys age are the same on  
28 the first payment due date, which shall be decreased by three-quarters of one  
29 percent (0.75%) for each year that the beneficiarys age is less than the  
30 retirants age, or which shall be increased by three-quarters of one percent  
31 (0.75%), up to a maximum of ninety percent (90%), for each year that the  
32 beneficiarys age is more than the retirants age.

33           (b)(1) A death of a spouse or divorce or other marriage dissolution or  
34 the death of a person forty (40) years of age or older who is the designated  
35 beneficiary under Option B50 or B75 following retirement shall cancel, at the  
36 written election of the retirant, Option B50 or B75 elected at retirement to



1 provide continuing lifetime benefits to such designated person and return the  
2 retirant to this straight life or Option A60 of A120 annuity, to be effective  
3 the month following receipt of his election by the system.

4 (2) A retirant who is receiving a straight life or Option A60 or  
5 A120 annuity and who marries after retirement or within one (1) year  
6 immediately preceding retirement may elect to cancel his straight life or  
7 Option A60 or A120 annuity and may elect Option B50 or B75 providing  
8 continuing lifetime benefits to his spouse, but only if the election is on a  
9 form approved by the system and is received by the system not earlier than one  
10 (1) year after the date of the marriage and not later than eighteen (18)  
11 months after that date.

12 (3) The election shall be effective the first day of the month  
13 following its receipt.

14 (c) If a member fails to elect an option, his annuity shall be paid him  
15 as a straight life annuity.

16

17 24-6-409. Redetermination of Benefits.

18 (a) Each July 1, the State Police Retirement System shall redetermine  
19 the amount of each monthly benefit which has been payable by the system for at  
20 least twelve (12) full calendar months. The redetermined amount shall be  
21 payable for the following twelve (12) calendar months.

22 (b) Subject to the maximum stated in subsection (c) of this section,  
23 the redetermined amount shall be the amount of the benefit payable as of the  
24 immediately preceding July 1, increased by three percent (3%).

25 (c) In no event shall the redetermined amount be more than the amount  
26 of the benefit payable as of the immediately preceding July 1 multiplied by  
27 the following fraction:

28 (1) The numerator shall be the average of the consumer price index  
29 for the twelve (12) calendar months in the calendar year immediately preceding  
30 July 1, but in no event an amount less than the denominator; and

31 (2) The denominator shall be the average of the consumer price index  
32 for the twelve (12) calendar months in the calendar year second preceding the  
33 redetermination date.

34 (d) As used in this section, Consumer price index means the Consumer  
35 Price Index for All Urban Consumers, as determined by the United States  
36 Department of Labor and in effect January 1, 1987. However should the

1 consumer price index be restructured subsequent to 1988 in a manner materially  
2 changing its character, the board, after receiving the advice of the actuary,  
3 shall change the application of the consumer price index so that, as far as is  
4 practicable, the 1986 intent of the use of the consumer price index shall be  
5 continued.

6

7 24-6-410. Benefit Provisions - Early Retirement.

8 (a)(1) Any member or former member with sufficient years of credited  
9 service to qualify for a vested termination annuity who has not attained his  
10 voluntary retirement age as provided in § 24-6-404 may retire with an early  
11 annuity provided for in subsection (b) of this section upon his written  
12 application to the Board setting forth at what time, not less than thirty (30)  
13 days nor more than ninety (90) days subsequent to the execution and filing of  
14 his application, he desires to be retired.

15 (2) The member of former member eligible for a vested termination  
16 annuity must have at least five (5) years of actual service and be within ten  
17 (10) years of voluntary retirement age.

18 (b) Upon early retirement, a member shall receive a certain percentage  
19 of an annuity for life provided for in § 24-6-406, which percentage shall be  
20 one hundred percent (100%) reduced by one-half of one percent (0.5%)  
21 multiplied by the number of months by which his age at early retirement is  
22 younger than his voluntary retirement age, using what his voluntary retirement  
23 age would have been if he had continued State Police employment from the time  
24 of early retirement.

25

26 24-3-411. Benefit Provisions - Death.

