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	As Engrossed: H2/2/05			
2	85th General Assembly	A Bill			
3	Regular Session, 2005		HOUSE BILL	1222	
4					
5	By: Representative Ormond				
6					
7					
8		For An Act To Be Entitled			
9	AN ACT CONCERNING PURCHASED CREDITED SERVICE FOR				
10	MEMBERS	OF THE GENERAL ASSEMBLY WHO HAVE SEE	RVED		
11	IN THE	ARMED FORCES OF THE UNITED STATES.			
12					
13		Subtitle			
14	AN A	CT CONCERNING PURCHASED CREDITED			
15	SERV	ICE FOR MEMBERS OF THE GENERAL			
16	ASSE	MBLY WHO HAVE SERVED IN THE ARMED			
17	FORC	ES OF THE UNITED STATES.			
18					
19					
20	BE IT ENACTED BY THE O	GENERAL ASSEMBLY OF THE STATE OF ARKA	ANSAS:		
21					
22	SECTION 1. Arka	ansas Code Title 24, Chapter 4 is ame	ended to add an		
23	additional section to	read as follows:			
24	<u> 24-4-748 — Membe</u>	ers of the General Assembly — Militar	y service credi	<u>t.</u>	
25	(a) A member of	f the General Assembly serving on or	after July 1, 1	<i>998</i> ,	
26	with six (6) years of	actual service as a member of the Ar	kansas General		
27	Assembly shall be enti	itled to purchase credited service in	ı the Arkansas		
28	Public Employees' Ret	irement System for a period not to ex	cceed five (5) y	<u>ears</u>	
29	for service rendered l	by the member in the armed forces of	the United Stat	es	
30	before the person's el	lection to the General Assembly, but	only if the per	son:	
31	<u>(1) Recei</u>	ived an honorable discharge from the	armed forces;		
32	<u>(2) Is no</u>	ot receiving federal military service	retirement pay	•	
33	based upon nineteen (19) or more years of active duty, but	disability fed	<u>eral</u>	
34	retirement pay shall not disqualify a member from the purchasing credit; and			and	
35	(3)(A) For the first three (3) years of credited service,				
36	contributes to the men	mbers' deposit account a sum of money	green equal to the		

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1	amount he or she would have contributed to the account had he or she been a		
2	member during his or her term of military service. This amount shall be		
3	based upon his or her monthly contributions at the time he or she first		
4	became a member of the retirement system and interest at the rate of six		
5	percent (6%), together with an amount equal to the employer's matching		
6	contribution and interest at the rate of six percent (6%), which interest		
7	shall commence six (6) months after eligibility; and		
8	(B) For the fourth and fifth year of credited service,		
9	contributes to the members' deposit account a sum of money equal to the		
10	amount he or she would have contributed to the account had he or she been a		
11	member during his or her term of military service. This amount shall be		
12	based upon:		
13	(i) His or her salary at the time he or she first		
14	became a member of the retirement system;		
15	(ii) The employer's contribution in effect at the		
16	time he or she first became eligible to purchase the military service; and		
17	(iii) Interest on both the employee's and employer's		
18	contributions at the rate of six percent (6%), which interest shall commence		
19	six (6) months after eligibility.		
20	(b) A person eligible to purchase credited service under subdivision		
21	(a)(1) of this section is not required to be vested in the system at the time		
22	of purchase.		
23	(c)(1) For the purposes of this section, service rendered by a member		
24	of the General Assembly in the armed forces of the United States shall be		
25	credited at two (2) times the regular rate for crediting service.		
26	(2) However, no member of the system may receive in excess of		
27	five (5) years of credited service for military service rendered by the		
28	member.		
29	(d) Credited service purchased under this section shall be treated as		
30	actual service in determining the years of actual service required for		
31	vesting purposes.		
32	(e) The provisions of this section shall be void upon:		
33	(1) The finding of a court of competent jurisdiction that the		
34	provisions of this section would cause the Arkansas Public Employees'		
35	Retirement System to lose its status as a qualified plan with the Internal		

36

Revenue Service; or

As Engrossed: H2/2/05 HB1222

1	(2) The passage of an act by the General Assembly which allows	
2	members of the General Assembly to meet the retirement eligibility	
3	requirements with five (5) years of actual service.	
4		
5	SECTION 2. EMERGENCY CLAUSE. It is found and determined by the	
6	General Assembly of the State of Arkansas that current laws pertaining to the	
7	retirement of veterans serving in the General Assembly require revision; and	
8	that the most effective time to make changes to the retirement system is at	
9	the beginning of the state's fiscal year. Therefore, an emergency is	
10	declared to exist and this act being necessary for the preservation of the	
11	public peace, health, and safety shall become effective on July 1, 2005.	
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14	/s/ Ormond	
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