

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 86th General Assembly  
3 Regular Session, 2007  
4

As Engrossed: H2/2/07 H3/1/07

# A Bill

HOUSE BILL 1195

5 By: Representative Burris  
6 By: Senator Glover  
7

## For An Act To Be Entitled

10 AN ACT CONCERNING RETIREMENT BENEFITS UNDER THE  
11 STATE POLICE RETIREMENT SYSTEM; AND FOR OTHER  
12 PURPOSES.  
13

### Subtitle

15 AN ACT CONCERNING RETIREMENT BENEFITS  
16 UNDER THE STATE POLICE RETIREMENT  
17 SYSTEM.  
18  
19

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

22 *SECTION 1. Arkansas Code § 24-6-204 is amended to read as follows:*  
23 *24-6-204. Board of trustees.*

24 *(a)(1) The Board of Trustees of the State Police Retirement System is*  
25 *created ~~and established~~.*

26 *(2)(A) ~~It~~ The board shall consist of ~~eleven (11)~~ twelve (12)*  
27 *trustees, as follows:*

28 *(i) The Chair of the Arkansas State Police*  
29 *Commission, who shall serve as trustee by virtue of his or her position;*

30 *(ii) The Director of the Department of Arkansas*  
31 *State Police, who shall serve as trustee by virtue of his or her position;*

32 *(iii) The Director of the Department of Finance and*  
33 *Administration or the director's designee from that department;*

34 *(iv) Five (5) members of the State Police Retirement*  
35 *System to be elected by the members of the system with at least two (2)*  
36 *member trustees holding the rank of trooper, trooper first class, or*



1 corporal, at least one (1) member trustee holding a rank higher than the rank  
2 of corporal, and at least one (1) member trustee whose retirement eligibility  
3 is covered under ~~the provisions of~~ § 24-6-401 et seq.;

4 (v) One (1) retired member of the system to be  
5 elected by the members of the Retired Members Association; ~~and~~

6 (vi) The highest ranking administrative officer of  
7 the system in charge of employee benefits or that officer's designee; and

8 ~~(vi)(vii)~~ The Vice ~~chair~~ Chair of the Arkansas State  
9 Police Commission and the Secretary of the Arkansas State Police Commission,  
10 who shall serve as nonvoting members by virtue of their positions.

11 (B) The elections of member trustees shall be held under  
12 ~~such rules and regulations~~ as the board shall from time to time adopt to  
13 govern the elections.

14 (C) The regular term of office of a member trustee shall  
15 be three (3) years.

16 (b)(1) In the event any trustee provided for in subdivisions  
17 (a)(2)(A)(iv) and (v) of this section:

18 (A) Ceases to be a state police officer; or

19 (B) Fails to attend scheduled meetings of the board for  
20 three (3) consecutive meetings unless, in each case, he or she is excused by  
21 the remaining trustees attending the meetings,  
22 the board by resolution shall declare his or her office of trustee vacated as  
23 of the date of adoption of the resolution.

24 (2) If a vacancy occurs in the office of trustee, the vacancy  
25 shall be filled for the unexpired term in the same manner as the office was  
26 previously filled.

27 (c)(1) The administration, management, and control of the system shall  
28 be vested in the board.

29 (2)(A) The executive director and administrative staff of the  
30 Arkansas Public Employees' Retirement System shall be the executive secretary  
31 and the administrative staff of the State Police Retirement System.

32 (B) All administrative records of the ~~Arkansas~~ State  
33 Police Retirement System shall be maintained within the administrative  
34 offices of the Arkansas Public Employees' Retirement System.

35 (3)(A) The executive secretary shall be the disbursing agent of  
36 all appropriations made by the General Assembly out of the State Police

1 Retirement Fund.

2 (B) The executive secretary shall furnish and file with  
3 the Auditor of State a bond with a corporate guaranty or indemnity surety  
4 thereon in the penal sum of two thousand dollars (\$2,000), the premium on  
5 which shall be paid from appropriations made available to the Department of  
6 Arkansas State Police.

7 (d) The Chair of the Arkansas State Police Commission shall be the  
8 chair of the board.

9 (e) The Treasurer of State shall serve as treasurer of the system and  
10 shall be the legal custodian of its funds.

11 (f) The Attorney General shall serve as legal advisor to the board.

12 (g)(1) The board shall hold meetings regularly, at least one (1) in  
13 each quarter year, and shall designate the time and place of the meetings.

14 (2) Special meetings may be held in accordance with ~~such~~ rules  
15 ~~and regulations~~ as the board shall adopt.

16 (3) Five (5) voting trustees shall constitute a quorum at any  
17 meeting of the board, and at least five (5) concurring votes shall be  
18 necessary for a decision by the board at any of its meetings.

19 (4) The board shall adopt its own rules or procedures and shall  
20 keep a record of its proceedings, which shall be open to public inspection.