27 (a) If an active member with five (5) or more years of actual service,  
28 including credited service for the year immediately preceding his death, dies  
29 in employer service before retirement, the applicable benefit provided in this  
30 section shall be paid, upon written application to the Board.

31 (b)(1)(A) In the event that a member dies and is not being paid on that  
32 date by his employer, due solely to illness incurred before he left the  
33 payroll and the death occurs within one (1) year of the last payroll, the  
34 member shall be considered, for purposes of this section, to have died as an  
35 active member if all other necessary provisions of this section are met.

36 (B) For purposes of computing benefits provided by this section,

1 the deceased members salary at the time of death shall be his salary for the  
2 year immediately preceding the cessation of his pay.

3 (2)(A) If an active member with five (5) or more years of actual  
4 service does not have credited service for the year immediately preceding  
5 death due to illness which eventually lead to his death or due to his  
6 employers removing the member from the payroll because of temporary economic  
7 conditions of the employer or weather conditions, the active member shall be  
8 considered, only for eligibility purposes of the section, to have credited  
9 service for the year preceding death.

10 (B) Benefits shall be paid according to the salary earned during  
11 the year preceding death.

12 (c)(1) The members surviving spouse who was married to the member at  
13 least the one (1) year immediately preceding his death shall receive an  
14 annuity computed in the same manner in all respects as if the member had  
15 retired the date of his death with entitlement to an annuity provided for in §  
16 24-3-406, elected the Option B75 survivor annuity provided for in § 24-3-408,  
17 and nominated his spouse as joint beneficiary.

18 (2)(A) If the member has satisfied the age and service requirement  
19 provided for in § 24-6-404 or had acquired twenty (20) years actual service,  
20 then the spouse annuity shall commence immediately and be payable for her  
21 life.

22 (B) If the member had acquired fifteen (15) years actual  
23 service, but had not attained age sixty-five (65) years, the spouse annuity  
24 shall commence at the later of either age fifty (50) years or her age at his  
25 death and shall be payable until the earlier of her remarriage or death;  
26 otherwise, the spouse annuity shall commence at the later of either age sixty-  
27 two (62) years or her age at his death and shall be payable until the earlier  
28 of either her remarriage or death.

29 (3) The spouse annuity shall not be less than ten percent (10%) of  
30 the deceased members covered compensation at the time of death.

31 (4) In any event, as long as the surviving spouse has in her care  
32 any of the deceased members dependent children receiving a benefit provided  
33 for in this section, there shall be payable to her a spouse annuity which  
34 shall not be less than ten percent (10%) of the deceased members compensation  
35 at the time of death.

36 (d)(1) The members dependent child or dependent children shall each

1 receive an annuity of the greater of either ten percent (10%) of the members  
2 covered compensation at the time of death or an equal share of one hundred  
3 fifty dollars (\$150) monthly.

4 (2) If there are three (3) or more dependent children, each  
5 dependent child shall receive as an annuity an equal share of the greater of  
6 either twenty-five percent (25%) of the members covered compensation or one  
7 hundred fifty dollars (\$150) monthly.

8 (3)(A) A child shall be dependent child until his death, his  
9 marriage, or his attainment of age eighteen (18) years, whichever occurs  
10 first.

11 (B)(i) However, the age of eighteen (18) years maximum shall  
12 be extended as long as the child continues uninterruptedly being a full-time  
13 student at an accredited secondary school, college, or university but in no  
14 event beyond his attainment of the age of twenty-three (23) years.

15 (ii) The age eighteen (18) years maximum shall also be  
16 extended for any child who has been deemed physically or mentally incompetent  
17 by an Arkansas court of competent jurisdiction or by the board for as long as  
18 the incompetency exists.

19 (4) Upon a child's ceasing to be a dependent child, his annuity  
20 shall terminate, and there shall be a redetermination of the amounts payable  
21 to any remaining dependent children.

22 (e) If, at the time of the members death, there is neither a spouse  
23 nor a dependent child, each dependent parent shall receive an allowance of the  
24 greater of either ten percent (10%) of the members covered compensation or an  
25 equal share of one hundred fifty dollars (\$150) monthly, but only if the board  
26 finds that the parent was dependent for at least fifty percent (50%) of his  
27 financial support upon the member.

