

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

*As Engrossed: S1/20/99 S2/3/99 S2/9/99*

# A Bill

SENATE BILL 49

4  
5 By: Senator Hopkins  
6  
7

## For An Act To Be Entitled

9 "AN ACT TO ESTABLISH A TIER TWO ACTUAL JUDICIAL  
10 SERVICE BENEFIT PLAN FOR THE ARKANSAS JUDICIAL  
11 RETIREMENT SYSTEM; TO AMEND ARKANSAS CODE 24-2-501 TO  
12 CONFORM WITH THIS ACT; TO REPEAL THE DEFERRED  
13 RETIREMENT OPTION PLAN FOR THE JUDICIAL RETIREMENT  
14 SYSTEM; AND FOR OTHER PURPOSES."

## Subtitle

16 "AN ACT TO ESTABLISH A TIER TWO ACTUAL  
17 JUDICIAL SERVICE BENEFIT PLAN FOR THE  
18 ARKANSAS JUDICIAL RETIREMENT SYSTEM AND  
19 TO REPEAL THE DEFERRED RETIREMENT OPTION  
20 PLAN FOR THE JUDICIAL RETIREMENT SYSTEM."  
21  
22  
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
25

26 SECTION 1. Arkansas Code Title 24, Chapter 8 is amended to add the  
27 following new language:

28 "Subchapter 7 - Tier Two Actual Judicial Service Benefit Plan.

29 24-8-701. Legislative History, Findings And Intent.

30 (a) It is found and determined by the General Assembly that the  
31 creation of the Tier Two Actual Judicial Service Plan is part of a history of  
32 judicial retirement legislation that has sought to develop a more equitable  
33 retirement system for judges and thereby remove the need for judges to be  
34 involved in the political process through lobbying for retirement benefits and  
35 privileges.

36 (b)(1) At one time member contributions were not sufficient to fund the

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1 system and therefore it was necessary for the Chief Justice and other members  
2 of the judicial system to ask the General Assembly for funds to pay benefits  
3 for retired judges and justices. In 1983 the need for members of the  
4 judiciary to be involved in the political process was reduced by the  
5 establishment of an actuarial funding method and by transfer of the  
6 administration of the Judicial Retirement System to the Public Employees  
7 Retirement System.

8 (2) Initially the Judicial Retirement System allowed a judge with  
9 fifteen (15) years of elective service to retire upon reaching sixty-five (65)  
10 years of age. However, this system was awkward and some judges with many  
11 years of service did not qualify for benefits because the system did not  
12 provide for graduated benefits. Because of this 'all or nothing' plan, the  
13 law has been amended a number of times to help judges qualify for benefits  
14 through use of credited service.

15 (3) The use of credited service substantially changed the  
16 Judicial Retirement System. The system was changed to allow an active member  
17 with ten (10) years of credited service to retire upon reaching sixty-five  
18 (65) years of age and to allow other members with twenty (20) years of  
19 credited service to retire regardless of age, or a member with fourteen (14)  
20 years service to retire upon reaching age sixty-five (65) years. At the time  
21 of the passage of this act, the average retirement benefit paid by the  
22 Judicial Retirement System is based on approximately twelve (12) years of  
23 actual service.

24 (4) The reasons for including credited service are not as strong  
25 as they once were because reciprocity exists among state supported retirement  
26 systems. A judge with military service and who is employed or becomes  
27 employed in a position covered by another state supported retirement system  
28 may obtain credited service in the other system for that military service.

29 (5) In 1997 legislation was adopted to authorize the  
30 establishment of a judicial deferred retirement option plan. The legislation  
31 was enacted in response to the average retirement benefit paid by the Judicial  
32 Retirement System being based on only twelve (12) years of actual service.  
33 The legislature sought to encourage longer actual service by judges and  
34 justices.

35 (6) For two (2) years the Joint Committee on Public Retirement  
36 and Social Security Programs and the Arkansas Judicial Council discussed ways

1 to establish a fair retirement system and to eliminate the need for members of  
2 the judicial system to be involved in the political process in order to obtain  
3 equitable treatment. It was agreed that the Judicial Retirement System had  
4 good benefits but that other aspects of the system needed revision. After  
5 discussion and negotiation between the Joint Committee on Public Retirement  
6 and Social Security Programs and the Arkansas Judicial Council it was agreed  
7 that the authorization for a judicial deferred retirement option plan should  
8 be repealed and that a new system judicial retirement plan should be  
9 established that would be based on actual service and which would provide  
10 graduated benefits for judges and justices.

