

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 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H2/11/05
A Bill

HOUSE BILL 1210

5 By: Representative Mathis
6
7

8 **For An Act To Be Entitled**

9 AN ACT TO ALLOW MEMBERS OF THE GENERAL ASSEMBLY
10 TO VEST IN THE ARKANSAS PUBLIC EMPLOYEES'
11 RETIREMENT SYSTEM WITH FIVE (5) YEARS OF ACTUAL
12 SERVICE; AND FOR OTHER PURPOSES.
13

14 **Subtitle**

15 TO ALLOW MEMBERS OF THE GENERAL ASSEMBLY
16 TO VEST IN THE ARKANSAS PUBLIC
17 EMPLOYEES' RETIREMENT SYSTEM WITH FIVE
18 (5) YEARS OF ACTUAL SERVICE.
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 24-4-101(28), concerning the definition of
24 "normal retirement age" for purposes of the Arkansas Public Employees'
25 Retirement System is amended to read as follows:

26 (28) "Normal retirement age" means, for a member, the youngest
27 of the following ages:

28 (A) Age sixty (60) and with twenty (20) or more years of
29 actual service for a contributory member; or

30 (B) Age sixty-five (65) with five (5) or more years of
31 actual service, ~~except for a member of the General Assembly who must have ten~~
32 ~~(10) or more years of actual service if he or she only has service as a~~
33 ~~member of the General Assembly;~~

34 (C) If the provisions of § 24-4-521 are used to determine
35 any portion of total credited service, then the age upon completion of
36 thirty-five (35) years of credited service, but in no event to an age younger



1 than fifty-five (55);

2 (D) For a noncontributory member with credited service for
3 employment as a public safety employee or as a sheriff, age sixty-five (65)
4 reduced by one (1) month for each two (2) months of such credited service,
5 but in no event to an age younger than fifty-five (55), except in the case of
6 a sheriff who has a minimum of ten (10) years of actual service as a sheriff
7 or who has eight (8) years of actual service as a sheriff and a minimum of
8 two (2) years of service in another state-supported retirement system, for
9 whom the minimum retirement age shall be fifty-two (52);

10 (E) The age upon completion of twenty-eight (28) years of
11 credited service, if the provisions of § 24-4-521 are not used to determine
12 any portion of such credited service;

13 (F) For a member of the General Assembly with twelve (12)
14 years of actual service, ten (10) of which must be as a member of the General
15 Assembly, at age fifty-five (55). A member of the General Assembly who was
16 either serving in the General Assembly on July 1, 1979, or held an elected
17 office on July 1, 1979, shall be eligible to retire with seventeen and one-
18 half (17 1/2) years of actual service regardless of age;

19 (G) An elected state constitutional officer shall be
20 eligible to retire with twenty-eight (28) years of credited service at age
21 fifty-five (55); and

22 (H) Notwithstanding subdivision (28)(C) of this section,
23 in the case of a deputy sheriff who has a minimum of twenty-five (25) years
24 of actual service as a deputy sheriff, the minimum retirement age shall be
25 fifty-two (52);

26

27 SECTION 2. Arkansas Code § 24-4-301(a), concerning membership in the
28 Arkansas Public Employees' Retirement System, is amended to read as follows:

29 (a)(1) Except as set forth in this subsection, all state employees, as
30 defined in § 24-4-101(17) and (44), shall become members of the Arkansas
31 Public Employees' Retirement System as a condition of employment.

32 (2)(A)(i)(a) A person who is first elected as a member of the
33 General Assembly on or after July 1, 1999, shall have his or her employment
34 covered as a regular state employee member in lieu of coverage under special
35 provisions relating to General Assembly members or to elected officials.

36 (b) However, if the member's only service

1 under an Arkansas retirement plan is service as a member of the General
2 Assembly, the member must have ~~ten (10)~~ five (5) or more years of actual
3 service to be eligible for benefits.

