

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

# A Bill

HOUSE BILL 1505

5 By: Representative Booker  
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## For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 24-11-434 TO SPECIFY  
10 THAT POLICE OFFICERS PARTICIPATING UNDER DEFERRED  
11 RETIREMENT OPTION PLANS SHALL BE TREATED AS REGULAR  
12 EMPLOYEES OF THE POLICE DEPARTMENT FOR ALL OTHER  
13 FRINGE BENEFITS AND FOR THE OTHER RETIREMENT BENEFIT  
14 PROVISIONS OF THE POLICEMEN'S PENSION AND RELIEF FUND;  
15 TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES. "

## Subtitle

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18 "TO SPECIFY THAT POLICE OFFICERS  
19 PARTICIPATING IN DROP WILL BE TREATED AS  
20 EMPLOYEES OF POLICE DEPARTMENT FOR  
21 FRINGE BENEFITS AND OTHER RETIREMENT  
22 BENEFITS OF THE POLICE PENSION FUND. "  
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. Arkansas Code § 24-11-434(a), regarding the deferred  
28 retirement option plan for a policemen's pension and relief fund, is amended  
29 to read as follows:

30 "(a)(1) In lieu of terminating employment and accepting a service  
31 retirement pension pursuant to § 24-11-401 et seq., any police officer who is  
32 a member of a policemen's pension and relief fund who has not less than twenty  
33 (20) years of credited service and who is eligible to receive a service  
34 retirement pension may elect to participate in the Arkansas Police Officers'  
35 Deferred Option Plan and defer the receipt of benefits in accordance with the  
36 provisions of this section, provided that the board of trustees of the local

1 policemen's pension and relief fund approves the participation in the plan.

2 (2) For purposes of this section, credited service shall include  
3 service credit recognized pursuant to this subchapter.

4 (3) Any police officer who is a member of a policemen's pension  
5 and relief fund and who is participating in the Arkansas Police Officers'  
6 Deferred Option Plan shall be treated as a regular employee for all his or her  
7 employer's fringe benefits and for other provisions of this subchapter,  
8 including specifically the death benefit provisions under 24-11-425."

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10 SECTION 2. Arkansas Code § 24-11-434(d), regarding the deferred  
11 retirement option plan for a policemen's pension and relief fund, is amended  
12 to read as follows:

13 "(d)(1) When a member begins participation in the Arkansas Police  
14 Officers' Deferred Option Plan, the contribution of the police officer and the  
15 employer contribution shall continue to be paid.

16 (2) Municipal matching contributions for employees who elect the  
17 Arkansas Police Officers' Deferred Option Plan shall be credited equally to  
18 the policemen's pension and relief fund and to the Arkansas Police Officers'  
19 Deferred Option Plan.

20 (3) The monthly retirement benefits that would have been payable  
21 had the member elected to cease employment and receive a service retirement  
22 shall be paid into the Arkansas Police Officers' Deferred Option Plan account.

23 (4) Otherwise, a participating police officer shall be considered  
24 as a regular employee and shall be eligible for all of his or her employer's  
25 fringe benefits and treated as an active member for other provisions of this  
26 subchapter, including specifically the death benefit provisions under 24-11-  
27 425."

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29 SECTION 3. No benefit enhancement provided for by this act shall be  
30 implemented if it would cause the publicly supported retirement system's  
31 unfunded actuarial accrued liabilities to exceed a thirty (30) year  
32 amortization. No benefit enhancement provided for by this act shall be  
33 implemented by any publicly supported system which has unfunded actuarial  
34 accrued liabilities being amortized over a period exceeding thirty (30) years  
35 until the unfunded actuarial accrued liability is reduced to a level less than  
36 the standards prescribed by Arkansas Code, Title 24.

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

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

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

SECTION 7. EMERGENCY CLAUSE. It is hereby found and determined by the Eighty-second General Assembly that there has been confusion over the status of police officers participating under deferred retirement option plans (DROPs) in policemen's pension and relief funds, that their status as regular employees needs to be clarified and that they are eligible for all fringe benefits and should be treated as regular employees for things such as survivor's benefits under the pension benefit plan, and that to avoid further confusion and loss of benefits by participants this act should take effect as soon as possible. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto.