

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4
5 By: Senator Hopkins

A Bill

SENATE BILL 401

For An Act To Be Entitled

9 "AN ACT TO AUTHORIZE THE BOARD OF TRUSTEES OF THE ARKANSAS
10 STATE HIGHWAY EMPLOYEES RETIREMENT SYSTEM TO ESTABLISH A
11 DEFERRED RETIREMENT OPTION PLAN FOR ITS MEMBERS; TO
12 PRESCRIBE SOME GUIDELINES FOR A DEFERRED OPTION PLAN; TO
13 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

16 "TO AUTHORIZE THE BOARD OF TRUSTEES OF
17 THE ARKANSAS STATE HIGHWAY EMPLOYEES
18 RETIREMENT SYSTEM TO ESTABLISH A
19 DEFERRED RETIREMENT OPTION PLAN FOR ITS
20 MEMBERS."

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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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24 SECTION 1. The Board of Trustees of the Arkansas State Highway
25 Employees Retirement System may establish a deferred retirement option plan
26 for its members so that, in lieu of terminating employment, they might
27 continue with employment and accept a service retirement benefit pursuant to
28 Arkansas Code §§ 24-5-101, et seq. The Board of Trustees of the Arkansas
29 State Highway Employees Retirement System shall be authorized to promulgate
30 rules and regulations for a plan to provide this deferred retirement option to
31 its members as is appropriate to maintain a goal of zero-cost to the System.

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33 SECTION 2. (a) In the event a plan is established, the State Highway
34 Employees Deferred Retirement Option Plan shall have, as a minimum,
35 provisions which require:

36 (1) The Board of Trustees to approve of the persons participation

1 in the plan;

2 (2) The members deferred retirement benefits to be deposited into
 3 an account in which shall be accumulated the members deferred option
 4 contributions, plus interest;

5 (3) The rate of interest to be credited to each members deferred
 6 option account shall be an amount to be determined by the Board of Trustees
 7 and to be paid on the mean balance in the account for the fiscal year;

8 (4) That when a member begins participation in the deferred
 9 retirement option, the members contributions and the states contributions, as
 10 employer, to the system shall cease;

11 (5) That a members selection of the deferred retirement option,
 12 the time of the retirement deferral, and the selection of the retirement
 13 annuity are irrevocable; and

14 (6) The duration of participation in the deferred retirement shall
 15 not exceed five (5) years.

16 (b) The Board of Trustees of the Arkansas State Highway Employees
 17 Retirement System may determine any other provisions of the plan, such as the
 18 amount of credited service to participate, the method of collections for
 19 participants of the plan, and the payment methods in the event of the death of
 20 a participant.

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22 SECTION 3. No benefit enhancement provided for by this act shall be
 23 implemented if it would cause the publicly supported retirement systems
 24 unfunded actuarial accrued liabilities to exceed a thirty (30) year
 25 amortization. No benefit enhancement provided for by this act shall be
 26 implemented by any publicly supported system which has unfunded actuarial
 27 accrued liabilities being amortized over a period exceeding thirty (30) years
 28 until the unfunded actuarial accrued liability is reduced to a level less than
 29 the standards prescribed by Arkansas Code §§ 24-1-101, et seq.

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31 SECTION 4. All provisions of this act of general and permanent nature
 32 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 33 Revision Commission shall incorporate the same in the Code.

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35 SECTION 5. If any provisions of this act or the application thereof to
 36 any person or circumstance is held invalid, the invalidity shall not affect

1 other provisions or applications of the act which can be given effect without
2 the invalid provisions or application, and to this end the provisions of this
3 act are declared to be severable.

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

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8 SECTION 7. Emergency. It is hereby found and determined by the
9 Eighty-First General Assembly of the State of Arkansas that the retention of
10 experienced employees, especially in skilled labor positions and highway
11 engineers, is beneficial to the Arkansas highway system and with the hiring of
12 employees at younger ages, more qualified and experienced employees are
13 reaching retirement eligibility earlier in their careers and that immediate
14 passage of the act is essential to the efficient administration of state
15 government and implementation of the provisions of this act is necessary to
16 begin at the start of the States fiscal year. Therefore, an emergency is
17 hereby declared to exist, and this act being necessary for the immediate
18 preservation of the public peace, health, and safety, shall become effective
19 July 1, 1997.

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