

Stricken language would be deleted from and underlined language would be added to the 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 1314

4
5 By: Representative Jacobs
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE 24-4-202 TO LIMIT THE
10 TIME FOR WHICH PUBLIC EMPLOYERS CAN BE CHARGED
11 PENALTIES FOR FAILING TO REMIT MONEYS TO THE PUBLIC
12 EMPLOYEES' RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY;
13 AND FOR OTHER PURPOSES.
14

Subtitle

15 TO LIMIT THE TIME PUBLIC EMPLOYERS CAN
16 BE CHARGED PENALTIES FOR FAILING TO
17 REMIT MONEYS TO THE PUBLIC EMPLOYEES'
18 RETIREMENT SYSTEM.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code 24-4-202(f), concerning the penalties charged
25 on employer contributions to the Public Employees' Retirement System, is
26 amended to read as follows:

27 (f)(1) If any participating public employer fails to remit to the
28 system those moneys which are required by law or regulation by the date and at
29 the frequency established by the board, the system shall impose a penalty
30 equal to the actuarially assumed rate of return on investments of the fund in
31 the form of interest on an annual basis on the moneys due, except that the
32 system shall not impose a penalty or interest on any participating public
33 employer for failing to remit moneys to the system that were due for
34 employees' services from more than ten (10) years before the current year.

35 (2) This interest shall be computed on the actual days of
36 delinquency and shall be paid to the system for the purpose of reimbursing the

1 trust fund for the money which would have been earned on the moneys had they
2 been paid when due.

3 (3) The interest penalty shall be determined by the system on the
4 date the delinquent funds are received, and a statement of the interest shall
5 be sent to the participating public employer.

6 (4) If the interest penalty or delinquent moneys are not received
7 by the system by the last business day of the month in which the moneys were
8 originally due, then the system shall cause the sums of moneys, including
9 interest, to be transferred from any moneys due the participating public
10 employer from the office of the Treasurer of State or the Department of
11 Education as approved in § 19-5-106(a)(5).

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

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23 SECTION 3. Emergency Clause. It is found and determined by the General
24 Assembly of the State of Arkansas that some public employers failed to remit
25 retirement funds to the Public Employees' Retirement System on behalf of
26 employees hired under federal program grants, like the CETA program; that
27 these programs may have taken place more twenty (20) years ago; that the
28 system's penalties for failing to remit these funds are extremely costly for
29 the individual public employers; that the penalties in these cases must be
30 limited to some reasonable period of time; and it is necessary for this act to
31 have immediate effect to avoid a financial hardship on these public employers.
32 Therefore an emergency is declared to exist and this act being immediately
33 necessary for the preservation of the public peace, health and safety shall
34 become effective on the date of its approval by the Governor. If the bill is
35 neither approved nor vetoed by the Governor, it shall become effective on the
36 expiration of the period of time during which the Governor may veto the bill.

1 If the bill is vetoed by the Governor and the veto is overridden, it shall
2 become effective on the date the last house overrides the veto.

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