11 (c) It is found and determined by the General Assembly that the  
12 legislative history of the development of the Tier Two Actual Judicial Service  
13 Plan demonstrates that the purpose of this act is to provide a fair retirement  
14 plan based on actual service and to provide for graduated benefits for retired  
15 judges and justices. Therefore, any future attempt to add credited service  
16 into this plan would run contrary to the legislative history of this act and  
17 the agreements that resulted in the adoption of this plan, and would  
18 constitute a major breach of a negotiated change in judicial retirement that  
19 balanced the removal credited service provisions with provisions to allow  
20 judges and justices to have graduated benefits and earlier benefit rights.

21  
22 24-8-702. Definitions.

23 As used in this subchapter:

24 (1) 'Board' means the Board of Trustees of the Arkansas Judicial  
25 Retirement System;

26 (2) 'Consumer price index' means the consumer price index for all urban  
27 consumers, as determined by the United States Department of Labor, in effect  
28 on January 1, 1999; except that if the consumer price index is subsequently  
29 reconstructed in a manner materially changing its character, the board, after  
30 receiving the advice of the actuary, shall change the application of the  
31 consumer price index so that, as far as practicable, the intent of the use of  
32 the consumer price index shall be continued;

33 (3) 'Executive director' means the executive director of the Arkansas  
34 Public Employees' Retirement System; and

35 (4) 'System' means the Arkansas Judicial Retirement System.  
36

1       24-8-703. Creation of Tier Two Actual Judicial Service Benefit Plan.  
2       A Tier Two Actual Judicial Service Benefit Plan for the Arkansas  
3 Judicial Retirement System is established pursuant to this subchapter.  
4

5       24-8-704. Membership Generally.

6       (a) All chancery, circuit, circuit-chancery, and Arkansas Court of  
7 Appeals judges and Supreme Court Justices, whether elected or appointed to  
8 office, shall participate in the Arkansas Judicial Retirement System.

9       (b) A person who becomes a member of the Arkansas Judicial Retirement  
10 System on or after the effective date of the subchapter shall participate in  
11 the Tier Two Actual Judicial Service Benefit Plan for the Arkansas Judicial  
12 Retirement System.

13       (c) Any active member who was a member of the Arkansas Judicial  
14 Retirement System before the effective date of this subchapter shall have  
15 until the end of the term of office in which the member is serving on the  
16 effective date of this subchapter to elect coverage under the benefit  
17 provisions of this subchapter. A former member, who was an active member on  
18 December 31, 1998, shall have until July 31, 1999 or ninety (90) days after  
19 the effective date of this subchapter, whichever is later, to elect coverage  
20 under the benefit provisions of the subchapter. The election shall be made as  
21 directed by the board and shall be irrevocable.  
22

23       24-8-705. Members Electing Coverage.

24       (a) A member electing coverage under this subchapter shall be entitled  
25 to:

26               (1) A refund to the member for any credited service purchased  
27 under the Arkansas Judicial Retirement System together with six percent (6%)  
28 interest compounded annually from the date of payment;

29               (2) Restoration of service to another state supported retirement  
30 system of any credited service that had been transferred to the Arkansas  
31 Judicial Retirement System upon refunding to that system any sums transferred  
32 by that system along with six percent (6%) interest compounded annually from  
33 the date of the transfer; or

34               (3) Substitute purchased service for actual service for which no  
35 member contribution was made, as provided under subsection (b).

36       (b)(1) A member or former member who elects coverage under this

1 subchapter and who has accrued additional actual service prior to the date of  
2 transfer but after the date member contributions ceased shall pay to the  
3 System, on the effective date of transfer, the contributions that would have  
4 been paid on the additional actual service at the rate of five percent (5%) of  
5 the pay received along with six percent (6%) interest computed annually from  
6 the date the contributions would have been paid to the effective date of  
7 transfer. However, in no instance, shall the member be required to pay  
8 contributions on active service that would exceed the amount required in  
9 § 24-8-708.

