

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 S3/23/07

A Bill

SENATE BILL 155

5 By: Senator T. Smith
6
7

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~~ subdivisions (c)(2) and (c)(3) of this
17 section, at the conclusion of a member's participation in the plan, the
18 member shall terminate employment with all participating municipalities as a
19 police officer and shall start receiving the member's accrued monthly
20 retirement 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 (3) A member may enter into employment with a participating
5 municipality other than the municipality he or she was employed by at the
6 time of retirement so long as the member has a break of service from his or
7 her previous employer of at least thirty (30) days.

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

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

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

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

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

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

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

