

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 1345

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

9 AN ACT TO AMEND ARKANSAS CODE TITLE 24, CHAPTER 1,  
10 SUBCHAPTER 1, TO ADD AN ADDITIONAL SECTION TO  
11 AUTHORIZE THE PUBLIC RETIREMENT SYSTEMS WITH DEFERRED  
12 RETIREMENT OPTION PLANS TO ALLOW EMPLOYEES TO MAKE  
13 CONTRIBUTIONS TO THE DROP ACCOUNTS; AND FOR OTHER  
14 PURPOSES.

## Subtitle

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16 TO AUTHORIZE THE PUBLIC RETIREMENT  
17 SYSTEMS WITH DEFERRED RETIREMENT OPTION  
18 PLANS TO ALLOW EMPLOYEES TO MAKE  
19 CONTRIBUTIONS TO THE DROP ACCOUNTS.  
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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25 SECTION 1. Arkansas Code Title 24, Chapter 1, Subchapter 1, is amended  
26 to add an additional section to read as follows:

27 24-1-107. Boards of Trustees may allow employee contributions to  
28 deferred retirement option plans.

29 (a)(1) Beginning January 1, 2002, the board of trustees of any public  
30 retirement system is Arkansas which offers system members a deferred  
31 retirement option plan may allow the participating members of those plans to  
32 make employee contributions to the DROP accounts.

33 (2) However, the board shall limit the employee contributions to  
34 no more than six percent (6%) of the employee's salary.

35 (b) This section is intended to operate in accordance with Section 415  
36 and other applicable sections of the Internal Revenue Code and if any portion

1 of this section is found to be in conflict with an applicable provision of the  
2 Internal Revenue Code, it shall be null and void.

3 (c) As used in this section, the public retirement systems in Arkansas  
4 means the Arkansas Public Employees' Retirement System, Arkansas State Highway  
5 Employees' Retirement System, the State Police Retirement System, and the  
6 Arkansas Teacher Retirement System.

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

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