

Stricken language would be deleted from and underlined language would be added to law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001

A Bill

HOUSE BILL 1261

4
5 By: Representative R. Smith
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE 24-10-612 TO COMPOUND
10 THE COST-OF-LIVING ADJUSTMENTS FOR MEMBER RETIREMENT
11 BENEFITS UNDER THE LOCAL POLICE AND FIRE RETIREMENT
12 SYSTEM (LOPFI); TO DECLARE AN EMERGENCY; AND FOR OTHER
13 PURPOSES.
14

Subtitle

15 TO COMPOUND THE COST-OF-LIVING
16 ADJUSTMENTS FOR MEMBER RETIREMENT
17 BENEFITS UNDER LOPFI.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code 24-10-612 is amended to read as follows:
24 24-10-612. Redetermination of benefits.

25 (a) Beginning with the July 1 which is at least twelve (12) full months
26 after the effective date of a monthly benefit, the amount of the benefit shall
27 be redetermined effective each July 1, and the redetermined amount shall be
28 payable for the ensuing year.

29 (b) The redetermined amount shall be the amount of the benefit
30 ~~otherwise payable~~ as of the immediately preceding June 30 multiplied by the
31 following percent: one hundred percent (100%), plus three percent (3%) ~~for~~
32 ~~each full year, but excluding any fraction of a year, in the period from the~~
33 ~~effective date of the benefit to the current July 1.~~

34 ~~(c) For purposes of this section, "the amount of the benefit otherwise~~
35 ~~payable" means the monthly amount of benefit which would be payable~~
36 ~~disregarding the provisions redetermining benefit amounts after retirement.~~

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SECTION 2. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall be implemented if it would cause the publicly supported retirement system's unfunded actuarial accrued liabilities to exceed a thirty (30) year amortization. No benefit enhancement provided for by this act shall be implemented by any publicly supported system which has unfunded actuarial accrued liabilities being amortized over a period exceeding thirty (30) years until the unfunded actuarial accrued liability is reduced to a level less than the standards prescribed by Arkansas Code, Title 24.

SECTION 3. Emergency. It is found and determined by the Eighty-Third General Assembly of the State of Arkansas that local police officers and firefighters offer police and fire protection services to the citizens of the State of Arkansas; that a retirement benefit is one of the primary means of compensating these brave and selfless public servants for their services to their local communities; that increasing the annuity rate for LOPFI members to reduce the impact of inflation on their benefits is extremely important in repaying them for their services; and it is administratively necessary to implement this benefit change at the beginning of the state's fiscal year. 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 July 1, 2001.