

**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  
4

*As Engrossed: S1/24/01*

## A Bill

SENATE BILL 166

5 By: Senators Faris, T. Smith  
6  
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### **For An Act To Be Entitled**

9 AN ACT TO AMEND SEVERAL SECTIONS OF ARKANSAS CODE  
10 TITLE 24, CHAPTER 8, SUBCHAPTERS 2 AND 7, CONCERNING  
11 THE JUDICIAL RETIREMENT SYSTEM, TO REDUCE GENERAL  
12 REVENUE CONTRIBUTIONS TO THE SYSTEM AND REVISE BASIC  
13 BENEFIT PROVISIONS; TO DECLARE AN EMERGENCY; AND FOR  
14 OTHER PURPOSES.  
15

### **Subtitle**

16 TO AMEND THE JUDICIAL RETIREMENT SYSTEM  
17 LAWS TO REDUCE GENERAL REVENUE  
18 CONTRIBUTIONS TO THE SYSTEM AND REVISE  
19 BASIC BENEFIT PROVISIONS.  
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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 24-8-210 is amended to read as follows:

26 24-8-210. Contributions - State.

27 (a) The state, as employer, shall make contributions to the Arkansas  
28 Judicial Retirement System of twelve percent (12%) of the active member  
29 payroll.

30 (b) The Chief Fiscal Officer of the State is authorized and directed to  
31 make annual transfers on each July 1 to the Judges Retirement Fund from the  
32 Constitutional Officers Fund and the State Central Services Fund ~~such amounts~~  
33 ~~of money equal to the difference between the statutory employer contribution~~  
34 ~~rate and the actuarially computed employer contribution rate as determined in~~  
35 ~~the most recent actuarial valuation~~ in an amount determined by computing the  
36 dollar amount required based on the actuarially determined employer rate in

1 the most recent annual actuarial valuation and subtracting from that amount  
2 the statutory contribution amount specified in subsection (a) of this section,  
3 and further, reduced by the amount of the court cost revenue transferred to  
4 the Judges Retirement Fund from the State Administration of Justice Fund in  
5 accordance with § 16-10-310.

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7 SECTION 2. Arkansas Code 24-8-218 is amended to read as follows:

8 24-8-218. Retirement and survivors' benefits generally.

9 (a) The retirement benefits to be paid an eligible and qualified member  
10 or retiree under the provisions of this section shall be ~~one-half (1/2)~~ sixty  
11 percent (60%) of the annual salary payable to the last judicial office held  
12 and shall be payable for the recipient's life.

13 (b)(1) Survivors' benefits shall be ~~one-half (1/2)~~ sixty-seven percent  
14 (67%) of the amount of the retirement benefits.

15 (2) Upon the death of an active judge who has served at least  
16 three (3) years, or any other judge who has met or could have met the  
17 qualifications for retirement benefits under any section of this subchapter,  
18 his survivors shall receive a sum equal to ~~one-half (1/2)~~ sixty-seven percent  
19 (67%) of the retirement benefits provided in subsection (a) of this section.

20 (3) The requirement of three (3) years of service shall only  
21 apply to judges elected after July 1, 1983.

22 (4) Survivors' benefits shall be payable as follows:

23 (A) If the decedent is survived by a spouse to whom he has  
24 been married for not less than ~~five (5) years~~ one (1) year and with whom he is  
25 living at the time of his death and if he is not survived by any minor child  
26 or children, then the spouse shall draw for life, or until remarriage, a sum  
27 equal to ~~one-half (1/2)~~ sixty-seven percent (67%) of the benefits provided in  
28 subsection (a) of this section;

29 (B)(i) If the decedent is survived by both an eligible  
30 spouse and minor children, then one-half (1/2) of the survivors' benefits  
31 shall be paid to the spouse for life, or until remarriage. The other one-half  
32 (1/2) of the survivors' benefits shall be paid to the guardian of the minor  
33 children during the period of minority.

34 (ii) When all of the children cease to be minors,  
35 then the survivors' benefits paid to the minor children shall be paid to the  
36 spouse;

1 (C) If the decedent is not survived by an eligible spouse  
2 but is survived by minor children, then the survivors' benefits, i.e., ~~one-~~  
3 ~~half (1/2)~~ sixty-seven percent (67%) of the benefits provided in subsection  
4 (a) of this section, shall be payable to the guardian of the minor children  
5 during the period of minority.

6 (5) If a surviving spouse who is receiving survivors' benefits  
7 under this section remarries and the benefits are discontinued, and the  
8 surviving spouse again becomes unmarried, benefits provided in this section  
9 for the spouse shall be resumed.

