

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

# A Bill

SENATE BILL 127

4  
5 By: Senators Wilkinson, J. Jeffress, Faris, G. Jeffress, Higginbothom  
6 By: Representatives Walters, Sullivan

## For An Act To Be Entitled

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10 AN ACT TO ALLOW MEMBERS OF THE ARKANSAS PUBLIC  
11 EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE  
12 CREDIT FOR SERVICE IN THE ARKANSAS NATIONAL GUARD  
13 OR THE ARMED FORCES RESERVE; AND FOR OTHER  
14 PURPOSES.

## Subtitle

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17 TO ALLOW APERS MEMBERS TO PURCHASE  
18 SERVICE CREDIT FOR TIME IN THE NATIONAL  
19 GUARD OR ARMED FORCES RESERVE.

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

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24 SECTION 1. Arkansas Code Title 24, Chapter 2, Subchapter 5 is amended  
25 to add an additional section to read as follows:

26 24-2-503. Arkansas National Guard and Armed Forces Reserve service  
27 credit.

28 (a) As used in this section, "Armed Forces Reserve" means one of the  
29 reserve components of the United States Armed Forces.

30 (b)(1) A member of the Arkansas Public Employees' Retirement System  
31 may purchase credited service in the system for a period not to exceed one  
32 (1) year for compensated service rendered by the member in the Arkansas  
33 National Guard or in the Armed Forces Reserve if the member:

34 (A) Makes an application to the Board of Trustees of the  
35 Arkansas Public Employees' Retirement System;

36 (B) Provides the board with satisfactory proof of that



1 person's service in the Arkansas National Guard or Armed Forces Reserve; and

2 (C)(i) For the year of service credit granted, pays to the  
3 system the employee and employer contributions based on the greater of:

4 (a) The annual salary received by the member  
5 for the member's first full year of credited service that precedes the fiscal  
6 year in which the service is purchased; or

7 (b) The average of the three (3) highest  
8 annual salaries earned at the time of purchase.

9 (ii) The member must pay interest from the end of  
10 that year of credited service to the date of payment in full.

11 (2) Payment for service under this section is to be based on the  
12 contribution rates in effect at the time of the purchase.

13 (3) The payment is to be credited to the members' deposit  
14 account and is in addition to any regular member contributions.

15 (c) A member shall receive one (1) year of purchased service credit  
16 for every five (5) years of compensated service in the Arkansas National  
17 Guard or in the Armed Forces Reserve.

18 (d) The Arkansas National Guard or Armed Forces Reserve service shall  
19 not become credited service under this system until:

20 (1) The member pays for all the Arkansas National Guard or Armed  
21 Forces Reserve service, or a portion of the service in one (1) year  
22 increments, at one (1) time in a single lump-sum payment; and

23 (2) The member has established five (5) or more years of actual  
24 service in the system.

25 (e) If a member ceases to be an active member before the Arkansas  
26 National Guard or Armed Forces Reserve service has been established as  
27 system-credited service, the member payments contributed under this section  
28 are refundable, together with regular interest.

29 (f)(1) This section is supplemental to § 24-2-502, and nothing in this  
30 section shall diminish the right of any member of the system to obtain  
31 credited service in the system for active duty military service within the  
32 limits permitted by § 24-2-502.

33 (2) However, no member is entitled to receive more than one (1)  
34 year of credited service rendered by the member under this section.

35 (3) No member is eligible to purchase service credit in more  
36 than one (1) state-supported retirement system for service time in the

1 Arkansas National Guard or in the Armed Forces Reserve.

2 (4) Service credit in the system for active duty military  
3 service under § 24-2-502 and for service in the Arkansas National Guard or  
4 Armed Forces Reserve shall not be given for the same period of time.

5 (5) The service is not credited as service under any other  
6 retirement system, including federal systems, except social security.

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