10 (2)(A) If the member or former member has actual service for  
11 which no member contributions were made, then purchased service may be used to  
12 reduce the period of actual service for which payments are due under  
13 subdivision (b)(1). The purchased service may be subtracted from the period  
14 of actual service for which contributions were not made and the member or  
15 former member shall make payments only on the remaining period. However,  
16 purchased service shall not be substituted for contributions required for  
17 actual service occurring after the first twenty (20) years of actual service.

18 (B) Purchased service substituted for actual service under  
19 subsection (b) shall be the most expensive service purchased by the member.

20 (C) If the member or former member has credited service  
21 remaining after making the substitution allowed under this subsection (b), the  
22 remaining credited service may be refunded under subdivision (a)(1) or  
23 restored to another state system under subdivision (a)(2).

24 (D) Any purchased service substituted under subsection (b)  
25 may not be used as credited service in another state supported system.

26  
27 24-8-706. Contributions - Members - Refund.

28 (a) The contribution of each member of the Tier Two Actual Judicial  
29 Service Benefit Plan for the Arkansas Judicial Retirement System shall be five  
30 percent (5%) of each member's annual salary.

31 (b) If a judge or justice ceases to be a member prior to qualifying for  
32 retirement benefits, he or she shall be entitled to a refund of all  
33 contributions paid by him or her into the system. If a judge or justice who  
34 has received a refund returns to covered employment under the Judicial  
35 Retirement System or a reciprocal system as defined in § 24-2-401(1), the  
36 person shall be eligible, in accordance with methods and procedures

1 established by the Judicial Retirement System Board of Trustees, to repay the  
2 refund and restore the service forfeited when the refund was received.

3 (c) For purposes of deferring federal and state income tax and pursuant  
4 to the provisions of Section 414(h)(2) of the Internal Revenue Code, 26 U.S.C.  
5 414 (h)(2), as adopted by § 26-51-414, the state shall pick up the members'  
6 contributions to the Judicial Retirement Fund under the Tier Two Actual  
7 Judicial Service Benefit Plan for the Arkansas Judicial Retirement System.  
8 Member contributions picked up by the state shall be paid from the same source  
9 of funds used for the payment of salary to a member. A deduction shall be made  
10 from each member's salary, equal to the amount of the member's contribution  
11 picked up by the employer. For all other purposes, member contributions picked  
12 up by the state shall be considered member contributions.

13  
14 24-8-707. Contributions - State.

15 (a) The state, as employer, shall make contributions to the Arkansas  
16 Judicial Retirement System of twelve percent (12%) of the active member  
17 payroll.

18 (b) The Chief Fiscal Officer of the State is authorized and directed to  
19 make annual transfers on each July 1 to the Judges Retirement Fund from the  
20 Constitutional Officers Fund and the State Central Services Fund such amounts  
21 of money equal to the difference between the statutory employer contribution  
22 rate and the actuarially computed employer contribution rate as determined in  
23 the most recent actuarial valuation.

24  
25 24-8-708. Contributions - Cessation Upon Maximum Benefit Eligibility.

26 When a judge or justice has sufficient service to receive the maximum  
27 benefit under § 24-8-712 (a), no further contribution shall be required.

28  
29 24-8-709. Actual Service Requirement.

30 Benefits and eligibility for benefits under this subchapter shall be  
31 based on actual service in the Arkansas Judicial Retirement System. Laws  
32 allowing the purchase of credited service or providing free credited service  
33 shall not apply to this subchapter.

34  
35 24-8-710. Eligibility For Benefits - Retirement Generally.

36 (a) Any member who has a minimum of twenty (20) years of actual service

1 may retire regardless of age, and any judge or justice who has served at least  
2 eight (8) years shall be eligible for benefits upon reaching age sixty-five  
3 (65) years.

4 (b)(1) Any judge or justice who becomes seventy (70) years of age  
5 during a term of office to which he or she has been elected may complete the  
6 term without forfeiting his or her rights to retirement benefits under this  
7 section.

8 (2)(A) Any judge or justice who is not eligible to retire at age  
9 seventy (70) may continue to serve as judge or justice until the completion of  
10 the term of office in which he or she has sufficient service to retire without  
11 losing his or her retirement benefits.

