

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  
5 By: Senator G. Jeffress  
6  
7

# A Bill

SENATE BILL 163

## For An Act To Be Entitled

9 AN ACT TO AMEND THE CALCULATION OF DEFERRED  
10 ANNUITIES; TO ALLOW ADDITIONAL TIME FOR MEMBERS  
11 OF THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT  
12 SYSTEM TO SELECT CONTRIBUTORY SERVICE; TO  
13 INCREASE THE AMOUNT OF REDUCED ANNUITY UNDER  
14 OPTION B75; TO AMEND THE RETIREMENT MEMBERSHIP OF  
15 DISTRICT COURT CLERKS IN THE ARKANSAS PUBLIC  
16 EMPLOYEES' RETIREMENT SYSTEM; AND FOR OTHER  
17 PURPOSES.

## Subtitle

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19  
20 TO AMEND THE CALCULATION OF DEFERRED  
21 ANNUITIES, ALLOW EXTRA TIME FOR MEMBERS  
22 TO SELECT CONTRIBUTORY SERVICE, INCREASE  
23 THE AMOUNT OF REDUCED ANNUITY, AND AMEND  
24 THE RETIREMENT MEMBERSHIP OF DISTRICT  
25 COURT CLERKS.  
26  
27

28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
29

30 SECTION 1. Arkansas Code § 24-2-402(6), concerning deferred annuity  
31 and eligibility, is amended to read as follows:

32 (6) Both service in the Arkansas Public Employees' Retirement  
33 System as a member of the General Assembly and service in another reciprocal  
34 system during the same period of time may be counted to meet the service  
35 requirements for benefits from the reciprocal system subject to the  
36 following:



1 (A) The benefit payable by a reciprocal system will be  
 2 based on the credited service in that system and the final average  
 3 compensation under that system. However, nothing in this subdivision (6)(A)  
 4 shall diminish the General Assembly member's right to a benefit for which the  
 5 person is qualified under the provisions of § 24-4-706; and

6 ~~(B) If a member has fewer than five (5) years of service~~  
 7 ~~credited in a reciprocal system, then "final average compensation" means the~~  
 8 ~~monthly average of pay to the member during his or her total years of service~~  
 9 ~~in that system;~~

10 (B)(1) If a member has fewer than three (3) years of  
 11 service in a succeeding reciprocal system, then "final average compensation"  
 12 as used in this section means the combined highest salaries from the  
 13 preceding and succeeding systems equaling thirty-six (36) complete months  
 14 divided by twelve (12).

15 (2) If the member is a state police officer covered  
 16 under §§ 24-6-226 and 24-6-227, the combined salaries shall be from the  
 17 preceding system and State Police Retirement System equaling sixty (60)  
 18 months.

19 (3) If the member is a state police officer covered  
 20 under § 24-6-401 et seq., the combined salaries shall be from the preceding  
 21 system and State Police Retirement System equaling forty-eight (48) months.

22  
 23 SECTION 2. Arkansas Code § 24-4-1101(b)(1), concerning membership in  
 24 the contributory system, is amended to read as follows:

25 (b)(1)(A) All public employees hired prior to July 1, 2005, and who  
 26 are active members of the Arkansas Public Employees' Retirement System on  
 27 ~~July 1, 2005~~ July 1, 2009, shall have six (6) months from ~~July 1, 2005~~ July  
 28 1, 2009, to elect coverage under the benefit provisions of this subchapter.

29 (B) If the member elects contributory coverage, the  
 30 effective date of the member's contributory coverage shall be:

31 (i) The first payroll period that is paid and  
 32 reported in January 2010; and

33 (ii) Prospective only.

34  
 35 SECTION 3. Arkansas Code § 24-6-408(a)(4)(B), concerning the B75  
 36 annuity option, is amended to read as follows:

1 (B) The reduced annuity to the retirant shall be ~~seventy-~~  
2 ~~five percent (75%)~~ seventy-eight percent (78%) if the retirant's age and his  
3 or her beneficiary's age are the same on the first payment due date, which  
4 shall be decreased by three-quarters percent (0.75%) for each year that the  
5 beneficiary's age is less than the retirant's age, or which shall be  
6 increased by three-quarters percent (0.75%), up to a maximum of ninety  
7 percent (90%), for each year that the beneficiary's age is more than the  
8 retirant's age.

9  
10 SECTION 4. Arkansas Code § 24-8-903, concerning retirement membership  
11 of district court clerks, is amended to add an additional subsection to read  
12 as follows:

13 (c) Effective January 1, 2008, an individual employed in an authorized  
14 position of district court clerk shall be a member of the Arkansas Public  
15 Employees' Retirement System unless the member is an active member of a local  
16 government retirement plan.

17  
18 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the  
19 General Assembly of the State of Arkansas that this country is in a  
20 recession, that Arkansas retirants have been hurt economically by the  
21 recession, that the state retirement systems have been economically harmed  
22 during this recession, and that this act has needed benefits for both the  
23 state retirement systems and the retirants. Therefore, an emergency is  
24 declared to exist and this act being necessary for the preservation of the  
25 public peace, health, and safety shall become effective on:

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

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

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