28 (f)(1) If no annuity can become payable to a dependent child due to the  
29 death of the member, and a surviving spouse or dependent parents are the only  
30 persons who will be eligible for monthly benefits and the spouse or dependent  
31 parents are also the designated beneficiaries of the member, then, in that  
32 event, the surviving spouse or dependent parent may elect to receive a refund  
33 of the members accumulated contributions in lieu of any benefits which could  
34 become payable under this subchapter.

35 (2) The option to choose a refund of the members contribution  
36 shall also be afforded to any spouse or dependent parent qualified under this

1 section whose eligibility for the benefit occurred before the passage of this  
2 chapter and who could not exercise that option.

3 (3) Once the refund of the deceased members accumulated  
4 contributions has been made to the surviving spouse or dependent parents under  
5 this subsection, the recipient shall have no future claim to monthly  
6 retirement benefits due to the death of the member.

7 (g)(1) In the event all the annuities provided for in this section  
8 payable on account of the death of a member terminate before there has been  
9 paid an aggregate amount equal to his accumulated contributions standing to  
10 his credit in the members deposit account at the time of his death, the  
11 difference between the accumulated contributions and the aggregate amount of  
12 annuity payments shall be paid to such person as he shall have nominated by  
13 written designation duly executed and filed with the board.

14 (2) If there is no designated person surviving a termination, the  
15 difference shall be paid to the members estate.

16 (h)(1) In the case of a surviving spouse of a deceased member who had  
17 benefits terminated due to remarriage under the provisions of this section,  
18 the surviving spouse of the member shall be entitled to a reinstatement of  
19 benefits upon the death on any subsequent spouse.

20 (2) The benefits shall cease immediately upon the death or  
21 remarriage of the surviving spouse.

22

23 24-6-412. Refund of Contributions.

24 (a)(1) In the event a member leaves the employ of the Department of  
25 Arkansas State Police prior to the date he becomes entitled to retire with a  
26 pension payable from the funds of the State Police Retirement System, he shall  
27 be paid, upon his written application filed with the board, the accumulated  
28 contributions standing to his credit in the members deposit account if his  
29 separation from the employ of the department occurs after five (5) years from  
30 the date he last became a member of the system.

31 (2) If his separation from the employ of the department occurs  
32 within a period of five (5) years from and after the date he last became a  
33 member of the system, he shall be paid upon his written application filed with  
34 the board, his accumulated contributions standing to his credit in the  
35 members deposit account less the total interest credited to his individual  
36 account therein.

1        (b)(1) In the event a member dies and does not leave a beneficiary  
2 entitled to a pension payable from funds of the system, his accumulated  
3 contributions standing to his credit in the members deposit account at the  
4 time of his death shall be paid to such persons as he shall have nominated by  
5 written designation duly executed and filed with the board.

6        (2) If there is no designated person surviving the member, his  
7 accumulated contributions shall be paid in accordance with the laws of descent  
8 and distribution of the State of Arkansas.

9        (3) The payments may be made directly to a curator, guardian,  
10 administrator, or executor authorized to receive such payments wherever the  
11 representative may be with or without the appointment of a representative in  
12 this state.

13        (c) Refunds of a members contributions or accumulated contributions as  
14 the case may be, may be made in equal installments according to such rule and  
15 regulations as the board may adopt from time to time.

16

17        24-6-413. Benefit Provisions - Subjection of Annuity Rights to Process  
18 of Law.

19        (a) The right of a person to an annuity, to the return of accumulated  
20 contributions, the annuity itself, any annuity option, any other right accrued  
21 or accruing under the provisions of the subchapter, and all moneys belonging  
22 to a plan shall not be subject to execution, garnishment, attachment, the  
23 operation on bankruptcy or insolvency laws or any other process of law  
24 whatsoever and shall be unassignable, except as is specifically provided in  
25 this chapter.

26        (b) An employer shall have the right of setoff for any claim arising  
27 from embezzlement by or fraud of a member, retirant, or beneficiary.

28

29        24-6-414. Maximum Benefit Limitation.

30        (a) Notwithstanding any other provisions of this chapter, benefits paid  
31 under the provisions of this chapter shall not exceed the limitations of  
32 Section 415 of the Internal Revenue Code that are applicable to governmental  
33 retirement plans.