12 (B) The judge or justice shall lose all retirement benefits  
13 if he or she serves beyond the end of the term needed to get sufficient  
14 service to retire.

15 (3)(A) Otherwise, judges or justices must retire by their  
16 seventieth birthday or lose their retirement benefits.

17 (B) However, any active judge or justice who was serving  
18 prior to July 1, 1965, may continue to serve until any age and shall, upon  
19 retirement, be eligible to receive retirement benefits.

20  
21 24-8-711. Eligibility For Benefits - Early Retirement.

22 (a) Any member of the Tier Two Actual Judicial Service Benefit Plan for  
23 the Arkansas Judicial Retirement System who has eight (8) years or more of  
24 actual service in the Arkansas Judicial Retirement System may elect to retire  
25 and receive retirement benefits at any time after reaching age sixty-two (62)  
26 years and before reaching age sixty-five (65) years.

27 (b) The retirement benefits of a member electing to retire before age  
28 sixty-five (65) years with less than twenty (20) years of actual service shall  
29 be reduced six percent (6%) for each full year and proportionately for any  
30 part of a year that the judge or justice retires before reaching age sixty-  
31 five (65) years.

32  
33 24-8-712. Eligibility For Benefits - Disability Retirement.

34 (a) Any member under the Tier Two Actual Judicial Service Benefit Plan  
35 of the Arkansas Judicial Retirement System who has served a minimum of three  
36 (3) consecutive years as a member of Arkansas Judicial Retirement System shall

1 receive retirement benefits if any incapacitating disability, as determined by  
2 the Judicial Retirement Board, shall occur during any term for which the judge  
3 or justice has been elected.

4 (b)(1) A judgment of disability should not be granted by the board  
5 until it is reasonably assured of a judge's or justice's permanent physical or  
6 mental incapacity to perform the duties of his or her judicial office.

7 (2) The board should act only upon proper certification of  
8 incapacity by two (2) or more physicians.

9  
10 24-8-713. Retirement and Survivors' Benefits Generally.

11 (a) The retirement benefits to be paid an eligible and qualified member  
12 under the provisions of this section shall be an amount equal to three percent  
13 (3%) of annual salary payable to the last judicial office held multiplied by  
14 the number of years of actual service under the Arkansas Judicial Retirement  
15 System but not to exceed an amount equal to seventy-five percent (75%) of  
16 salary. The retirement benefits shall be payable for the recipient's life.

17 (b)(1) Survivors' benefits shall be one-half (1/2) of the amount of the  
18 retirement benefits.

19 (2) Upon the death of an active judge or justice who has served  
20 at least three (3) years, his or her survivors shall receive a sum equal to  
21 one-half (1/2) of the retirement benefits provided in subsection (a) of this  
22 section.

23 (3) Survivors' benefits shall be payable as follows:

24 (A) If the decedent is survived by a spouse to whom he has  
25 been married for not less than five (5) years and with whom he is living at  
26 the time of his or her death, and if he is not survived by any minor child or  
27 children, then the spouse shall draw for life, or until remarriage, a sum  
28 equal to one-half (1/2) of the benefits provided in subsection (a) of this  
29 section;

30 (B)(i) If the decedent is survived by both an eligible  
31 spouse and minor children, then one-half (1/2) of the survivors' benefits  
32 shall be paid to the spouse for life, or until remarriage. The other one-half  
33 (1/2) of the survivors' benefits shall be paid to the guardian of the minor  
34 children during the period of minority.

35 (ii) When all of the children cease to be minors,  
36 then the survivors' benefits paid to the minor children shall be paid to the



1 spouse;

2 (C) If the decedent is not survived by an eligible spouse  
3 but is survived by minor children, then the survivors' benefits, i.e., one-  
4 half (1/2) of the benefits provided in subsection (a) of this section, shall  
5 be payable to the guardian of the minor children during the period of  
6 minority.

7 (4) If a surviving spouse who is receiving survivors' benefits  
8 under this section remarries and the benefits are discontinued, and the  
9 surviving spouse again becomes unmarried, benefits provided in this section  
10 for the spouse shall be resumed.

11 (5) No surviving spouse shall be eligible to receive survivors'  
12 benefits on more than one (1) member account.

