

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 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H3/11/03

A Bill

HOUSE BILL 1220

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

9 AN ACT TO AUTHORIZE THE BOARD OF TRUSTEES OF THE
10 ARKANSAS STATE HIGHWAY EMPLOYEES' RETIREMENT
11 SYSTEM TO CHANGE THE BENEFIT STRUCTURE OF THE
12 *SYSTEM'S DEFERRED RETIREMENT OPTION PLAN*; AND FOR
13 OTHER PURPOSES.
14

Subtitle

15 AN ACT TO AUTHORIZE THE BOARD OF
16 TRUSTEES OF THE ARKANSAS STATE HIGHWAY
17 EMPLOYEES' RETIREMENT SYSTEM TO CHANGE
18 *SYSTEM'S DEFERRED RETIREMENT OPTION*
19 *PLAN*.
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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 § 24-5-202 is amended to read as follows:*
26 *24-5-202. Requirements.*

27 *(a) In the event a plan is established, the Arkansas State Highway*
28 *Employees' Deferred Retirement Option Plan shall have, as a minimum,*
29 *provisions which require:*

30 *(1) The Board of Trustees of the Arkansas State Highway*
31 *Employees' Retirement System to approve of the person's participation in the*
32 *plan;*

33 *(2) The member's deferred retirement benefits to be deposited*
34 *into an account in which shall be accumulated the member's deferred option*
35 *contributions, plus interest;*

36 *(3) The rate of interest to be credited to each member's*



1 deferred option account shall be an amount to be determined by the board and
2 to be paid on the mean balance in the account for the fiscal year;

3 (4) That when a member begins participation in the deferred
4 retirement option, the member's contributions and the state's contributions,
5 as employer, to the Arkansas State Highway Employees' Retirement System shall
6 cease;

7 (5) That a member's selection of the deferred retirement option,
8 the time of the retirement deferral, and the selection of the retirement
9 annuity are irrevocable; and

10 (6) That the duration of participation in the deferred
11 retirement shall not exceed five (5) years, except under subsection (b) of
12 this section.

13 (b)(1) The member may participate in the deferred retirement option
14 plan until the later of age sixty-five (65) or the fifth (5th) anniversary of
15 the member's entry into the deferred retirement option plan.

16 (2) The member who enters the deferred retirement option plan
17 before age sixty (60) may continue to participate in the plan until they
18 retire or reach age sixty-five (65).

19 (3) In order to participate in the deferred retirement option
20 plan for a period of longer than five (5) years, the member shall contribute
21 six percent (6%) of the their gross salary and the Arkansas State Highway and
22 Transportation Department shall contribute six and nine tenths percent (6.9%)
23 of the member's gross salary.

24 (4) In order to participate in the deferred retirement option
25 plan longer than five (5) years, the amount deposited into the member's
26 deferred retirement option plan account shall be cost neutral to the system,
27 and the system's actuary shall determine this amount.

28 ~~(b)(c)~~ (c) The board may determine any other provisions of the plan, such
29 as the amount of credited service to participate, the method of collections
30 for participants of the plan, and the payment methods in the event of the
31 death of a participant.

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33 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
34 General Assembly of the State of Arkansas that the benefits for members of
35 the Arkansas State Highway Employees' Retirement System are inadequate; that
36 the benefits should be increased to continue to motivate the highway

1 department employees of our state government; that the most beneficial time
2 to increase the benefits is during the beginning of the state fiscal year;
3 and this act is necessary to take effect at that time. Therefore, an
4 emergency is declared to exist and this act being necessary for the
5 preservation of the public peace, health, and safety shall become effective
6 on July 1, 2003.

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/s/ R. Smith