

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

As Engrossed: S2/12/09

# 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

14 TO CREATE A DEFERRED OPTION PLAN FOR  
15 MEMBERS OF THE STATE POLICE RETIREMENT  
16 SYSTEM'S TIER TWO BENEFIT PLAN.  
17  
18

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

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.; and



1                   (B) Has at least thirty (30) years of actual service; and

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

5

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

7                   For purposes of this subchapter, credited service is limited to the  
8 reciprocal provisions of § 24-2-401 et seq. and the actual service included  
9 in the service credit a member earns after April 3, 1997, as a member of the  
10 State Police Retirement System's Tier Two Benefit Plan under § 24-6-401 et  
11 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.

35

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.

20  
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.

5  
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.

20  
21 */s/ Faris*  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36