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: S2/1/05 S2/22/05 | | |
|----|-----------------------------------------------------------------------------|------------------------------------------|-----------------|-----|
| 2 | 85th General Assembly | A Bill | | |
| 3 | Regular Session, 2005 | | SENATE BILL | 97 |
| 4 | | | | |
| 5 | By: Senator J. Bookout | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | For An Act To Be Entitled | | |
| 9 | AN ACT TO ALLOW POLITICAL SUBDIVISIONS TO REMOVE | | | |
| 10 | THE AG | E REQUIREMENT FOR THE ADDITIONAL MONTHLY | ľ | |
| 11 | PENSIO | N BENEFITS FOR POLICE OFFICERS AND | | |
| 12 | FIREFIGHTERS; TO EXTEND THE ADDITIONAL MONTHLY | | | |
| 13 | PENSIO | N BENEFITS TO SURVIVORS; AND FOR OTHER | | |
| 14 | PURPOS | ES. | | |
| 15 | | | | |
| 16 | | Subtitle | | |
| 17 | AN A | ACT TO ALLOW POLITICAL SUBDIVISIONS | | |
| 18 | TO I | REMOVE THE AGE REQUIREMENT FOR THE | | |
| 19 | ADD | ITIONAL MONTHLY PENSION BENEFITS FOR | | |
| 20 | POL | ICE OFFICERS AND FIREFIGHTERS AND TO | | |
| 21 | EXT | END THE ADDITIONAL MONTHLY PENSION | | |
| 22 | BEN | EFITS TO SURVIVORS. | | |
| 23 | | | | |
| 24 | | | | |
| 25 | BE IT ENACTED BY THE | GENERAL ASSEMBLY OF THE STATE OF ARKANS | AS: | |
| 26 | | | | |
| 27 | SECTION 1. Ark | cansas Code § 24-11-432 is amended as fo | llows: | |
| 28 | 24-11-432. Add | ditional benefits for certain officers h | ired prior to | |
| 29 | January 1, 1983. | | | |
| 30 | (a) <u>(l)</u> Beginni | ing July 1, 1987, in addition to the mon | thly pension | |
| 31 | benefits as set forth | n in §§ 14-52-106, 24-11-401 - 24-11-403 | , 24-11-405 - 2 | 4- |
| 32 | 11-413, 24-11-416, 24-11-417, 24-11-422, 24-11-423, 24-11-425, 24-11-428 - | | | |
| 33 | 24-11-430, 24-11-801 - 24-11-807, 24-11-809, 24-11-810, 24-11-813 - 24-11- | | | |
| 34 | 815, and $24-11-818 - 24-11-821$, for those police officers hired prior to | | | |
| 35 | January 1, 1983, and | who continue to work beyond their twent | y-fifth year, t | :he |
| 36 | member shall receive | at age sixty (60) and thereafter a bene | fit on the amou | ınt |

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- 1 equal to one and one-fourth percent (1.25%) of final salary attached to the
- 2 rank which the member may have held in the department preceding the date of
- 3 retirement multiplied by the number of years of service in excess of twenty-
- 4 five (25) years up to a maximum total benefit of seventy-five percent (75%)
- 5 of final salary, provided that the maximum seventy-five percent (75%) of
- 6 final salary shall no longer apply to benefits payable on April 30, 1993, and
- 7 thereafter to persons retiring henceforth and to those persons who retired on
- 8 or after July 1, 1987.
- 9 (2)(A) By a majority vote of its governing body, each political
- 10 <u>subdivision that has had administrative responsibility of its funds assigned</u>
- 11 to the Arkansas Local Police and Fire Retirement System may elect to provide
- 12 the additional benefits in subdivision (a)(1) of this section for those
- 13 police officers who were hired prior to January 1, 1983, and who continue to
- 14 work beyond their twenty-fifth year, but have not reached the age of sixty
- 15 <u>(60)</u>.
- 16 (B) The clerk or secretary of the governing body of the
- 17 political subdivision shall certify to the Arkansas Local Police and Fire
- 18 Retirement System Board, in a manner and form acceptable to the board, the
- 19 election to extend the additional benefits to members of any age within ten
- 20 (10) days of the vote.
- 21 (3)(A) By a majority vote of its governing body, each political
- 22 subdivision that has not had administrative responsibility of its funds
- 23 assigned to the Arkansas Local Police and Fire Retirement System may elect to
- 24 provide the additional benefits in subdivision (a)(1) of this section for
- 25 <u>those police officers who were hired prior to January 1, 1983, and who</u>
- 26 continue to work beyond their twenty-fifth year, but have not reached the age
- 27 of sixty (60).
- 28 (B) The clerk or secretary of the governing body of the
- 29 political subdivision shall certify to the Arkansas Fire and Police Pension
- 30 Review Board, in a manner and form acceptable to the board, the election to
- 31 extend the additional benefits to members of any age within ten (10) days of
- 32 the vote.
- 33 (C) All benefit increase determinations shall be made in
- 34 compliance with the provisions of §§ 24-11-101 through 24-11-103.
- 35 (b)(1) This benefit shall The benefit payable under subdivision (a)(1)
- 36 of this section shall also be payable to the member only and not to surviving