4 (ii)(a) A person who was first elected as a member
5 of the General Assembly before July 1, 1999, may elect to have his or her
6 employment covered as a regular state employee member in lieu of coverage
7 under special provisions relating to General Assembly members or to elected
8 officials. The member may make the election at any time.

9 (b) However, if the member's only service
10 under an Arkansas retirement plan is service as a member of the General
11 Assembly, then the member must have ~~ten (10)~~ five (5) or more years of actual
12 service to be eligible for benefits.

13 (B) Any member of the General Assembly who was serving in
14 that capacity at the commencement of the Eighty-fourth General Assembly and
15 who had elected not to participate in the Arkansas Public Employees'
16 Retirement System under the provisions of § 24-4-301(a)(2)(A) prior to its
17 amendment by Acts 2003, No. 1403, may elect to participate and receive
18 current credit in the system. The member is eligible to receive prior service
19 credit for the time he or she was first elected to the General Assembly until
20 the date of election to participate provided that:

21 (i) The member pays, or causes to be paid, all
22 employer contributions based on the employer's normal cost from the most
23 recent actuarial valuation and the compensation that would have been paid had
24 he or she been a member of the system during that time and regular interest
25 on the employer contributions computed from the date the service was rendered
26 to the date payment is received by the system;

27 (ii) The payment shall be made in a lump sum; and

28 (iii) The member may pay for all prior service, or a
29 portion of the prior service, consisting of one (1) year increments.

30
31 SECTION 3. Arkansas Code § 24-4-508(a), concerning eligibility for
32 benefits in the Arkansas Public Employee's Retirement System, is amended to
33 read as follows:

34 (a) Any member may voluntarily retire upon his or her written
35 application filed with the Board of Trustees of the Arkansas Public
36 Employees' Retirement System setting forth at what time, not less than thirty

1 (30) days nor more than ninety (90) days subsequent to the execution and
2 filing of the application, that he or she desires to be retired if that
3 member has:

4 (1) Twenty-eight (28) or more years of credited service
5 regardless of age;

6 (2) Attained or attains age sixty (60) and has twenty (20) or
7 more years of actual contributory service; or

8 (3) Attained or attains age sixty-five (65) and has five (5) or
9 more years of actual service, ~~except for a member of the General Assembly who~~
10 ~~must have ten (10) or more years of actual service if he or she only has~~
11 ~~service as a member of the General Assembly.~~

12
13 SECTION 4. Arkansas Code § 24-4-510 is amended to read as follows:

14 24-4-510. Eligibility for benefits - Deferred and early annuities.

15 (a)(1)(A) Any member or former member with sufficient years of actual
16 service to qualify for a vested termination annuity who has not attained his
17 or her normal retirement age may retire with an early annuity provided for in
18 subsection (b) of this section upon his or her written application to the
19 plan setting forth at what time, not less than thirty (30) days nor more than
20 ninety (90) days subsequent to the execution and filing of his or her
21 application, he or she desires to be retired.

22 (B) The member or former member eligible for a vested
23 termination annuity must have at least five (5) years of actual service and
24 be within ten (10) years of normal retirement age, ~~except for members of the~~
25 ~~General Assembly who must have at least ten (10) years of actual service and~~
26 ~~be within ten (10) years of normal retirement age.~~

27 (2)(A) Upon early retirement, a member shall receive a certain
28 percentage of an annuity for life provided for in § 24-4-601. The percentage
29 shall be one hundred percent (100%) reduced by one-half of one percent (0.5%)
30 multiplied by the number of months by which the member's age at early
31 retirement is younger than his or her normal retirement age, using what his
32 or her normal retirement age would have been under the provisions of § 24-4-
33 508 if he or she had continued covered employment from the time of early
34 retirement.

