

State of Arkansas
86th General Assembly
Regular Session, 2007

A Bill

HOUSE BILL 1159

By: Representative Harris

For An Act To Be Entitled

AN ACT CONCERNING THE ARKANSAS LOCAL POLICE AND
FIRE RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.

Subtitle

CONCERNING THE ARKANSAS LOCAL POLICE AND
FIRE RETIREMENT SYSTEM.

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

SECTION 1. Arkansas Code § 24-10-602(a), concerning filings with the
Social Security Administration, is amended to read as follows:

(a) Upon a member's retirement, he or she shall receive an annuity for
life in accordance with the applicable benefit program elected by his or her
employer, as follows:

(1) Benefit Program 1.

(A) For each year of paid service resulting from
employment:

(i) In a position not also covered by social
security, two and seven-tenths percent (2.7%) of his or her final average
pay; and

(ii) In a position also covered by social security,
one and seven-tenths percent (1.7%) of his or her final average pay.

(B)(i)(a) In addition, if the member is retiring as
provided in § 24-10-604, § 24-10-605, § 24-10-606, or § 24-10-607, and if the
member's age at retirement is less than social security's minimum age for an
immediate unreduced retirement benefit, then the member shall receive a
temporary annuity equal to one percent (1%) of his or her final average pay



1 for each year of paid service resulting from employment in a position also
2 covered by social security.

3 (b) The provisions of this section that allow
4 a member who retires as provided in § 24-10-607, whose employment was also
5 covered by social security, and who is thereby eligible for a temporary
6 annuity shall be applied retroactively to all persons who retired under those
7 circumstances on or after October 1, 1989.

8 (ii) The temporary annuity shall terminate at the
9 end of the calendar month in which the earlier of the following events
10 occurs:

11 (a) The member's death; or

12 (b) His or her attainment of social security's
13 minimum age for an immediate unreduced retirement benefit.

14 ~~(iii)(a) As a condition of awarding the temporary~~
15 ~~annuity for members retiring under § 24-10-607, the Board of Trustees of the~~
16 ~~Arkansas Local Police and Fire Retirement System shall require the disabled~~
17 ~~member to file all appropriate forms and pleadings with the Social Security~~
18 ~~Administration and pursue through the administrative process a disability~~
19 ~~determination.~~

20 ~~(b) Beginning July 1, 2001, any~~ Any member who
21 has had a temporary annuity terminated because of an award of disability
22 retirement under the Social Security Act shall have that temporary annuity
23 restored.

24 (2) Benefit Program 2.

25 (A) For each year of paid service rendered on or after the
26 election date of the Benefit Program 2 and before the election is rescinded:

27 (i) In a position also covered by social security,
28 two and six-tenths percent (2.6%) of the member's final average salary; and

29 (ii) In a position not covered by social security,
30 three and one-tenth percent (3.1%) of the member's final average salary.

31 (B)(i) For each year of paid service rendered before the
32 election date of the Benefit Program 2 or after the election is rescinded:

33 (a) In a position also covered by social
34 security, one and seven-tenths percent (1.7%) of the member's final average
35 salary; and

36 (b) In a position not covered by social

1 security, two and seven-tenths percent (2.7%) of the member's final average
2 salary.

3 (ii) A member who has paid service rendered before
4 the election date of Benefit Program 2 or after the election is rescinded and
5 subsequently readopted may have the paid service rendered on or after July
6 28, 1995, treated as though the paid service had been rendered after the
7 election date of Benefit Program 2 by paying to the system the actuarial cost
8 of the increased benefit by a single contribution or by an agreement to pay
9 an increased rate of contributions if approved by the board.

10 (iii) As used in subdivision (a)(2)(B)(ii) of this
11 section, "actuarial cost" means an amount that is the actuarial equivalent of
12 the value of the credited service to be purchased at the time of the
13 purchase, as determined by the system's actuary.

14 (C)(i)(a) In addition, if the member is retiring as
15 provided in § 24-10-604, § 24-10-605, § 24-10-606, or § 24-10-607, and if the
16 member's age at retirement is less than social security's minimum age for an
17 unreduced immediate retirement benefit, then the member shall receive a
18 temporary annuity equal to one percent (1%) of his or her final average pay
19 for each year of paid service rendered before the election date of Benefit
20 Program 2 and resulting from employment in a position also covered by social
21 security.

22 (b) The provisions of this section that allow
23 a member who retires as provided in § 24-10-607, whose employment was also
24 covered by social security, and who is thereby eligible for a temporary
25 annuity shall be applied retroactively to all persons who retired under those
26 circumstances on or after October 1, 1989.

27 (ii) The temporary annuity shall terminate at the
28 end of the calendar month in which the earlier of the following events
29 occurs:

30 (a) The member's death; or

31 (b) His or her attainment of social security's
32 minimum age for an immediate unreduced retirement benefit.

33 ~~(iii)(a) As a condition of awarding the temporary~~
34 ~~annuity for members retiring under § 24-10-607, the board shall require the~~
35 ~~disabled member to file all appropriate forms and pleadings with the Social~~
36 ~~Security Administration and pursue through the administrative process a~~

1 ~~disability determination.~~

2 ~~(b) Beginning July 1, 2001, any~~ Any member who
 3 has had a temporary annuity terminated because of an award of disability
 4 retirement under the Social Security Act shall have that temporary annuity
 5 restored.