- 1 spouses or member's surviving spouse and dependent children who qualify for 2 benefits under § 24-11-425.
- 3 <u>(2) If the additional benefits provided under subdivision (a)(2)</u>
- 4 or (a)(3) are approved by a majority vote of the political subdivision's
- 5 governing body and are in compliance with the provisions of §§ 24-11-101
- 6 through 24-11-103, then the benefits shall also be payable to the member's
- 3 surviving spouse and dependent children who qualify for benefits under § 24-
- 8 11-425.
- 9 (c)(1) For the purposes of this section, "salary" means recurring pays
 10 which are received for a regularly scheduled work week and shall not include,
 11 except as otherwise provided in this subsection, payments for unused accrued
 12 sick leave or annual leave or the cash value of any nonrecurring or unusual
- 13 remunerations.
 - (2) The term "salary" may include the payments to those police officers under this section for unused accrued sick leave not to exceed ninety (90) work days recorded on the records of the city or town as of the officer's date of retirement, provided the municipality agrees by ordinance to make adequate contributions to the fund to cover the additional costs for the benefits from the increased salary and the fund is judged by an actuarial determination to be actuarially sound. The board of trustees shall determine the actuarial costs of the payments for the unused accrued sick leave to the fund.

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- SECTION 2. Arkansas Code § 24-11-826 is amended as follows:
 25 24-11-826. Additional benefits for certain fire fighters hired prior
 26 to January 1, 1983.
- 27 (a) (1) Beginning July 1, 1987, in addition to the monthly pension
 28 benefits as set forth in §§ 24-11-801 24-11-807, 24-11-809, 24-11-810, 2429 11-812 24-11-815, 24-11-818, 24-11-820, and 24-11-821, for those fire
 30 fighters hired prior to January 1, 1983, and who continue to work beyond
- 31 their twenty-fifth year, the member shall receive at age sixty (60) and
- 32 thereafter a benefit on the amount equal to one and one-fourth percent
- 33 (1.25%) of final salary attached to the rank which he or she may have held in
- 34 the department preceding the date of retirement multiplied by the number of
- 35 years of service in excess of twenty-five (25) years, up to a maximum total
- 36 benefit of seventy-five percent (75%) of final salary, provided that the

- 1 maximum seventy-five percent (75%) of final salary shall no longer apply to
- 2 benefits payable on April 30, 1991, and thereafter to persons retiring
- 3 henceforth and to those persons who retired on or after July 1, 1987.
- 4 However, in no case shall the benefit payment exceed one hundred percent
- 5 (100%) of final salary.
- 6 (2)(A) By a majority vote of its governing body, each political
- 7 subdivision that has had administrative responsibility of its funds assigned
- 8 to the Arkansas Local Police and Fire Retirement System may elect to provide
- 9 the additional benefits in subdivision (a)(1) of this section for those
- 10 <u>firefighters who were hired prior to January 1, 1983, and who continue to</u>
- 11 work beyond their twenty-fifth year, but have not reached the age of sixty
- 12 (60).
- 13 (B) The clerk or secretary of the governing body of the
- 14 political subdivision shall certify to the Arkansas Local Police and Fire
- 15 Retirement System Board, in a manner and form acceptable to the board, the
- 16 <u>election to extend the additional benefits to members of any age within ten</u>
- 17 (10) days of the vote.
- 18 <u>(3)(A) By a majority vote of its governing body, each political</u>
- 19 <u>subdivision that has not had administrative responsibility of its funds</u>
- 20 assigned to the Arkansas Local Police and Fire Retirement System may elect to
- 21 provide the additional benefits in subdivision (a)(1) of this section for
- 22 those firefighters who were hired prior to January 1, 1983, and who continue
- 23 to work beyond their twenty-fifth year, but have not reached the age of sixty
- 24 <u>(60)</u>.
- 25 <u>(B) The clerk or secretary of the governing body of the</u>
- 26 political subdivision shall certify to the Arkansas Fire and Police Pension
- 27 Review Board, in a manner and form acceptable to the board, the election to
- 28 extend the additional benefits to members of any age within ten (10) days of
- 29 the vote.
- 30 (C) All benefit increase determinations shall be made in
- 31 compliance with the provisions of §§ 24-11-101 through 24-11-103.
- 32 (b)(1) This benefit shall The benefit payable under subdivision (a)(1)
- 33 of this section shall also be payable to the member only and not to surviving
- 34 spouses or member's surviving spouse and dependent children who qualify for
- 35 benefits under § 24-11-820.
- 36 (2) If the additional benefits provided under subdivision (a)(2)

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| 1 | or (a)(3) are approved by a majority vote of the political subdivision's |
| 2 | governing body and are in compliance with the provisions of §§ 24-11-101 |
| 3 | through 24-11-103, then the benefits shall also be payable to the member's |
| 4 | surviving spouse and dependent children who qualify for benefits under § 24- |
| 5 | <u>11-820.</u> |
| 6 | (c)(l) For the purposes of this section, "salary" means recurring pays |
| 7 | which are received for a regularly scheduled workweek and shall not include, |
| 8 | except as otherwise provided in this subsection, payments for unused accrued |
| 9 | sick leave or annual leave or the cash value of any nonrecurring or unusual |
| 10 | remunerations. |
| 11 | (2)(A) The term "salary" may include the payments to those fire |
| 12 | fighters under this section for unused accrued sick leave not to exceed |
| 13 | ninety (90) workdays recorded on the records of the city or town as of the |
| 14 | fire fighter's date of retirement, provided the municipality agrees by |
| 15 | ordinance to make adequate contributions to the fund to cover the additional |
| 16 | costs for the benefits from the increased salary and the fund is judged by an |
| 17 | actuarial determination to be actuarially sound. |
| 18 | (B) The board of trustees shall determine the actuarial |
| 19 | costs of the payments for the unused accrued sick leave to the fund. |
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| 21 | /s/ J. Bookout |
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