

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 1323

4  
5 By: Representatives R. Smith, Rodgers  
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## For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE TITLE 24, CHAPTER 10 TO  
10 ADD AN ADDITIONAL SUBCHAPTER 7 TO ESTABLISH A DEFERRED  
11 RETIREMENT OPTION PLAN FOR THE ARKANSAS LOCAL POLICE  
12 AND FIRE RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.  
13

## Subtitle

14 TO ESTABLISH THE LOPFI DEFERRED  
15 RETIREMENT OPTION PLAN.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code Title 24, Chapter 10, is amended to add an  
22 additional subchapter to read as follows:

23 SUBCHAPTER 7 - LOPFI DEFERRED RETIREMENT OPTION PLAN

24 24-10-701. Election to participate.

25 In lieu of terminating employment and accepting a paid service  
26 retirement benefit, any police officer or fire fighter who is a member in paid  
27 service with the Arkansas Local Police and Fire Retirement System who has not  
28 less than twenty-eight (28) years of credited service and who is eligible to  
29 receive a paid service retirement benefit may elect to participate in the  
30 LOPFI Deferred Retirement Option Plan and defer the receipt of benefits in  
31 accordance with the provisions of this subchapter, provided the Board of  
32 Trustees of the Arkansas Local Police and Fire Retirement System approves the  
33 participation in the plan.  
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35 24-10-702. Credited service.

36 For purposes of this subchapter, credited service shall include military

1 service credit under § 24-10-502, but shall not include service credit which  
2 is volunteer service or other credited service which is purchased under the  
3 system.

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5 24-10-703. Contributions.

6 (a) When a member begins participation in the LOPFI Deferred Retirement  
7 Option Plan, the employer contributions shall continue to be paid.

8 (b) Employer contributions for employees who elect the plan shall be  
9 credited to the Arkansas Local Police and Fire Retirement System.

10 (c) The monthly retirement benefits that would have been payable had  
11 the member elected to cease employment and receive a service retirement shall  
12 be paid into the member's LOPFI Deferred Retirement Option Plan Account.

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14 24-10-704. Benefits - Rate of return.

15 (a) The member's monthly retirement benefit shall not change unless the  
16 LOPFI Deferred Retirement Option Plan receives a benefit increase.

17 (b)(1) A member who participates in this plan shall earn interest at a  
18 rate of two (2) percentage points below the actuarially certified real rate of  
19 return of the investment portfolio of the Arkansas Local Police and Fire  
20 Retirement System, but no less than the actuarially assumed interest rate as  
21 certified by the actuary.

22 (2) The interest shall be credited to the individual account  
23 balance of the member on an annual basis.

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25 24-10-705. Method of payment.

26 A participant in the LOPFI Deferred Retirement Option Plan shall  
27 receive, at the option of the participant, a lump-sum payment from the account  
28 equal to the payments to the account, or a true annuity based upon the account  
29 of the participant, or may elect any other method of payment if approved by  
30 the board of trustees of the Arkansas Local Police and Fire Retirement System.

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32 24-10-706. Duration.

33 (a) The duration of participation in the LOPFI Deferred Retirement  
34 Option Plan for active paid service police officers and fire fighters shall  
35 not exceed five (5) years.

36 (b) At the conclusion of a member's participation in the LOPFI Deferred

1 Retirement Option Plan, the member shall terminate employment with the  
2 employer and shall start receiving the member's accrued monthly retirement  
3 benefit from the Arkansas Local Police and Fire Retirement System.

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5 24-10-707. Death of participant.

6 If the participant dies during the period of participation in the LOPFI  
7 Deferred Retirement Option Plan, a lump-sum payment equal to the account  
8 balance of the participant shall be paid to the participant's survivors or, if  
9 none, to the participant's estate.

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