21 (h) In addition to ~~such~~ other duties ~~as that~~ are imposed upon the  
22 board by this subchapter, the board shall:

23 (1) Make all rules and regulations from time to time as it shall  
24 deem necessary in the transaction of its business and in administering the  
25 system;

26 (2) Provide for the administrative direction and control of the  
27 executive secretary in the performance of his or her duties as executive  
28 secretary of the system;

29 (3) Provide for an actuarial valuation of the assets and  
30 liabilities of the system or the retirement reserve account at least one (1)  
31 time in each four-year period from and after December 31, 1958;

32 (4) Adopt ~~such~~ mortality and other tables of experience and  
33 rates of regular interest ~~as shall be that are~~ required for the proper  
34 operation of the system;

35 (5) Exercise discretionary power and authority in the  
36 investments and disbursements of the funds of the system, subject to the

1 provisions of this subchapter;

2 (6) Perform the duties of trustee without additional  
3 compensation ~~therefor~~. However, trustees may receive expense reimbursement in  
4 accordance with § 25-16-901 et seq.; and

5 (7) Do all things necessary for the proper administration of the  
6 system and for carrying out and making effective the provisions of this  
7 subchapter.

8

9 SECTION 2. Arkansas Code § 24-6-209 is amended to read as follows:  
10 24-6-209. Employer's contribution.

11 (a) The Department of Arkansas State Police, as employer, shall make  
12 contributions to the State Police Retirement System of twenty-two percent  
13 (22%) of active member payroll.

14 (b)(1) At the request of the Executive Secretary of the State Police  
15 Retirement System, the Director of the Department of Finance and  
16 Administration shall make annual transfers on each June 30 to the State  
17 Police Retirement System from the remainder of insurance premium taxes  
18 enumerated in § 19-6-301(27) before those taxes are transferred to ~~General~~  
19 ~~Revenues~~ general revenues enumerated in § 19-6-201(19) the amounts of money  
20 necessary to amortize the unfunded liabilities over a period not to exceed  
21 thirty (30) years ~~for those members not covered by the provisions of § 24-6-~~  
22 ~~401 et seq.~~

23 (2) These transfers are intended to cover the unfunded accrued  
24 actuarial liabilities of the State Police Retirement System and shall not be  
25 used for the purpose of providing any benefit enhancements for the State  
26 Police Retirement System.

27 (3) Members of the ~~Tier One~~ State Police Retirement System shall  
28 not be entitled to any benefit enhancements from these transfers unless funds  
29 from sources other than insurance premium taxes are found to provide for the  
30 retirement benefit enhancements.

31 (4) The amount of the transfer shall be determined by computing  
32 the dollar amount required based on the actuarially determined employer rate  
33 in the most recent annual actuarial valuation and subtracting from that  
34 amount the statutory contribution amount specified in subsection (a) of this  
35 section, ~~the court fees provided by Acts 1995, No. 1256,~~ and the driver's  
36 license reinstatement fees provided by § 27-16-808.

1 ~~(c)(1) The intent of this section is to provide for funding of any~~  
2 ~~amounts of unfunded accrued actuarial liabilities of the Tier One State~~  
3 ~~Police Retirement Fund existing on June 30, 1997.~~

4 ~~(2)(5) These transfers shall be limited in use solely for the~~  
5 ~~purpose of paying those the unfunded accrued actuarial liabilities and~~  
6 ~~nothing more.~~

7 ~~(3) In the event the transfers under this section exceed eight~~  
8 ~~hundred thousand dollars (\$800,000) per fiscal year, the executive secretary~~  
9 ~~shall notify the Joint Interim Committee on Public Retirement and Social~~  
10 ~~Security Programs which shall then review the use of the funds and the~~  
11 ~~benefit provisions of the systems and the actuarial reports on the retirement~~  
12 ~~systems to ensure compliance with the intended purpose of the funds.~~

13  
14 SECTION 3. Arkansas Code § 24-6-304 is amended to read as follows:

15 24-6-304. Benefits - Rate of return.

16 (a) The member's monthly retirement benefit shall not change unless  
17 the Arkansas State Police Officers Deferred Option Plan receives a benefit  
18 increase.

19 (b)(1) Except as provided in subdivision (b)(2) of this section, a  
20 member who participates in the plan shall earn interest at a rate of two (2)  
21 percentage points below the rate of return of the investment portfolio of the  
22 State Police Retirement System, but no less than the actuarially assumed  
23 interest rate as certified by the actuary.

24 (2) Any member participating in the plan for any period of time  
25 beyond his or her fifth complete year shall earn interest equal to the  
26 actuarially assumed ~~interest rate~~ investment rate of return for that time.

27 (3) The interest shall be credited to the individual account  
28 balance of the member on an annual basis.