10 (6) No surviving spouse shall be eligible to receive survivors'  
11 benefits on more than one (1) member account.

12 (c)(1) The retirement benefits and survivors' benefits provided for in  
13 this section shall be based on the salary for the judicial office last held by  
14 the member qualifying for retirement as fixed by law at the time any payment  
15 of benefits is made rather than on the salary for the office at the time of  
16 the member's retirement.

17 (2) The retirement benefits shall be increased or decreased from  
18 time to time as the salary for the particular judicial office is increased or  
19 decreased.

20 (3)(A) This method of determination of the amount of retirement  
21 or survivors' benefits shall be applicable to any person who is a member of  
22 the Arkansas Judicial Retirement System on or before June 30, 1983.

23 (B) For all judges or justices first elected after July 1,  
24 1983, the benefit payable shall be limited to ~~one-half (1/2)~~ sixty percent  
25 (60%) of the salary for the office at the time of the member's retirement.

26 (4)(A) Any judge or justice under the age of seventy (70) years  
27 who is receiving retirement benefits under this subchapter or under Subchapter  
28 7 of this chapter, and who is elected or appointed to any judicial office in  
29 this state, and who foregoes receipt of retirement benefits while serving in  
30 the judicial office shall be entitled to resume receiving his or her previous  
31 retirement benefits upon termination of the subsequent service.

32 (B) If the judge or justice, at the time of the initial  
33 retirement, was entitled to the benefits of the escalator clause provided in §  
34 24-8-218(c)(1) or the post retirement benefits provided in § 24-8-223 or § 24-  
35 8-717, the judge or justice and the judge's or justice's survivors shall again  
36 be entitled to the benefits upon the termination of any such subsequent

1 judicial service.

2 (d)(1) Entitlement to retirement compensation and survivors' benefits  
3 for those judges who have retired as of June 30, 1983, shall be based upon  
4 certificates of the Judicial Retirement Board previously filed with the  
5 Auditor of State.

6 (2) Entitlement to retirement compensation and survivors'  
7 benefits for those judges who retire on or after July 1, 1983, shall be  
8 evidenced by the certificate of the board transmitted to the executive  
9 director.

10 (3) All retirement compensation and survivors' benefits shall be  
11 paid monthly from the Judges Retirement Fund.

12 (4) All retirement and survivors' benefits provided by this  
13 subchapter shall be paid from the fund to be administered by the executive  
14 director and staff of the Arkansas Public Employees' Retirement System.

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16 SECTION 3. Arkansas Code 24-8-226 is amended to read as follows:

17 24-8-226. Minimum benefits.

18 The following minimum benefits shall apply to any plan, based only on  
19 actual service, under the Arkansas Judicial Retirement System:

20 (1) The annual minimum disability benefit shall be equal to ~~twenty-four~~  
21 ~~percent (24%)~~ twenty-five and six tenths percent (25.6%) of the annual salary  
22 of the judge or justice; and

23 (2) The annual minimum survivors' benefit shall be an amount equal to  
24 ~~twelve percent (12%)~~ seventeen and one hundred and fifty-two thousandths  
25 percent (17.152%) of the annual salary of the judge or justice.

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27 SECTION 4. Arkansas Code 24-8-707 is amended to read as follows:

28 24-8-707. Contributions - State.

29 (a) The state, as employer, shall make contributions to the Arkansas  
30 Judicial Retirement System of twelve percent (12%) of the active member  
31 payroll.

32 (b) The Chief Fiscal Officer of the State is authorized and directed to  
33 make annual transfers each July 1 to the Judges Retirement Fund from the  
34 Constitutional Officers Fund and the State Central Services Fund ~~such amounts~~  
35 ~~of money equal to the difference between the statutory employer contribution~~  
36 ~~rate and the actuarially computed employer contribution rate as determined in~~

1 ~~the most recent actuarial valuation~~ in an amount determined by computing the  
 2 dollar amount required based on the actuarially determined employer rate in  
 3 the most recent annual actuarial valuation and subtracting from that amount  
 4 the statutory contribution amount specified in subsection (a) of this section,  
 5 and further, reduced by the amount of the court cost revenue transferred to  
 6 the Judges Retirement Fund from the State Administration of Justice Fund in  
 7 accordance with § 16-10-310.

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 9 SECTION 5. Arkansas Code 24-8-713 is amended to read as follows:

10 24-8-713. Retirement and survivors' benefits generally.

