

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 87th General Assembly
3 Regular Session, 2009
4

A Bill

SENATE BILL 127

5 By: Senator Faris
6
7

For An Act To Be Entitled

9 AN ACT TO CREATE A DEFERRED OPTION PLAN FOR
10 MEMBERS OF THE STATE POLICE RETIREMENT SYSTEM'S
11 TIER TWO BENEFIT PLAN; AND FOR OTHER PURPOSES.
12

Subtitle

13 TO CREATE A DEFERRED OPTION PLAN FOR
14 MEMBERS OF THE STATE POLICE RETIREMENT
15 SYSTEM'S TIER TWO BENEFIT 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 Title 24, Chapter 6, is amended to add an
22 additional subchapter to read as follows:

23 24-6-501. Arkansas State Police Officers Tier Two Deferred Retirement
24 Option Plan -- Creation.

25 The Arkansas State Police Officers Tier Two Deferred Retirement Option
26 Plan is created in conformance with this subchapter.
27

28 24-6-502. Election to participate in Arkansas State Police Officers
29 Tier Two Deferred Retirement Option Plan.

30 In lieu of terminating employment and accepting a service retirement
31 pension, a state police officer may elect to participate in the Arkansas
32 State Police Officers Tier Two Deferred Retirement Option Plan and defer the
33 receipt of benefits in accordance with this subchapter if:

34 (1) The state police officer:

35 (A) Is a member of the State Police Retirement System's
36 Tier Two Benefit Plan under § 24-6-401 et seq.;



1 (B) Has at least thirty (30) years of actual service; and
 2 (C) Is eligible to receive a service retirement pension;
 3 and

4 (2) The Board of Trustees of the State Police Retirement System
 5 approves the participation in the Arkansas State Police Officers Tier Two
 6 Deferred Retirement Option Plan.

7
 8 24-6-503. Limitation on credited service.

9 For purposes of this subchapter, actual service includes only the
 10 service credit a member earns after April 3, 1997, as a member of the State
 11 Police Retirement System’s Tier Two Benefit Plan under § 24-6-401 et seq.
 12

13 24-6-504. Employer contributions.

14 When an employee who is a member of the State Police Retirement
 15 System’s Tier Two Benefit Plan begins participation in the Arkansas State
 16 Police Officers Tier Two Deferred Retirement Option Plan:

- 17 (1) The employer contributions shall continue to be paid;
 18 (2) State contributions for the employee shall be credited to
 19 the system; and
 20 (3) Seventy-five percent (75%) of the monthly retirement
 21 benefits that would have been payable had the employee elected to cease
 22 employment and receive a service retirement shall be paid into the plan
 23 account.

24
 25 24-6-505. Benefits -- Rate of return.

26 A participant in the Arkansas State Police Officers Tier Two Deferred
 27 Retirement Option Plan:

- 28 (1) Shall not have a change in his or her monthly retirement
 29 benefit unless the plan receives a benefit increase; and
 30 (2)(A) Shall earn interest at a rate set by the Board of
 31 Trustees of the State Police Retirement System that shall not be greater than
 32 five percent (5%) per annum.
 33 (B) The interest shall be credited to the individual plan
 34 account balance of the participant on an annual basis.
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36 24-6-506. Method of collection.

1 A participant in the Arkansas State Police Officers Tier Two Deferred
 2 Retirement Option Plan shall receive, at the option of the participant:

3 (1) A lump-sum payment from the plan account equal to the
 4 payments to the plan account;

5 (2) A true annuity based upon the plan account of the
 6 participant; or

7 (3) Any other method of payment if approved by the Board of
 8 Trustees of the State Police Retirement System.

9
 10 24-6-507. Duration.

11 (a) The duration of participation in the Arkansas State Police
 12 Officers Tier Two Deferred Retirement Option Plan for an active state police
 13 officer shall not exceed seven (7) years.

14 (b) At the conclusion of a state police officer's participation in the
 15 plan, the state police officer shall:

16 (1) Terminate employment with the Department of Arkansas State
 17 Police; and

18 (2) Start receiving his or her accrued monthly retirement
 19 benefit from the State Police Retirement System.

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 21 24-6-508. Death of participant.

22 If a participant in the State Police Officer's Tier Two Deferred
 23 Retirement Option Plan dies during the period of participation in the plan, a
 24 lump-sum payment equal to the plan account balance of the participant shall
 25 be paid to the participant's designated beneficiary.

26
 27 24-6-509. Eligibility for retirement – Provisional features.

28 At such time as the State Police Retirement System attains a funding
 29 level where assets are eighty percent (80%) or more of actuarially accrued
 30 liabilities:

31 (1) The Board of Trustees of the State Police Retirement System
 32 shall allow state police officers with at least twenty-eight (28) years of
 33 actual service to retire with full benefits under § 24-6-404; and

34 (2) The Board of Trustees of the State Police Retirement System
 35 in consultation with its actuary shall promulgate rules and regulations
 36 lowering the required years of service for entry into the Tier II Deferred

1 Retirement Option Plan to an amount of not less than twenty-eight (28) years
2 of actual service subject to an early participation reduction. The reduction
3 will be computed in a manner that is both equitable to all members and
4 actuarially appropriate for the system.

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6 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
7 General Assembly of the State of Arkansas that state police officers put
8 their lives on the line to protect the citizens of Arkansas, that not all
9 state police officers are eligible for a deferred retirement option plan, and
10 that these state police officers need to be immediately covered by this
11 benefit. Therefore, an emergency is declared to exist and this act being
12 necessary for the preservation of the public peace, health, and safety shall
13 become effective on:

14 (1) The date of its approval by the Governor;

15 (2) If the bill is neither approved nor vetoed by the Governor, the
16 expiration of the period of time during which the Governor may veto the bill;
17 or

18 ((3) If the bill is vetoed by the Governor and the veto is overridden,
19 the date the last house overrides the veto.

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