

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: H2/2/05
A Bill

HOUSE BILL 1222

5 By: Representative Ormond
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8 **For An Act To Be Entitled**

9 AN ACT CONCERNING PURCHASED CREDITED SERVICE FOR
10 MEMBERS OF THE GENERAL ASSEMBLY WHO HAVE SERVED
11 IN THE ARMED FORCES OF THE UNITED STATES.
12

13 **Subtitle**

14 AN ACT CONCERNING PURCHASED CREDITED
15 SERVICE FOR MEMBERS OF THE GENERAL
16 ASSEMBLY WHO HAVE SERVED IN THE ARMED
17 FORCES OF THE UNITED STATES.
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19

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

22 SECTION 1. Arkansas Code Title 24, Chapter 4 is amended to add an
23 additional section to read as follows:

24 24-4-748 – Members of the General Assembly – Military service credit.

25 (a) A member of the General Assembly serving on or after July 1, 1998,
26 with six (6) years of actual service as a member of the Arkansas General
27 Assembly shall be entitled to purchase credited service in the Arkansas
28 Public Employees' Retirement System for a period not to exceed five (5) years
29 for service rendered by the member in the armed forces of the United States
30 before the person's election to the General Assembly, but only if the person:

31 (1) Received an honorable discharge from the armed forces;

32 (2) Is not receiving federal military service retirement pay
33 based upon nineteen (19) or more years of active duty, but disability federal
34 retirement pay shall not disqualify a member from the purchasing credit; and

35 (3)(A) For the first three (3) years of credited service,
36 contributes to the members' deposit account a sum of money equal to the



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

