1   State of Arkansas   *As Engrossed: S1/31/05*
2   85th General Assembly   **A Bill**
3   Regular Session, 2005   SENATE BILL   106

4

5   By: Senators Faris, J. Jeffress, J. Bookout
6   *By: Representative Sullivan*

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9   **For An Act To Be Entitled**
10   AN ACT TO ALLOW AN INCREASE IN THE AMORTIZATION
11   PERIOD FOR UNFUNDED LIABILITIES IN THE STATE
12   POLICE RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.

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14   **Subtitle**
15   AN ACT TO ALLOW AN INCREASE IN THE
16   AMORTIZATION PERIOD FOR UNFUNDED
17   LIABILITIES IN THE STATE POLICE
18   RETIREMENT SYSTEM.

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

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23   SECTION 1. Arkansas Code § 24-6-209 is amended as follows:
24   24-6-209. Employer's contribution.
25   (a) The Department of Arkansas State Police, as employer, shall make
26   contributions to the State Police Retirement System of twenty-two percent
27   (22%) of active member payroll.
28   (b)(1) The Director of the Department of Finance and Administration,
29   at the request of the Executive Secretary of the State Police Retirement
30   System, is authorized and directed to make annual transfers on each June 30
31   to the State Police Retirement System from the remainder of insurance premium
32   taxes enumerated in § 19-6-301(27) before they are transferred to General
33   Revenues enumerated in § 19-6-201(19) the amounts of money necessary to
34   amortize ~~over a twenty-five-year period~~ the unfunded liabilities <u>over a</u>
35   <u>period not to exceed thirty (30) years</u> for those members not covered by the
36   provisions of § 24-6-401 et seq.

1   (2) These transfers are intended to cover the unfunded accrued

2 actuarial liabilities of the State Police Retirement System ~~existing on June~~

3 ~~30, 1997,~~ and shall not be used for the purpose of providing any benefit

4 enhancements for the State Police Retirement System.

5   (3) Members of the Tier One State Police Retirement System shall

6 not be entitled to any benefit enhancements from these transfers unless funds

7 from sources other than insurance premium taxes are found to provide for the

8 retirement benefit enhancements.

9   (4) The amount of the transfer shall be determined by computing

10 the dollar amount required based on the actuarially determined employer rate

11 in the most recent annual actuarial valuation and subtracting from that

12 amount the statutory contribution amount specified in subsection (a) of this

13 section, the court fees provided by Acts 1995, No. 1256, and the driver's

14 license reinstatement fees provided by § 27-16-808.

15   (c)(1) The intent of this section is to provide for funding of any

16 amounts of unfunded accrued actuarial liabilities of the Tier One State

17 Police Retirement Fund existing on June 30, 1997.

18   (2) These transfers shall be limited in use solely for the

19 purpose of paying those liabilities and nothing more.

20   (3) In the event the transfers under this section exceed eight

21 hundred thousand dollars ($800,000) per fiscal year, the Executive Secretary

22 of the State Police Retirement System shall notify the Joint Interim

23 Committee on Public Retirement and Social Security Programs which shall then

24 review the use of the funds and the benefit provisions of the systems and the

25 actuarial reports on the retirement systems to ensure compliance with the

26 intended purpose of the funds.

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28   SECTION 2. <u>EMERGENCY CLAUSE. It is found and determined by the</u>

29 <u>General Assembly of the State of Arkansas that for the effective</u>

30 <u>administration of this act and to avoid undue harm to the members and benefit</u>

31 <u>recipients of the State Police Retirement System that this act should become</u>

32 <u>effective on July 1, 2005. Therefore, an emergency is declared to exist and</u>

33 <u>this act being necessary for the preservation of the public peace, health,</u>

34 <u>and safety shall become effective on July 1, 2005.</u>

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36   */s/ Faris*