

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

A Bill

SENATE BILL 408

4
5 By: Senators Fitch, Hopkins, Mahony, and Jeffries
6 By: Representatives Dawson, Curran, Faris, and Rodgers

For An Act To Be Entitled

9 "AN ACT TO AMEND VARIOUS SECTIONS OF CHAPTERS 2 AND 3 OF
10 TITLE 24, OF THE ARKANSAS CODE OF 1987, ANNOTATED, AND
11 ARKANSAS CODE § 24-10-505, REGARDING THE PUBLIC SAFETY
12 MEMBER SERVICE UNDER THE PUBLIC EMPLOYEES' RETIREMENT
13 SYSTEM FOR NEW HIRES; TO DECLARE AN EMERGENCY; AND FOR
14 OTHER PURPOSES."

Subtitle

15
16
17 "TO ELIMINATE THE PUBLIC SAFETY MEMBER
18 SERVICE CREDIT FOR NEW HIRES EMPLOYED
19 AFTER JULY 1, 1997 FOR THE PUBLIC
20 EMPLOYEES' RETIREMENT SYSTEM."

21
22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

23
24 SECTION 1. Subdivision (3) of Arkansas Code § 24-2-401, regarding the
25 definitions for reciprocal service credit among the state-supported retirement
26 systems, is amended to read as follows:

27 "(3) Public safety service covered by the Arkansas Public Employees'
28 Retirement System means service as a public safety member as defined in
29 § 24-3-102(5) and by a person who was employed prior to July 1, 1997."

30
31 SECTION 2. Subdivision (6) of Arkansas Code § 24-2-402, regarding
32 eligibility provisions for reciprocal service credit among the state-supported
33 retirement systems, is amended to read as follows:

34 "(6) Upon termination of public safety service with all Arkansas
35 governmental units, a public safety employee who was employed prior to July 1,
36 1997 and whose public safety service was covered at different times by the

1 Arkansas Public Employees' Retirement System and by the Arkansas Local Police
2 and Fire Retirement System shall receive retirement benefits based upon public
3 safety service covered by either system if all of the following conditions are
4 satisfied:

5 (A) The total of public safety service credit in the Arkansas
6 Public Employees' Retirement System and the Arkansas Local Police and Fire
7 Retirement System is at least twenty (20) years, provided the provisions of
8 § 24-3-301(b) are not used to meet the service requirements; and

9 (B) The benefit payable by each system shall be based upon the
10 service credit with that system, the benefit program the system had in effect
11 at the time the member terminated service covered by the system, and his
12 service and pay covered by the system while the service was being rendered;"
13

14 SECTION 3. Subdivision (5) of Arkansas Code § 24-3-102, regarding
15 definitions for the Public Employees' Retirement System, is amended to read as
16 follows:

17 "(5) Public safety member means a member whose covered employment is
18 for personal services as a police officer or fire fighter and his or her
19 employment occurred prior to July 1, 1997.

20 (A)(i) Police officer means any regular or permanent employee
21 whose primary duty is law enforcement of a municipal police department, a
22 county sheriff's office, or the Department of Arkansas State Police, including
23 probationary police officers, and shall also include wildlife officers of the
24 Arkansas State Game and Fish Commission and all officers and the Director of
25 the State Capitol Police within the office of the Secretary of State.

26 (ii) The term police officer shall not include any
27 civilian employee of a police department or any person temporarily employed as
28 a police officer during an emergency.

29 (B) Fire fighter means any regular or permanent employee of a
30 fire department whose primary duty is fire fighting, including probationary
31 fire fighters, but the term fire fighter shall not include any civilian
32 employee of a fire department or any person temporarily employed as a fire
33 fighter during an emergency.

34 (C) The term public safety member shall not include a member
35 whose employment as a police officer or fire fighter occurred on or after July
36 1, 1997;"

1

2 SECTION 4. Arkansas Code § 24-3-106 is amended to read as follows:

3 "24-3-106. Determination of benefits for wildlife officers -
4 Responsibility for additional costs.

5 (a) For purposes of determining benefits under this chapter, all
6 credited service, whenever earned, of persons employed as wildlife officers of
7 the Arkansas State Game and Fish Commission on July 4, 1983, and of persons
8 thereafter employed in such positions prior to July 1, 1997 shall be treated
9 as public safety member service.

10 (b) The additional cost to the system of this section shall be the
11 responsibility of the Arkansas State Game and Fish Commission, and the
12 commission shall pay to the system any additional percent of covered payroll,
13 as computed by actuarial determination, at the same time as employer
14 contributions are paid by law for other commission employees.

15 (c) It is the specific intent of this section to provide that the
16 contributions determined by actuarial valuation shall be in addition to those
17 required by § 24-3-103(c).

18 (d)(1) Any person who, on July 3, 1989, is covered by a state-supported
19 retirement system and who, on July 4, 1983, was a member of the system in a
20 position defined by the system as public safety member shall receive credit
21 for public safety member service for any service as a wildlife officer with
22 the Arkansas State Game and Fish Commission, which service was rendered before
23 July 4, 1983.