34        (b)(1) The Board of Trustees is hereby empowered and authorized to  
35 promulgate all necessary rules and regulations to implement the limitations of  
36 Section 415 of the Internal Revenue Code.

1           (2) The rules and regulations adopted by the Board of Trustees  
2 pursuant to this section shall be amended to reflect any changes in the  
3 content or application of Section 415 of the Internal Revenue Code enacted by  
4 Congress or promulgated by the Internal Revenue Service.

5

6           24-6-415. Exclusion from Deferred Retirement Option Plan.  
7           Members of the Arkansas State Police Retirement System participating in  
8 the benefit program provided by this Subchapter shall not be eligible for  
9 participation in the Deferred Retirement Option Plan provided in Subchapter  
10 Three (3) of this Chapter."

11

12           SECTION 2. Arkansas Code 19-6-301(27) is amended to read as follows:

13           "(27) Insurance premium taxes collected from foreign insurers and  
14 domestic insurers on insurance premiums upon property insured against fire and  
15 extended coverage, tornado, windstorm, cyclone, and hail located in cities,  
16 towns, and fire protection districts which have organized fire departments  
17 which qualify for the firemen's relief and pension funds, as enacted by Act  
18 148 of 1959, and all laws amendatory thereto, §§ 23-60-101 - 23-60-108,  
19 23-60-110, 23-61-101 - 23-61-112, 23-61-201 - 23-61-206, 23-61-301 -  
20 23-61-307, 23-61-401, 23-61-402, 23-62-101 - 23-62-108, 23-62-201, 23-62-202,  
21 23-62-203 [repealed], 23-62-204, 23-62-205, 23-63-101 - 23-63-104, 23-63-201 -  
22 23-63-216, 23-63-301, 23-63-302, 23-63-401 - 23-63-404 [repealed], 23-63-601 -  
23 23-63-613, 23-63-701, 23-63-801 - 23-63-833, 23-63-835 - 23-63-838, 23-63-901  
24 - 23-63-912, 23-63-1001 - 23-63-1004, 23-64-101 - 23-64-103, 23-64-202 -  
25 23-64-229, 23-65-101 - 23-65-104, 23-65-201 - 23-65-205, 23-65-301 -  
26 23-65-319, 23-66-201 - 23-66-214, 23-66-301 - 23-66-306, 23-66-308 -  
27 23-66-311, 23-66-313, 23-66-314, 23-68-101 - 23-68-113, 23-68-115 - 23-68-132,  
28 23-69-101 - 23-69-103, 23-69-105 - 23-69-141, 23-69-143, 23-69-149 -  
29 23-69-156, 23-70-101 - 23-70-124, 23-71-101 - 23-71-116, 23-72-101 -  
30 23-72-122, 23-73-101 - 23-73-116, 23-75-101 - 23-75-120, 23-79-101 -  
31 23-79-106, 23-79-109 - 23-79-128, 23-79-131 - 23-79-134, 23-79-202 -  
32 23-79-210, 23-81-101 - 23-81-117, 23-81-120 - 23-81-136, 23-81-201 -  
33 23-81-213, 23-82-101 - 23-82-118, 23-84-101 - 23-84-111, 23-85-101 -  
34 23-85-131, 23-86-101 - 23-86-104, 23-86-106 - 23-86-109, 23-86-112, 23-87-101  
35 - 23-87-119, 23-88-101, 23-89-101, 23-89-102, 26-57-601 - 26-57-605,  
36 26-57-607, 26-57-608, and 26-57-610; and insurance premium taxes collected

1 from alien and foreign insurers on insurance premiums upon insurance contracts  
 2 written on motor vehicles, the licensed address of which is a qualified city  
 3 or town for the police officers' pension and relief fund, as enacted by Act  
 4 270 of 1981, and all laws amendatory thereto, §§ 24-11-301 - 24-11-303; with  
 5 the exception of those premium taxes set-aside for transfer to the State  
 6 Police Retirement Fund under § 24-6-209(b)."