13 (c) The retirement benefits and survivors' benefits provided for in  
14 this section shall be based on the salary for the judicial office last held by  
15 the member qualifying for retirement as fixed by law at the time of the  
16 member's retirement.

17  
18 (d)(1) Entitlement to retirement compensation and survivors' benefits  
19 shall be evidenced by the certificate of the board transmitted to the  
20 executive director.

21 (2) All retirement compensation and survivors' benefits shall be  
22 paid monthly from the Judges Retirement Fund.

23 (3) All retirement and survivors' benefits provided by this  
24 subchapter shall be paid from the Judges Retirement Fund to be administered by  
25 the Executive Director and staff of the Arkansas Public Employees' Retirement  
26 System.

27  
28 24-8-714. Restrictions On Benefits.

29 (a) The sections of this subchapter are to be complementary, except  
30 that no person may take benefits under two (2) or more sections of this act at  
31 the same time.

32 (b) Retirement and survivors' benefits shall be measured by the salary  
33 payable for the position last held by the retired or deceased judge or justice  
34 at the time of retirement.

35  
36 24-8-715. Redetermination Of Benefits.

1        (a) Each July 1, the Arkansas Judicial Retirement System shall  
2 redetermine the amount of each monthly benefit which has been payable by the  
3 system under the Tier Two Actual Judicial Service Benefit Plan for at least  
4 twelve (12) full calendar months. The redetermined amount shall be payable for  
5 the following twelve (12) calendar months.

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

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

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

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

18  
19        24-8-716. Effect On Other Laws.

20        The provisions of this subchapter shall be accumulative to all present  
21 laws pertaining to the retirement of judges of the circuit, chancery, and  
22 circuit-chancery courts and of justices of the Supreme Court and shall in no  
23 way repeal, amend, or modify such laws except as otherwise specifically  
24 provided in this subchapter."

25  
26        SECTION 2. Arkansas Code 24-2-501 is amended to read as follows:

27        "24-2-501. Free credited service.

28        (a) Any member of the Arkansas Judicial Retirement System established  
29 by § 24-8-201 et seq. shall be entitled to receive free credited service in  
30 the system for a period of not to exceed two (2) years for service rendered by  
31 him in the armed forces of the United States during World War I, World War II,  
32 the Korean Conflict, or the Vietnam Conflict. Notwithstanding § 24-2-502 or  
33 any other law to the contrary, any member of the Arkansas Judicial Retirement  
34 System may also purchase credited service in the system not to exceed five (5)  
35 years for service rendered by him in the armed forces of the United States and  
36 to be purchased in accordance with procedures in § 24-2-502.

1 (b) Any person entitled to receive free credited service in the  
2 Arkansas Judicial Retirement System under the provisions of this section shall  
3 be granted credited service under the system for service in the armed forces  
4 during World War I, World War II, the Korean Conflict, or the Vietnam Conflict  
5 upon making application therefor to the system board and providing proof  
6 satisfactory to the board of that person's military service.

7 (c) The provisions of this section shall be supplemental to any other  
8 laws relating to state-supported retirement systems in this state. Nothing in  
9 this section shall be construed to diminish the right of any member of a  
10 state-supported retirement system to obtain credited service in the system for  
11 military service.

12 (d) This section shall not apply to the Tier Two Actual Judicial  
13 Service Benefit Plan of the Arkansas Judicial Retirement System provided for  
14 in the subchapter beginning at § 24-8-701."

15  
16 SECTION 3. Arkansas Code 24-8-218 (c) (2) is repealed.

17 ~~(2)(A) Any judge under the age of seventy (70) years who~~  
18 ~~qualified to receive retirement benefits under this subchapter and who is~~  
19 ~~elected or appointed to any judicial office in this state and who foregoes~~  
20 ~~receipt of retirement benefits while serving in the judicial office shall be~~  
21 ~~entitled to retirement benefits upon termination of such service.~~

22 ~~(B)(i) If the salary provided for the last judicial office~~  
23 ~~held is greater than the salary for the judicial office held by the judge at~~  
24 ~~the time of his initial retirement, the retirement benefits and survivors'~~  
25 ~~benefits to be received by the judge and the judge's survivors shall be~~  
26 ~~computed on the basis of the salary for the judicial office last held by the~~  
27 ~~judge if the judge has served continuously in such position for a minimum of~~  
28 ~~one (1) year.~~