24 (2) Provided, the additional cost to the system shall be the
25 responsibility of the member, and he shall pay to the system any additional
26 cost, as computed by actuarial determination."

27

28 SECTION 5. Arkansas Code § 24-3-107 is amended to read as follows:

29 "24-3-107. Benefits for State Capitol Police - Responsibility for
30 additional costs.

31 (a) For purposes of determining retirement benefits under this chapter,
32 all credited service, whenever earned, of persons employed as an officer or as
33 the Director of the State Capitol Police by the office of the Secretary of
34 State on August 13, 1993, and of persons thereafter employed in such positions
35 prior to July 1, 1997, shall be treated as public safety member service.

36 (b) The additional cost to the system of this section shall be the

1 responsibility of the office of the Secretary of State, and the office shall
 2 pay to the system any additional percent of covered payroll, as computed by
 3 actuarial determination, at the same time as employer contributions are paid
 4 by law for other employees.

5 (c) It is the specific intent of this section to provide that the
 6 contributions determined by actuarial valuation shall be in addition to those
 7 required by § 24-3-103(c).

8 (d) The retirement credits for which the officers of the State Capitol
 9 Police within the office of the Secretary of State would be eligible under
 10 this section shall apply retroactively to the implementation of § 24-3-101 et
 11 seq., except that eligibility for the retroactive benefits shall be restricted
 12 to employees who retire after July 1, 1993."

13

14 SECTION 6. Arkansas Code § 24-3-206 is amended to read as follows:

15 "24-3-206. Benefit provisions - Termination of employment. [Effective
 16 July 1, 1997.]

17 (a) A member who terminates named plan employment before attaining his
 18 normal retirement age, for a reason other than death or early retirement or
 19 disability retirement, shall be entitled to an annuity computed in accordance
 20 with the provisions of subsection (b) of this section as it provides at time
 21 of last termination of employment, subject to the member's satisfying all of
 22 the following conditions:

23 (1)(A) Except for members of the General Assembly, who must have
 24 at least ten (10) years of credited service, the member has five (5) or more
 25 years of total credited service with named plans or with reciprocal systems
 26 under the provisions of §§ 24-2-401 - 24-2-405 if, in establishing the minimum
 27 total credited service, periods of credited service covering the same calendar
 28 time shall be counted only once. However, both service in the Arkansas Public
 29 Employees' Retirement System as a member of the General Assembly and service
 30 in another reciprocal system during the same period of time may be counted to
 31 meet the service requirements for benefits from the reciprocal systems,
 32 subject to the following:

33 (i) The provisions of § 24-3-301 may not be used to
 34 meet the service requirements; and

35 (ii) The benefit payable by a reciprocal system will
 36 be based on the credited service in that system and on the final average pay

1 under that system.

2 (B) If a member has fewer than five (5) actual years of
3 service credited in a reciprocal system, then final average pay means the
4 monthly average of pay to him during his total years of service in that
5 system;

6 (2) The member lives to his annuity starting date;

7 (3) The member makes written application for retirement and
8 payment of the annuity to the plan on or after the date which is ninety (90)
9 days before the date he attains his normal retirement age;

10 (4) The annuity starting date shall be the first day of the
11 calendar month next following the later of either the attainment of normal
12 retirement age or receipt of the application; and

13 (5) Upon termination of public safety service with all Arkansas
14 governmental units, a public safety employee who was employed prior to July 1,
15 1997 and whose public safety service was covered at different times by the
16 Arkansas Public Employees' Retirement System and by the Arkansas Local Police
17 and Fire Retirement System shall receive retirement benefits based upon public
18 safety service covered by either system if all of the following conditions are
19 satisfied:

20 (A) Public safety service covered by the Arkansas Public
21 Employees' Retirement System means service as a public safety member as
22 defined in § 24-3-102 and by a person who was employed prior to July 1, 1997;
23 and

24 (B) The total of public safety service credit in the
25 Arkansas Public Employees' Retirement System and the Arkansas Local Police and
26 Fire Retirement System is at least twenty (20) years, provided the provisions
27 of § 24-3-301(b) are not used to meet the service requirements; and

28 (C) The benefit payable by each system shall be based upon
29 the service credit with that system, the benefit program the system had in
30 effect at the time the member terminated service covered by the system, and
31 his service and pay covered by the system while the service was being
32 rendered.

33 (b) The monthly amount of vested termination annuity shall be computed
34 in the same manner as a normal annuity amount provided for in § 24-3-201(e),
35 but it shall be based upon the member's credited service and final average pay
36 at the time of termination of named plan employment.

1 (c) The member shall have the right to elect an option provided for in
2 § 24-3-203."

3

4 SECTION 7. Arkansas Code § 24-3-301 is amended to read as follows:

5 "24-3-301. Credited service generally. [Effective July 1, 1997.]

6 (a) The governing body of each named plan shall establish the amounts
7 of service to be credited its members subject to the provisions of subsection
8 (b) of this section.

9 (b)(1) Employment service by a person who was employed prior to July 1,
10 1997 as a public safety member shall be credited at one and one-half (1 1/2)
11 times the regular rate for crediting service and employment service by persons
12 employed on and after July 1, 1997 shall be credited at the regular rate for
13 crediting service, except that at least five (5) years of actual service shall
14 be required to meet the retirement eligibility requirements of §§ 24-3-201(a)
15 and (b), 24-3-206(a), 24-3-207(a), and 24-3-208, and at least five (5) years
16 of actual service shall be required to meet the eligibility requirements of
17 § 24-3-209.

18 (2) Employment as Governor shall be credited as service at three
19 (3) times the regular rate for credited service, except that at least four (4)
20 years of actual service shall be required to meet the retirement eligibility
21 requirements of §§ 24-3-201(a) and (b), 24-3-206(a), 24-3-207(a), and
22 24-3-208, and at least five (5) years of actual service shall be required to
23 meet the eligibility requirements of § 24-3-209.

24 (3) Employment as an elected state constitutional officer shall
25 be credited at two and one-half (2 1/2) times the regular rate for crediting
26 service, except that at least five (5) years of actual service shall be
27 required to meet the retirement eligibility requirements of §§ 24-3-201(a) and
28 (b), 24-3-206(a), 24-3-207(a), and 24-3-208, and at least five (5) years of
29 actual service shall be required to meet the eligibility requirements of
30 § 24-3-209.

31 (4)(A) Employment as a member of the General Assembly shall be
32 credited at the regular rate for crediting service, except that at least ten
33 (10) years of actual service shall be required to meet the retirement
34 eligibility requirements of §§ 24-3-201(a) and (b), 24-3-206(a), 24-3-207(a),
35 and 24-3-208, and at least five (5) years of actual service shall be required
36 to meet the eligibility requirements of § 24-3-209.

1 (B) A member of the General Assembly who at any time has
2 served at least six (6) months during a two-year term in the General Assembly
3 shall be credited with no more than one (1) year's actual service.

4 (5) Employment as an elected public official other than Governor
5 or an elected state constitutional officer or a member of the General Assembly
6 shall be credited as service at two (2) times the regular rate for crediting
7 service, except that at least five (5) years of actual service shall be
8 required to meet the retirement eligibility requirements of § 24-3-201(a) and
9 (b), 24-3-206(a), 24-3-207(a), and 24-3-208, and at least five (5) years of
10 actual service shall be required to meet the eligibility requirements of
11 § 24-3-209.

12 (c) As used in this section, elected state constitutional officer
13 means the Lieutenant Governor, Attorney General, Secretary of State, Auditor
14 of State, Treasurer of State, and Commissioner of State Lands."

15

16 SECTION 8. Arkansas Code § 24-10-505 is amended to read as follows:

17 "24-10-505. Public safety service with two other Arkansas systems.

18 (a)(1) Public safety service, for the purpose of this section, means
19 paid service as a police officer or fire fighter or service as a public safety
20 member with the Public Employees' Retirement System by a person whose
21 employment occurred prior to July 1, 1997;

22 (2) Related system, for the purpose of this section, means any
23 of three (3) retirement systems: the Arkansas Local Police and Fire Retirement
24 System, the Arkansas Public Employees' Retirement System, or the State Police
25 Retirement System.

26 (b) Upon termination of public safety service with all Arkansas
27 governmental units, a public safety employee whose public safety service was
28 covered at different times by more than one (1) related system shall receive
29 retirement benefits based upon public safety service covered by a related
30 system if the total of public safety service credit with all related systems
31 is at least twenty (20) years, provided the provisions of § 24-3-301(b) are
32 not used to meet this total service requirement. The minimum service
33 requirements for an age and service benefit shall then be considered to be
34 satisfied for each related system.

35 (c) The benefit payable by each related system shall be based upon the
36 service credit with that system, the benefit program the related system had in

1 effect at the time the member terminated service covered by the related
2 system, and his service and pay covered by the related system while the
3 service was being rendered."
4

5 SECTION 9. All provisions of this act of general and permanent nature
6 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
7 Revision Commission shall incorporate the same in the Code.
8

9 SECTION 10. If any provisions of this act or the application thereof to
10 any person or circumstance is held invalid, the invalidity shall not affect
11 other provisions or applications of the act which can be given effect without
12 the invalid provisions or application, and to this end the provisions of this
13 act are declared to be severable.
14

15 SECTION 11. All laws and parts of laws in conflict with this act are
16 hereby repealed.
17

18 SECTION 12. Emergency. It is hereby found and determined by the
19 Eighty-First General Assembly of the State of Arkansas that public safety
20 members for the Public Employees' Retirement System earn credit at one and
21 one-half times the normal rate of service credit; that the dollar cost to the
22 System of this service credit is too expensive and is escalating with the
23 addition of other groups of employees as public safety members; and that it is
24 necessary to restrain the future use and costs to the System of this service
25 credit and to implement this act at the beginning of the States' fiscal year.
26 Therefore, in order to reduce the financial burden on the Public Employees
27 Retirement System, an emergency is hereby declared to exist, and this act
28 being necessary for the immediate preservation of the public peace, health,
29 and safety, shall become effective July 1, 1997.
30
31
32
33
34
35
36