

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: S2/28/07

A Bill

SENATE BILL 155

5 By: Senator T. Smith
6
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE § 24-11-434
10 CONCERNING THE DEFERRED RETIREMENT OPTION PLAN;
11 AND FOR OTHER PURPOSES.
12

Subtitle

13 AN ACT TO AMEND ARKANSAS CODE § 24-11-
14 434 CONCERNING THE DEFERRED RETIREMENT
15 OPTION PLAN.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 24-11-434 is amended to read as follows:
22 24-11-434. Deferred retirement option plan.

23 (a)(1) In lieu of terminating employment and accepting a service
24 retirement pension pursuant to ~~§ 24-11-401 et seq.~~ under this subchapter, any
25 police officer who is a member of a policemen's pension and relief fund who
26 has not less than twenty (20) years of credited service and who is eligible
27 to receive a service retirement pension may elect to participate in the
28 Arkansas Police Officers' Deferred Option Plan and defer the receipt of
29 benefits in accordance with the provisions of this section, provided that the
30 board of trustees of the local policemen's pension and relief fund approves
31 the participation in the plan.

32 (2) For purposes of this section, credited service shall include
33 service credit recognized pursuant to this subchapter.

34 (b)(1) The duration of participation in the plan for active police
35 officers shall not exceed five (5) years.

36 (2) The five-year limit may be extended if:



1 (A) The extension does not cause the limit to exceed ten
2 (10) years;

3 (B) The extension applies to all active members and all
4 members on the plan;

5 (C) The extension is approved by a majority of votes of
6 the board of trustees of the pension and relief fund or of the Arkansas Local
7 Police and Fire Retirement System for funds whose administrative
8 responsibility has been assigned to the system as provided in § 24-11-406(b);

9 (D) The interest credited after the first five (5) years
10 on the plan shall be two (2) percentage points below the rate of return of
11 the investment portfolio of the fund and shall not be determined under
12 subdivision (e)(2) of this section, but in no event shall the interest rate
13 credited be less than zero percent (0%); and

14 (E) The extension is approved by a majority vote of the
15 governing body of the sponsoring municipality.

16 (c)(1) Except under subdivision (c)(2) of this section, at the
17 conclusion of a member's participation in the plan, the member shall
18 ~~terminate employment with all participating municipalities as a police~~
19 ~~officer and shall start receiving the member's accrued monthly retirement~~
20 ~~benefit from the policemen's pension and relief fund.~~

21 ~~(2) If a member is at the conclusion of a member's participation~~
22 ~~in the plan, the member may continue employment by a municipality under the~~
23 ~~following conditions:~~

24 ~~(A) The municipality makes continued employment available~~
25 ~~to all similarly situated members;~~

26 ~~(B) The availability of continued employment is approved~~
27 ~~by a majority vote of the governing body of the sponsoring municipality after~~
28 ~~receiving approval for an increase in benefits under § 24-11-102;~~

29 ~~(C) The monthly benefit that is credited to the member's~~
30 ~~plan account is discontinued and the member shall not receive a monthly~~
31 ~~benefit until the member actually ceases employment;~~

32 ~~(D) The interest rate credited to the plan account is the~~
33 ~~same paid as under subdivision (e)(2) of this section, except that the~~
34 ~~minimum rate is zero percent (0%);~~

35 ~~(E) The employer's matching contribution of six percent~~
36 ~~(6%) shall cease, but all other employer contributions shall continue and be~~

1 ~~credited to the pension and relief fund; and~~

2 ~~(F) The employee contributions of six percent (6%) shall~~
3 ~~discontinue.~~

4 (d)(1) When a member begins participation in the plan, the
5 contribution of the police officer and the employer contribution shall
6 continue to be paid.

7 (2)(A) In a municipality having a population of over twenty
8 thousand (20,000) persons, municipal matching contributions for employees who
9 elect the plan shall be credited equally to the policemen's pension and
10 relief fund and to the plan, or at the option of the local pension and relief
11 fund board of trustees, credited in the manner provided in subdivision
12 (d)(2)(B) of this section.

13 (B) In a municipality having a population of twenty
14 thousand (20,000) persons or less, municipal matching contributions for
15 employees who elect the plan shall be credited in full to the policemen's
16 pension and relief fund, and the contribution of the employee shall be
17 credited to the member's plan account.

18 (3) The monthly retirement benefits that would have been payable
19 had the member elected to cease employment and receive service retirement and
20 pension supplement payments made by the Policemen's Pension Supplement
21 Program shall be paid into the plan account.

22 (e)(1) The member's monthly retirement benefit shall not change unless
23 the plan receives a benefit increase.

24 (2)(A) A member who participates in this plan shall earn
25 interest at a rate of two (2) percentage points below the rate of return of
26 the investment portfolio of the policemen's pension and relief fund as
27 certified by the actuary under contract with the Arkansas Fire and Police
28 Pension Review Board in accordance with generally accepted actuarial
29 practices and § 24-11-207 but no less than the actuarial assumed interest
30 rate as certified by the actuary.

31 (B) The interest shall be credited to the individual
32 account balance of the member on an annual basis.

33 (f)(1) At the option of the participant, a participant in the plan
34 shall receive a lump-sum payment from the account equal to the payments to
35 the account or a true annuity based upon the account of the participant or
36 may elect any other method of payment if approved by the board of trustees.