35 (B)(i) However, if the member or former member has at
36 least twenty-five (25) years of actual service but less than twenty-eight

1 (28) years of actual service and has not reached age sixty-five (65), then
2 upon early retirement the member shall receive a percentage of a life annuity
3 as provided in § 24-4-601. The percentage shall be one hundred percent (100%)
4 reduced by one percent (1%) multiplied by the number of months by which the
5 time of early retirement precedes the earlier of either the completion of
6 twenty-eight (28) years of actual service or the attainment of age sixty-five
7 (65).

8 (ii) If the reduction set forth under this
9 subdivision (a)(2)(B) is greater than the reduction that would have otherwise
10 been imposed except for this subdivision (a)(2)(B), then the lesser reduction
11 shall apply.

12 (3) The early annuity shall be effective the first day of the
13 calendar month next following the later of termination of public employer
14 employment or thirty (30) days after receipt by the Board of Trustees of the
15 Arkansas Public Employees' Retirement System of the written application.

16 (b)(1) A member who terminates covered employment before attaining his
17 or her normal retirement age for a reason other than death or early
18 retirement or disability retirement shall be entitled to an annuity computed
19 in accordance with the provisions of subdivision (b)(2) of this section as it
20 provides at time of last termination of employment, subject to the member's
21 satisfying all of the following conditions:

22 (A) ~~Except for members of the General Assembly, who must~~
23 ~~have at least ten (10) years of actual service, the~~ The member has five (5)
24 or more years of total actual service with the Arkansas Public Employees'
25 Retirement System or in combination with reciprocal systems under the
26 provisions of §§ 24-2-401 - 24-2-405, and 24-2-407. In establishing the
27 minimum total credited service, periods of credited service covering the same
28 calendar time shall be counted only once. However, both service in the
29 Arkansas Public Employees' Retirement System as a member of the General
30 Assembly and service in another reciprocal system during the same period of
31 time may be counted to meet the service requirements for benefits from the
32 reciprocal systems, subject to the following:

33 (i) The provisions of § 24-4-521 may not be used to
34 meet the service requirements; and

35 (ii) The benefit payable by a reciprocal system will
36 be based on the credited service in that system and on the final average

1 compensation under that system;

2 (B) If a member has fewer years of service than the final
3 average compensation requirement in a reciprocal system, then "final average
4 compensation" means the monthly average of pay to the member during his or
5 her total years of service in that system;

6 (C) The member lives to his or her annuity starting date;
7 and

8 (D) The member makes written application for retirement in
9 accordance with this section.

10 (2)(A) A contributory member with twenty (20) or more years of
11 actual service who left or leaves the employ of a public employer prior to
12 the member's attainment of age sixty (60) for any reason except his or her
13 retirement or death shall be entitled to an annuity provided for in § 24-4-
14 601, but only if the member does not withdraw his or her accumulated
15 contributions from the members' deposit account.

16 (B) The member's annuity shall begin the first day of the
17 calendar month next following the month after his or her attainment of age
18 sixty (60) upon written application filed with the Board of Trustees of the
19 Arkansas Public Employees' Retirement System setting forth at what time, not
20 less than thirty (30) days nor more than ninety (90) days subsequent to the
21 execution and filing of the application, the member desires to be retired.

22 (3)(A) A contributory member who has at least five (5) years but
23 less than twenty (20) years of actual service who leaves the employ of a
24 public employer prior to his or her attainment of age sixty-five (65) for any
25 reason except his or her retirement or death and who does not withdraw his or
26 her accumulated contributions from the members' deposit account shall be
27 entitled to an annuity provided for in § 24-4-606.

28 (B) A noncontributory member who has at least five (5)
29 years but less than twenty-eight (28) years of actual service who leaves the
30 employ of a public employer prior to the attainment of age sixty-five (65)
31 for any reason except retirement or death shall be entitled to an annuity
32 provided for in § 24-4-606.

33 (C) The member's annuity shall begin the first day of the
34 calendar month next following the month of attainment of age sixty-five (65)
35 upon written application filed with the board setting forth at what time, not
36 less than thirty (30) days nor more than ninety (90) days subsequent to the

1 execution and filing thereof, the member desired to be retired.