11 (a) The retirement benefits to be paid an eligible and qualified member  
 12 or retiree under the provisions of this section shall be an amount equal to  
 13 ~~three percent (3%)~~ three and two tenths percent (3.2%) of annual salary  
 14 payable to the last judicial office held multiplied by the number of years of  
 15 actual service under the Arkansas Judicial Retirement System but not to exceed  
 16 an amount equal to ~~seventy five percent (75%)~~ eighty percent (80%) of salary.  
 17 The retirement benefits shall be payable for the recipient's life.

18 (b)(1) Survivors' benefits shall be ~~one-half (1/2)~~ sixty-seven percent  
 19 (67%) of the amount of the retirement benefits.

20 (2) Upon the death of an active judge or justice who has served  
 21 at least three (3) years, his or her survivors shall receive a sum equal to  
 22 ~~one-half (1/2)~~ sixty-seven percent (67%) of the retirement benefits provided  
 23 in subsection (a) of this section.

24 (3) Survivors' benefits shall be payable as follows:

25 (A) If the decedent is survived by a spouse to whom he has  
 26 been married for not less than ~~five (5) years~~ one (1) year and with whom he is  
 27 living at the time of his or her death, and if he is not survived by any minor  
 28 child or children, then the spouse shall draw for life, or until remarriage, a  
 29 sum equal to ~~one-half (1/2)~~ sixty-seven percent (67%) of the benefits provided  
 30 in subsection (a) of this section;

31 (B)(i) If the decedent is survived by both an eligible  
 32 spouse and minor children, then one-half (1/2) of the survivors' benefits  
 33 shall be paid to the spouse for life, or until remarriage. The other one-half  
 34 (1/2) of the survivors' benefits shall be paid to the guardian of the minor  
 35 children during the period of minority.

36 (ii) When all of the children cease to be minors,

1 then the survivors' benefits paid to the minor children shall be paid to the  
2 spouse;

3 (C) If the decedent is not survived by an eligible spouse  
4 but is survived by minor children, then the survivors' benefits, i.e., ~~one-~~  
5 ~~half (1/2)~~ sixty-seven percent (67%) of the benefits provided in subsection  
6 (a) of this section, shall be payable to the guardian of the minor children  
7 during the period of minority.

8 (4) If a surviving spouse who is receiving survivors' benefits  
9 under this section remarries and the benefits are discontinued and the  
10 surviving spouse again becomes unmarried, benefits provided in this section  
11 for the spouse shall be resumed.

12 (5) No surviving spouse shall be eligible to receive survivors'  
13 benefits on more than one (1) member account.

14 (c) The retirement benefits and survivors' benefits provided for in  
15 this section shall be based on the salary for the judicial office last held by  
16 the member qualifying for retirement as fixed by law at the time of the  
17 member's retirement.

18 (d)(1) Entitlement to retirement compensation and survivors' benefits  
19 shall be evidenced by the certificate of the Board of Trustees of the Arkansas  
20 Judicial Retirement System transmitted to the executive director.

21 (2) All retirement compensation and survivors' benefits shall be  
22 paid monthly from the Judges Retirement Fund.

23 (3) All retirement and survivors' benefits provided by this  
24 subchapter shall be paid from the Judges Retirement Fund to be administered by  
25 the executive director and staff of the Arkansas Public Employees' Retirement  
26 System.

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28 SECTION 6. The revised benefits which are adopted pursuant to this act  
29 shall be extended to current and future members of the Arkansas Judicial  
30 Retirement System and to current retired members and current survivor  
31 annuitants of the system.

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33 SECTION 7. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO  
34 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall  
35 be implemented if it would cause the publicly supported retirement system's  
36 unfunded actuarial accrued liabilities to exceed a thirty (30) year

1 amortization. No benefit enhancement provided for by this act shall be  
2 implemented by any publicly supported system which has unfunded actuarial  
3 accrued liabilities being amortized over a period exceeding thirty (30) years  
4 until the unfunded actuarial accrued liability is reduced to a level less than  
5 the standards prescribed by Arkansas Code, Title 24.

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7 SECTION 8. Emergency Clause. It is found and determined by the General  
8 Assembly of the State of Arkansas that this act should be effective at a time  
9 certain which is consistent with the actuarial evaluations of the Judicial  
10 Retirement System; that the failure of the act to be effective at a time  
11 certain will disrupt the proper administration of the Judicial Retirement  
12 System; that the Judicial Retirement System utilizes the state fiscal year as  
13 its accounting year for actuarial purposes; that without this emergency clause  
14 this act may not become effective until after July 1, 2001. Therefore an  
15 emergency is declared to exist and this act being immediately necessary for  
16 the preservation of the public peace, health and safety shall become effective  
17 on July 1, 2001.

18 /s/ Fari s  
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