29 ~~(ii) If the salary provided for the last judicial~~  
30 ~~office held is not greater than the salary for the judicial office held by~~  
31 ~~the judge at the time of the judge's initial retirement, then upon termination~~  
32 ~~of such service, the retirement benefits and survivors' benefits to be~~  
33 ~~received by the judge and the survivors shall be computed on the basis of the~~  
34 ~~salary for the judicial office held by the judge at the time of the judge's~~  
35 ~~initial retirement.~~

36 ~~(ii) If the judge, at the time of the initial retirement,~~

1 ~~was entitled to the benefits of the escalator clause provided in subdivision~~  
2 ~~(c)(1) of this section, the judge and the judge's survivors shall again be~~  
3 ~~entitled to the benefits of such escalator clause upon the termination of any~~  
4 ~~such subsequent judicial service.~~

5  
6 SECTION 4. Arkansas Code 24-8-601 through 24-8-604, concerning the  
7 deferred retirement option plan for the Arkansas Judicial Retirement System is  
8 repealed.

9 ~~24-8-601. Establishment - Participation.~~

10 ~~(a) Option to establish plan. The Board of Trustees of the Arkansas Judicial~~  
11 ~~Retirement System may establish a deferred retirement option plan for its~~  
12 ~~members so that, in lieu of terminating judicial service and accepting a~~  
13 ~~service retirement benefit pursuant to § 24-8-201, et seq., any person, who is~~  
14 ~~a member of the Arkansas Judicial Retirement System, who has twenty (20) or~~  
15 ~~more years of actual service as a Justice of the Supreme Court or a judge of~~  
16 ~~the circuit or chancery courts or of the Arkansas Court of Appeals, and who is~~  
17 ~~otherwise eligible to receive a service retirement benefit pursuant to § 24-8-~~  
18 ~~201 et seq., may participate in a Arkansas Judicial Deferred Retirement Option~~  
19 ~~Plan and defer the receipt of benefits in accordance with the provisions of~~  
20 ~~this subchapter. The Board of Trustees of the Arkansas Judicial Retirement~~  
21 ~~System shall be authorized to promulgate rules and regulations for a plan to~~  
22 ~~provide this deferred retirement option to its members as is appropriate to~~  
23 ~~maintain an actuarially sound system. Provided, that prior to providing a~~  
24 ~~deferred retirement option to its members, the board of trustees shall file~~  
25 ~~relevant information concerning the actuarial impact of the deferred~~  
26 ~~retirement option plan with the Joint Committee on Retirement and Social~~  
27 ~~Security Programs and the action shall be reviewed by the committee.~~

28 ~~(b) Plan provisions. In the event a plan is established, the Arkansas~~  
29 ~~Judicial Deferred Retirement Option Plan shall have, as a minimum, provisions~~  
30 ~~which require:~~

31 ~~(1) The Board of Trustees of the Arkansas Judicial Retirement System to~~  
32 ~~approve of the member's participation in the plan;~~

33 ~~(2) The member's deferred retirement benefit to be deposited into an~~  
34 ~~account in which shall be accumulated the member's deferred option~~  
35 ~~contributions, plus interest. The deferred option contributions shall be a~~  
36 ~~percentage of the judicial deferred option benefit. The percentage shall be~~

1 ~~one hundred percent (100%) of the benefit reduced by a set percentage to be~~  
2 ~~determined in accordance with the rules and regulations of the board of~~  
3 ~~trustees as is appropriate to maintain an actuarially sound system. The~~  
4 ~~contribution amount shall be as calculated by the board and the member shall~~  
5 ~~be informed of the amount of his deferred option benefit and contribution. The~~  
6 ~~percentage amount of his contribution may be increased, but shall not be~~  
7 ~~reduced, during the term of the member's participation in the plan. The board~~  
8 ~~shall annually set the percentage rate for future participation in the plan;~~

9 ~~(3) The rate of interest to be credited to each member's deferred option~~  
10 ~~account shall be at a rate to be determined by the board of trustees as is~~  
11 ~~appropriate to maintain an actuarially sound system and interest is to be paid~~  
12 ~~on the mean balance in the account for the fiscal year and credited on an~~  
13 ~~annual basis at the end of each fiscal year. The board shall annually set the~~  
14 ~~interest rate to be paid on member's accounts for participation in the plan;~~