2 (4) The monthly amount of vested termination annuity shall be
3 computed in the same manner as a normal annuity amount provided for in § 24-
4 4-601, but it shall be based upon the member's credited service and final
5 average compensation at the time of termination of employment covered by the
6 Arkansas Public Employees' Retirement System.

7 (5) The member shall have the right to elect an option provided
8 for in § 24-4-606.

9
10 SECTION 5. Arkansas Code § 24-4-511(a), concerning disability
11 retirement benefits of the Arkansas Public Employees' Retirement System, is
12 amended to read as follows:

13 (a)(1)(A) ~~Except for members of the General Assembly who need at least~~
14 ~~ten (10) years of actual service, any~~ Any active member with five (5) or more
15 years of actual service, including actual service for at least eighteen (18)
16 of the twenty-four (24) calendar months immediately preceding his or her
17 disability, who becomes totally and permanently physically or mentally
18 incapacitated for any suitable job or position as an employee as a result of
19 a personal injury or disease may be retired by the Board of Trustees of the
20 Arkansas Public Employees' Retirement System upon written application filed
21 with the board by or on behalf of the member.

22 (B) This may occur only if after a medical examination of
23 the member made by or under the direction of a physician or physicians
24 designated by the board, the physician reports to the board in writing that
25 the member is physically or mentally totally incapacitated for any suitable
26 job or position, that the incapacity will probably be permanent, and that the
27 member should be retired.

28 (2) Upon filing the proper application and meeting the
29 requirements stated in this section, the disability annuity shall be
30 effective the first day of the calendar month next following the later of
31 either the member's termination of active membership or the onset date of the
32 qualifying disability.

33
34 SECTION 6. Arkansas Code § 24-4-521(b)(4), concerning credited service
35 in the Arkansas Public Employees' Retirement System, is amended to read as
36 follows:

1 (4)(A) Noncontributory employment as a member of the General
2 Assembly shall be credited at the regular rate for crediting service, except
3 that at least ~~ten (10)~~ five (5) years of actual service shall be required to
4 meet the retirement eligibility requirements of §§ 24-4-510, 24-4-511, and
5 24-4-609, and at least five (5) years of actual service shall be required to
6 meet the eligibility requirements of § 24-4-608.

7 (B) A member of the General Assembly who at any time has
8 served at least six (6) months during a two-year term in the General Assembly
9 shall be credited with no more than one (1) year's actual service.

10
11 SECTION 7. Arkansas Code § 24-4-710 is amended to read as follows:

12 24-4-710. Contributory credited service for General Assembly members
13 and state constitutional officers dying in office - Surviving spouse
14 benefits.

15 (a) Any member of the General Assembly or a state constitutional
16 officer who dies before completing a term of office to which the person was
17 elected shall continue to accrue credited service in the Arkansas Public
18 Employees' Retirement System during the remainder of the term for which the
19 person was elected.

20 (b) The surviving spouse of a member or former member of the General
21 Assembly or of a state constitutional officer or former state constitutional
22 officer who, by virtue of the provisions of this section or any other law,
23 has five (5) years or more of credited service in any capacity in the system,
24 ~~except for a member of the General Assembly who must have had ten (10) or~~
25 ~~more years of credited service if he or she only has service as a member of~~
26 ~~the General Assembly,~~ shall be entitled upon reaching the required age to a
27 surviving spouse benefit in the amount prescribed by law under the division
28 of the system in which the deceased member was receiving benefits or would
29 have been entitled under this section to receive benefits if the member had
30 lived to retirement age.

31 (c) Nothing contained in this section is intended to, nor shall
32 anything in this section be construed to, permit any member or former member
33 of the General Assembly or any constitutional officer or former
34 constitutional officer or any spouse of the member or officer to earn
35 credited service in any retirement system after the expiration of the term of
36 office to which the member was elected.

