

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 1340

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

8
9 AN ACT TO PROVIDE A LUMP SUM DEATH BENEFIT FOR MEMBERS
10 OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; AND FOR
11 OTHER PURPOSES.
12

Subtitle

13
14 AN ACT TO PROVIDE A LUMP SUM DEATH
15 BENEFIT FOR MEMBERS OF THE PUBLIC
16 EMPLOYEES' RETIREMENT SYSTEM.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. (a)(1)(A) If an active member of the Public Employees'
22 Retirement System with five (5) or more years of credited service, including
23 credited service for the year immediately preceding his death, dies in
24 employer service before retirement, then a lump sum of up to ten thousand
25 dollars (\$10,000) shall be paid to such persons as he or she shall have
26 nomi nated by written designation executed and filed with the Board of Trustees
27 of the Public Employees' Retirement System.

28 (B) If there are no designated persons surviving the
29 member, the lump sum shall be paid in the following statutory succession:

30 (i) Spouse;

31 (ii) Children;

32 (iii) Parents; and

33 (iv) Estate.

34 (2) If the member had only noncontri butory credited service, then
35 the lump sum shall be up to six thousand six hundred and sixty-seven dollars
36 (\$6, 667).

1 (3) If upon his death, the member had a combination of credited
2 service of both contributory and noncontributory, the lump sum will be
3 prorated according to the relationship between his noncontributory credited
4 service and his total credited service.

5 (b)(1)(A) Upon the death of a retiree whose annuity is paid by the
6 system, a lump sum of up to ten thousand dollars (\$10,000) shall be paid to
7 such persons as he or she shall have nominated by written designation duly
8 executed and filed with the board.

9 (B) If there are no designated persons surviving the
10 retiree, the lump sum shall be paid in the following statutory succession:

- 11 (i) Spouse;
- 12 (ii) Children;
- 13 (iii) Parents; and
- 14 (iv) Estate.

15 (2) If the retiree had only noncontributory credited service,
16 then the lump sum shall be up to six thousand six hundred and sixty-seven
17 dollars (\$6,667).

18 (3) If upon his death, the retiree had a combination of credited
19 service of both contributory and noncontributory, the lump sum will be
20 prorated according to the relationship between his noncontributory credited
21 service and his total credited service.

22 (c) In addition to the benefits provided in subsections (a) and (b) of
23 this section, each surviving dependent child shall be paid a lump sum of ten
24 thousand dollars (\$10,000) upon the death of either an active member or
25 retiree.

26 (d) The exact amount of the lump-sum payments shall be set annually by
27 rules and regulations of the board as it determines is actuarially appropriate
28 for the system. The board is authorized by this subsection to set the level of
29 these benefits to the current members and retirees where the ratio between
30 the contributory and noncontributory benefits are maintained at a three-to-two
31 (3:2) ratio and to a level to match the benefits that the board finds are
32 appropriate for the actuarial soundness of the system.

33 (e) No benefit enhancement provided for by this section shall be
34 implemented if it would cause the publicly supported retirement system's
35 unfunded actuarial accrued liabilities to exceed a thirty-year amortization.

36 (f) The board shall implement this benefit provision for lump-sum

1 payments by either making the lump-sum payments directly from the system or by
2 purchasing a group life insurance policy for the benefit of system members,
3 whichever is the most cost effective.

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