15 ~~(4) That when a member begins participation in the deferred retirement~~  
16 ~~option, the member's contributions and the state's contributions, as employer,~~  
17 ~~to the system shall cease;~~

18 ~~(5) That a member's selection of the deferred retirement option, the time~~  
19 ~~of the retirement deferral, and the selection of the retirement annuity are~~  
20 ~~irrevocable;~~

21 ~~(6) That the member's monthly retirement benefit shall not change, unless~~  
22 ~~the Judicial Retirement System receives a benefit increase;~~

23 ~~(7) That the duration of participation in the deferred retirement shall~~  
24 ~~not exceed four (4) years; and~~

25 ~~(8) The Board of Trustees of the Arkansas Judicial Retirement System may~~  
26 ~~determine any other provisions of the plan, such as the methods of benefit~~  
27 ~~payments for participants of the plan, the payment methods in the event of the~~  
28 ~~death of a participant, and any other provisions not in conflict with other~~  
29 ~~provisions of this subchapter or § 24-8-201 et seq.~~

30 ~~§ 24-8-602. Loss of benefits.~~

31 ~~A judge or justice shall lose all retirement benefits if he or she serves~~  
32 ~~beyond the end of the term of office during which he or she elects to~~  
33 ~~participate in the Arkansas Judicial Deferred Retirement Option Plan. Further,~~  
34 ~~the participation of a person in the Arkansas Judicial Deferred Retirement~~  
35 ~~Option Plan established in accordance with this subchapter shall not be~~  
36 ~~construed to affect the requirements of § 24-8-215 for judges or justices to~~

1 ~~retire by their seventieth birthday or lose their retirement benefits.~~

2 ~~§ 24-8-603. Effective date of plan.~~

3 ~~In the event a plan is established by the board of trustees prior to July 1,~~  
4 ~~1998, the effective date of the plan shall be retroactive back to January 1,~~  
5 ~~1997, and a person's eligibility to participate in the plan shall be made~~  
6 ~~retroactive to January 1, 1997 as long as the person meets all the~~  
7 ~~requirements of the plan's provisions on that date. Otherwise, the effective~~  
8 ~~date of the plan shall be set by the board at any time as is deemed~~  
9 ~~appropriate in maintaining the actuarial soundness of the system.~~

10 ~~§ 24-8-604. Limitation on benefit enhancement of Acts 1997, No. 1162.~~

11 ~~No benefit enhancement provided for by this subchapter shall be implemented if~~  
12 ~~it would cause the publicly supported retirement system's unfunded actuarial~~  
13 ~~accrued liabilities to exceed a thirty-year amortization. No benefit~~  
14 ~~enhancement provided for by this subchapter shall be implemented by any~~  
15 ~~publicly supported system which has unfunded actuarial accrued liabilities~~  
16 ~~being amortized over a period exceeding thirty (30) years until the unfunded~~  
17 ~~actuarial accrued liability is reduced to a level less than the standards~~  
18 ~~prescribed by § 24-1-101, et seq.~~

19  
20 SECTION 5. No benefit enhancement provided for by this act shall be  
21 implemented if it would cause the publicly supported retirement system's  
22 unfunded actuarial accrued liabilities to exceed a thirty (30) year  
23 amortization. No benefit enhancement provided for by this act shall be  
24 implemented by any publicly supported system which has unfunded actuarial  
25 accrued liabilities being amortized over a period exceeding thirty (30) years  
26 until the unfunded actuarial accrued liability is reduced to a level less than  
27 the standards prescribed by Arkansas Code, Title 24.

28  
29 SECTION 6. All provisions of this Act of a general and permanent nature  
30 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
31 Revision Commission shall incorporate the same in the Code.

32  
33 SECTION 7. If any provision of this Act or the application thereof to  
34 any person or circumstance is held invalid, such invalidity shall not affect  
35 other provisions or applications of the Act which can be given effect without  
36 the invalid provision or application, and to this end the provisions of this

1 Act are declared to be severable.

2

3 SECTION 8. All laws and parts of laws in conflict with this Act are  
4 hereby repealed.

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*/s/ Hopkins*

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