6 (3) As used in subdivisions (a)(1) and (2) of this section,
 7 social security's minimum age for an immediate unreduced retirement benefit
 8 means one (1) of the following:

9 (A) If the member is retiring as provided in § 24-10-607
 10 and is in receipt of a disability benefit under the Social Security Act, the
 11 age when the social security disability benefit becomes effective;

12 (B) If the member's retirement is effective before July 1,
 13 2001, as provided in § 24-10-604, § 24-10-605, § 24-10-606, or § 24-10-607,
 14 age sixty-two (62); or

15 (C) If the member's retirement is effective on or after
 16 July 1, 2001, as provided in § 24-10-604, § 24-10-605, § 24-10-606, or § 24-
 17 10-607, the minimum age for the member's receipt of an immediate unreduced
 18 social security old age benefit;

19 (4)(A) The total benefit amount computed under subdivision
 20 (a)(1) of this section shall not exceed at the time of retirement eighty
 21 percent (80%) of the final average pay plus the amounts provided in
 22 subdivision (a)(5) of this section for volunteer service.

23 (B) If the member accrued a benefit at any time under
 24 Benefit Program 2 described in subdivision (a)(2) of this section, then the
 25 total of the amounts computed pursuant to subdivisions (a)(1) and (2) of this
 26 section shall not exceed at the time of retirement eighty-five percent (85%)
 27 of the final average pay plus the amounts provided in subdivision (a)(5) of
 28 this section for volunteer service;

29 (5)(A) For retirements effective before July 1, 2003, annuity
 30 amounts based upon volunteer service shall be in accordance with system
 31 provisions in force before July 1, 2003.

32 (B)(i) For retirements effective July 1, 2003, and the
 33 twelve (12) calendar months thereafter, the monthly annuity amount for each
 34 year of volunteer service shall be five dollars (\$5.00), to a maximum of two
 35 hundred dollars (\$200) monthly for all volunteer service.

36 (ii) For retirements effective in the twelve (12)

1 calendar months beginning July 1 thereafter, the monthly annuity amount for
 2 each year of volunteer service shall be five dollars (\$5.00), increased by
 3 any percentage increase in the inflation index for the period from December
 4 2003 to the December immediately preceding the July 1, to a maximum for all
 5 volunteer service of two hundred dollars (\$200) monthly, similarly increased
 6 by any percentage increase in the inflation index.

7
 8 SECTION 2. Arkansas Code § 24-10-611 is amended to read as follows:

9 24-10-611. Termination of covered employment.

10 (a) A member who terminates covered employment before attaining his or
 11 her normal retirement age, for a reason other than death, early retirement,
 12 or disability retirement, shall be entitled to an annuity computed in
 13 accordance with the provisions of this section, as it provides at the time of
 14 the last termination of covered employment, subject to the member's
 15 satisfying all of the following conditions:

16 (1) The member has five (5) years of credited service;

17 (2) The member lives to his or her annuity starting date;

18 (3) The member makes written application for retirement and
 19 payment of the annuity to the Arkansas Local Police and Fire Retirement
 20 System on or after the date which is six (6) months before the date he or she
 21 attains his or her normal retirement age; and

22 (4) The annuity starting date shall be the first day of the
 23 calendar month next following the later of:

24 (A) The date the member attains his or her normal
 25 retirement age; and

26 (B) The date the written application is received by the
 27 system.

28 (b)(1) The monthly amount of a vested termination annuity shall be
 29 computed in the same manner as a normal annuity amount provided for in § 24-
 30 10-602, but based upon his or her credited service and final average pay at
 31 the time of termination of covered employment.

32 (2) If the effective date of the annuity is at least twelve (12)
 33 full months after termination, an amount of final average pay usable for the
 34 purposes of this section shall be redetermined.

35 (3) The redetermined amount shall be the amount of final average
 36 pay at the time of termination of covered employment increased by one-half

1 (1/2) of any percentage increase in the inflation index for the period from
2 ~~the month three (3) months~~ immediately preceding the termination to ~~the month~~
3 three (3) months immediately preceding the annuity effective date.

4 (4) He or she shall have the right to elect an option provided
5 for in § 24-10-603.

6
7 SECTION 3. Arkansas Code § 24-10-301 is amended to read as follows:
8 24-10-301. Generally.

9 (a) The membership of the Arkansas Local Police and Fire Retirement
10 System shall include the following persons:

11 (1) If his or her employer had its firefighters covered by a
12 relief fund on the operative date, each person first employed as a
13 firefighter on or after the operative date shall become a member of this
14 system and not be a member of the relief fund;

15 (2) If his or her employer had its police officers covered by a
16 relief fund on the operative date, each person first employed as a police
17 officer on or after the operative date shall become a member of this system
18 and not be a member of the relief fund;

19 (3) If his or her employer did not have its firefighters covered
20 by a relief fund on the operative date, all persons employed as firefighters
21 on the date the employer covers firefighters under this subchapter shall
22 become members of the system as of that date, and each person first employed
23 as a firefighter thereafter shall become a member upon employment; and

24 (4) If his or her employer did not have its police officers
25 covered by a relief fund on the operative date, all persons employed as
26 police officers on the date the employer covers police officers under this
27 subchapter shall become members of the system as of that date, and each
28 person first employed as a police officer thereafter shall become a member
29 upon employment.

30 (b) In any case of question as to the system membership status of any
31 person, the Board of Trustees of the Arkansas Local Police and Fire
32 Retirement System shall decide the question.

33 (c)~~(1)~~ When covering a person first employed in paid service as a
34 firefighter or police officer on or after July 1, 1985, the employer shall
35 require an employment physical examination of the employee, under criteria
36 established by the board.

1 ~~(2) The employer shall submit a copy of the examination to the~~
2 ~~system within thirty (30) days of the date of hire.~~