7

8 SECTION 3. Arkansas Code 24-6-209 is hereby amended to read as follows:  
 9 "24-6-209. Employer's contribution.

10 (a) ~~The Treasurer of State is authorized and directed to annually~~  
 11 ~~transfer from the Department of Arkansas State Police Fund to the State Police~~  
 12 ~~Retirement Fund an amount, called state contributions, which shall be nine and~~  
 13 ~~one-fourth percent (9.25%) of the aggregate salaries paid members of the State~~  
 14 ~~Police Retirement System. The Department of Arkansas State Police, as~~  
 15 employer, shall make contributions to the Arkansas State Police Retirement  
 16 System of twenty-two percent (22%) of active member payroll.

17 (b) ~~When transferred, the state contributions shall be credited to the~~  
 18 ~~employer accumulation account. The Director of the Department of Finance and~~  
 19 Administration, at the request of the Executive Secretary of the Arkansas  
 20 State Police Retirement System, is authorized and directed to make annual  
 21 transfers on each June 30 to the State Police Retirement Fund from the  
 22 remainder of Insurance Premium taxes enumerated in A.C.A. 19-6-301(27) before  
 23 they are transferred to General Revenues enumerated in A.C.A. 19-6-201(19)  
 24 such amounts of money necessary to amortize over a twenty-five (25) year  
 25 period the unfunded liabilities for those members not covered by the  
 26 provisions of A.C.A. 24-6-401 et seq. These transfers are intended to cover  
 27 the unfunded accrued actuarial liabilities of the State Police Retirement Fund  
 28 existing on June 30, 1997 and shall not be used for the purpose of providing  
 29 any benefit enhancements for the State Police Retirement System. Members of  
 30 the Tier One - State Police Retirement System shall not be entitled to any  
 31 benefit enhancements from these transfers unless funds from sources other than  
 32 insurance premium taxes are found to provide for the retirement benefit  
 33 enhancements. The amount of the transfer shall be determined by computing the  
 34 dollar amount required based on the actuarially determined employer rate in  
 35 the most recent annual actuarial valuation and subtracting from that amount  
 36 the statutory contribution amount specified in subsection (a) of this section,



1 the court fees provided by Act 1256 of 1995, and the drivers license renewal  
2 fees provided by Act 730 of 1995.

3 (c) The intent of this section is to provide for funding of any amounts  
4 of unfunded accrued actuarial liabilities of the Tier One - State Police  
5 Retirement Fund existing on June 30, 1997. These transfers shall be limited in  
6 use solely for the purpose of paying those liabilities and nothing more. In  
7 the event the transfers under this section exceed eight hundred thousand  
8 dollars (\$800,000) per fiscal year, the Executive Secretary of the Arkansas  
9 State Police Retirement System shall notify the Joint Committee on Public  
10 Retirement and Social Security Programs which shall then review the use of the  
11 funds and the benefit provisions of the systems and the actuarial reports on  
12 the retirement systems to insure compliance with the intended purpose of the  
13 funds."

14

15 SECTION 4. All provisions of this act of a general and permanent nature  
16 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
17 Revision Commission shall incorporate the same in the Code.

18

19 SECTION 5. If any provision of this act or the application thereof to  
20 any person or circumstance is held invalid, such invalidity shall not affect  
21 other provisions or applications of the act which can be given effect without  
22 the invalid provision or application, and to this end the provisions of this  
23 act are declared to be severable.

24

25 SECTION 6. All laws and parts of laws in conflict with this act are  
26 hereby repealed.

27

28 SECTION 7. EMERGENCY. It is found and determined by the General  
29 Assembly that the current funding provisions of the State Police Retirement  
30 System are inadequate and that the benefit provisions of the system must be  
31 modified to restore the financial security of the system; that this act  
32 accomplishes those purposes; that this act should go into effect as soon as  
33 possible. Therefore, an emergency is declared to exist and this act being  
34 immediately necessary for the preservation of the public peace, health and  
35 safety shall become effective on the date of its approval by the Governor. If  
36 the bill is neither approved nor vetoed by the Governor, it shall become

1 effective on the expiration of the period of time during which the Governor  
2 may veto the bill. If the bill is vetoed by the Governor and the veto is  
3 overridden, it shall become effective on the date the last house overrides the  
4 veto.

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/s/Hopkins et al