29 (c) Any member who first participates in the plan beginning on the  
30 effective date of this act shall earn interest equal to the actuarially  
31 assumed investment rate of return only.

32  
33 SECTION 4. Arkansas Code § 24-6-405 is amended to read as follows:

34 24-6-405. Eligibility for benefits - Disability retirement.

35 (a)(1)(A) Upon application filed with the Board of Trustees of the  
36 State Police Retirement System by a member or by the Director of the

1 Department of Arkansas State Police on behalf of a member, a member who is in  
2 the employ of the Department of Arkansas State Police, who has five (5) or  
3 more years of actual service, and who becomes totally and permanently  
4 incapacitated for duty in the employ of the department by reason of personal  
5 injury or disease may be retired by the ~~board~~ Board of Trustees of the State  
6 Police Retirement System, but only after a medical examination of the member.

7 (B) This examination shall be made by or under the direction of  
8 a ~~medical committee consisting of three (3) physicians, one (1) of whom shall~~  
9 ~~be selected by the board, one (1) by the member, and the third by the first~~  
10 ~~two (2) physicians so named if the medical committee reports to the board, by~~  
11 ~~majority opinion in writing, that the member is physically or mentally~~  
12 ~~incapacitated for duty in the employ of the department, that the incapacity~~  
13 ~~will probably be permanent, and that the member should be retired~~ board of  
14 medical professionals as defined in the rules of the Board of Trustees of the  
15 State Police Retirement System, using the active duty criteria supplied by  
16 the department in determining the extent of the disability.

17 (2) The five (5) years of service requirement contained in this  
18 subsection shall not apply to a member whom the ~~board~~ Board of the Trustees  
19 of the State Police Retirement System finds to be in receipt of workers'  
20 compensation for his or her disability arising solely and exclusively out of  
21 and in the course of his or her employment with the department.

22 (b) Upon his or her retirement upon account of disability as provided  
23 in subsection (a) of this section, a member shall receive a disability  
24 pension computed ~~according to § 24-6-406~~ according to the contributory  
25 provisions of § 24-6-214 or the noncontributory provisions of § 24-6-227, as  
26 applicable.

27 (c)(1) At least ~~one~~ one (1) time each year during the first five (5)  
28 years following a member's retirement on account of disability and at least  
29 ~~one~~ one (1) time in every three-year period thereafter, the ~~board~~ Board of  
30 the Trustees of the State Police Retirement System may, and upon the  
31 retirant's application shall, require any disability retirant who has not  
32 attained age ~~fifty-five (55)~~ fifty (50) to undergo a medical examination to  
33 be made by or under the direction of ~~a physician designated by the board~~ the  
34 medical professionals designated by the Board of Trustees of the State Police  
35 Retirement System.

36 (2) If the retirant refuses to submit to a medical examination

1 in any such period, his or her disability pension may be suspended by the  
2 ~~board~~ Board of Trustees of the State Police System until his or her  
3 withdrawal of his or her refusal.

4 (3) If his or her refusal continues for one (1) year, all his or  
5 her rights in and to a disability pension may be revoked by the ~~board~~ Board  
6 of Trustees of the State Police System.

7 (4) If, upon the medical examination of the retirant, the  
8 ~~physician reports~~ medical professionals designated by the Board of Trustees  
9 of the State Police System report to the ~~board~~ Board of Trustees of the State  
10 Police System that the retirant is physically capable of performing the  
11 duties of the rank held by him or her at the time of his or her retirement,  
12 the retirant shall be returned to the employ of the department, and his or  
13 her disability pension shall be terminated.

14 (d)(1) Upon a disability retirant's return to the employ of the  
15 department as provided in subsection (c) of this section, his or her service  
16 at the time of his or her retirement shall be restored to his or her credit.

17 (2) He or she shall be given service credit for the period he or  
18 she was receiving a disability pension if within that period he or she was in  
19 receipt of workers' compensation on account of his or her department  
20 employment.

21 (e) In the event a disability retirant who has not attained age fifty-  
22 five (55) performs personal services in an occupation, business, or  
23 employment, his or her disability pension shall be reduced so that the sum of  
24 his or her disability pension and the compensation received by him or her  
25 from the occupation, business, or employment shall not exceed his or her  
26 annual rate of salary at the time of his or her retirement.

27  
28 SECTION 5. Arkansas Code § 24-6-415 is repealed.

29 ~~24-6-415. Exclusion from deferred retirement option plan.~~

30 ~~Members of the State Police Retirement System participating in the~~  
31 ~~benefit program provided by this subchapter shall not be eligible for~~  
32 ~~participation in the deferred retirement option plan provided in § 24-6-301~~  
33 ~~et seq.~~

34  
35 SECTION 6. Arkansas Code Title 24, Chapter 6, Subchapter 4 is amended  
36 to add an additional section to read as follows:

