

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: H4/1/99 S4/6/99

A Bill

HOUSE BILL 1076

5 By: Representative Faris
6
7

For An Act To Be Entitled

8
9 "AN ACT CONCERNING THE JUDICIAL RETIREMENT SYSTEM AND
10 VARIOUS OTHER RETIREMENT SYSTEMS; AND FOR OTHER
11 PURPOSES."
12

Subtitle

13
14 "AN ACT CONCERNING THE JUDICIAL
15 RETIREMENT SYSTEM AND VARIOUS OTHER
16 RETIREMENT SYSTEMS."
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. (a) The Board of Trustees of the Judicial Retirement System
22 shall present to the Joint Committee on Public Retirement and Social Security
23 Programs information concerning the statutory authority and actuarial
24 appropriateness of proposed board actions to establish or revise a multiplier
25 or any benefit.

26 (b) An individual who received a refund of contributions from the
27 Judicial Retirement System after January 1, 1998, may repay the contributions
28 to the Judicial Retirement System no later than six (6) months after the
29 effective date of this act.
30

31 SECTION 2. Arkansas Code 24-4-801 is amended to read as follows:

32 "24-4-801. Participation.

33 (a) In lieu of terminating employment and accepting a retirement
34 benefit under the Arkansas Public Employees' Retirement System (PERS) pursuant
35 to Title 24, Chapters 2 and 3 of the Arkansas Code of 1987, any person who is
36 a member of the Arkansas Public Employees' Retirement System and who meets the

1 conditions specified in the subsection (b) of this section may elect to
 2 participate in the PERS-Deferred Retirement Option Plan and to defer the
 3 receipt of retirement benefits in accordance with the provisions of this
 4 subchapter.

5 (b) The ~~minimum~~ conditions required for full participation in the PERS-
 6 Deferred Retirement Option Plan are that the member must have at least thirty
 7 (30) years of actual service in the Arkansas Public Employees' Retirement
 8 System.

9 (c) The Board of Trustees of the Arkansas Public Employees' Retirement
 10 System, in consultation with its actuary, may promulgate rules and regulations
 11 lowering the required years of service for entry into the PERS-Deferred
 12 Retirement Option Plan to an amount of not less than twenty-eight (28) years
 13 of service, subject to an early participation reduction. The reduction will
 14 be computed in a manner that is both equitable to all members and actuarially
 15 appropriate for the System."

16
 17 SECTION 3. Arkansas Code 24-4-803 (a) is amended to read as follows:

18 "(a)(1) The member's deferred benefit shall be the monthly benefit to
 19 which the member would have been entitled if the member had thirty (30) years
 20 of service and had actually retired on the member's deferred retirement option
 21 date with regard to the provisions of § 24-3-203 related to annuity options.

22 (2) If the member has less than thirty (30) years of actual service,
 23 but at least twenty-eight (28) years of service, the portion of the member's
 24 deferred benefit that is contributed to the deferred retirement option plan
 25 will be reduced by such percentage as is established by the Board of Trustees
 26 of the Arkansas Public Employees' Retirement System, and then shall be subject
 27 to the additional computations as set forth below."

28
 29 SECTION 4. The Board of Trustees of the Arkansas Public Employees'
 30 Retirement System shall present to the Joint Committee on Public Retirement
 31 and Social Security Programs information concerning the statutory authority
 32 and actuarial appropriateness of proposed board actions to establish or revise
 33 a multiplier, any benefit, or a provision of a deferred retirement option
 34 plan.

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 36 SECTION 5. Arkansas Code 24-5-112 is amended to add an additional

1 subsection to read as follows:

2 "(c) The Board of Trustees of the Arkansas State Highway Employees'
3 Retirement System, by regulation, may reduce the amount of creditable service
4 required to retire voluntarily regardless of age from thirty (30) years of
5 creditable service to an amount of no less than twenty-eight (28) years of
6 creditable service, if the board determines that the change is fair and just
7 to the members of the system and that it is actuarially appropriate."

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9 SECTION 6. Arkansas Code Title 24, Chapter 5, Subchapter 2 is amended
10 to add the following additional section:

11 "24-5-204. Early Participation.

12 (a) The Board of Trustees of the Arkansas State Highway Employees'
13 Retirement System, in consultation with its actuary, may promulgate rules and
14 regulations to lower the required years of service for entry into the deferred
15 retirement option plan authorized by this subchapter, subject to any early
16 participation reduction. The reduction will be computed in a manner that is
17 both equitable and actuarially appropriate for the system.

18 (b) This section shall apply only to entry into the deferred retirement
19 option plan by a person who has twenty-eight (28) or twenty-nine (29) years of
20 creditable service and whose eligibility for retirement is based on
21 regulations adopted pursuant to § 24-5-112 (c)."

22

23 SECTION 7. The Board of Trustees of the Arkansas State Highway
24 Employees' Retirement System shall present to the Joint Committee on Public
25 Retirement and Social Security Programs information concerning the statutory
26 authority and actuarial appropriateness of proposed board actions to establish
27 or revise any benefit or a provision of a deferred retirement option plan.

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29 SECTION 8. Arkansas Code 24-5-125, as amended by Act 311 of 1999, is
30 amended to read as follows:

31 "24-5-125. Eligibility to receive increase in benefits.

32 (a) ~~Any~~ In order to help offset the costs of health insurance and health
33 care, any individual who is receiving benefits from the Arkansas State Highway
34 Employees' Retirement System prior to, on, or subsequent to, July 1, 1991
35 1999, shall have added to his or her annuity as determined pursuant to § 24-5-
36 115 ~~no less than~~ the sum of ~~fifty (\$50.00)~~ one hundred twenty-five dollars

1 (\$125) per month, provided, the board may elect and is granted the authority
2 to increase that additional monthly sum to all such individuals in an amount
3 determined by the board as necessary to help offset the ever escalating costs
4 of health insurance and health care, provided; further, such additional
5 monthly sum shall not exceed two hundred-fifty dollars (\$250) per month. No
6 benefit enhancement provided by this section shall be implemented if it would
7 cause the publicly supported retirement system's unfunded actuarial accrued
8 liabilities to exceed a thirty-year amortization.

9 ~~(b)(1) If an individual is also receiving benefits as a result of~~
10 ~~credited service under one (1) or more of the other reciprocal systems, as~~
11 ~~such systems as enumerated in § 24-2-401, that individual shall receive a pro~~
12 ~~rata portion of the amount set forth in subsection (a) of this section from~~
13 ~~the system.~~

14 ~~(2) That pro rata portion shall be determined by dividing the years~~
15 ~~of creditable service with the Arkansas State Highway and Transportation~~
16 ~~Department by the member's or deceased member's total years of creditable~~
17 ~~service with all reciprocal systems.~~

18 ~~(c) The increase in benefits as provided in this section shall be added~~
19 ~~to the base annuity for the purpose of computing the annual postretirement~~
20 ~~increase as provided in § 24-5-119(a) for the benefit redetermination for the~~
21 ~~year beginning July 1, 1991, and ending June 30, 1992, and for all years~~
22 ~~thereafter.~~

23 (b) The Board of Trustees of the Arkansas State Highway Employees'
24 Retirement System may, in its discretion, prorate the benefits provided under
25 this section for all individuals retiring after June 30, 1999 if the
26 individual is also eligible for an additional monthly benefit as a result of
27 credited service under one (1) or more of the other reciprocal systems, as
28 such systems are enumerated in § 24-2-401."

29
30 SECTION 9. No benefit enhancement provided for by this act shall be
31 implemented if it would cause the publicly supported retirement system's
32 unfunded actuarial accrued liabilities to exceed a thirty (30) year
33 amortization. No benefit enhancement provided for by this act shall be
34 implemented by any publicly supported system which has unfunded actuarial
35 accrued liabilities being amortized over a period exceeding thirty (30) years
36 until the unfunded actuarial accrued liability is reduced to a level less than

1 the standards prescribed by Arkansas Code, Title 24.

2
3 SECTION 10. Effective dates.

4 Sections 2 and 3 of this act shall not be effective until the effective
5 date for acts of Regular Session of the Eighty-second General Assembly that do
6 not have an Emergency Clause.

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8 SECTION 11. All provisions of this act of a general and permanent
9 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
10 Code Revision Commission shall incorporate the same in the Code.

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

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18 SECTION 13. All laws and parts of laws in conflict with this act are
19 hereby repealed.

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21 SECTION 14. EMERGENCY CLAUSE. It is found and determined by the
22 Eighty-second General Assembly of the State of Arkansas that Act 311 of 1999
23 changes the amount of additional monthly benefits in the State Highway
24 Employees' Retirement System and they are necessary for the continued
25 financial stability of the current retirees, that clarifications are needed in
26 order to make Act 311 take effect in an orderly fashion, that these changes in
27 Act 311 must then take effect at the same time Act 311 becomes effective, and
28 that it is necessary to implement the changes in benefits at the beginning of
29 the current fiscal year. Therefore an emergency is declared to exist and this
30 act, except for Sections 2 and 3, being immediately necessary for the
31 preservation of the public peace, health and safety shall become effective on
32 July 1, 1999.

33 /s/ Fari s
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