

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
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As Engrossed: S2/18/09
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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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.
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28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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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 three (3).

15 (2) If the member is a state police officer covered
 16 under § 24-6-401 et seq., the combined salaries shall be from the preceding
 17 system and State Police Retirement System equaling forty-eight (48) months
 18 divided by four (4).

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

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

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

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

30 (ii) Prospective only.

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 32 SECTION 3. Arkansas Code § 24-6-216(f), concerning the survivor's
 33 pension upon the death of the retirant, is amended to read as follows:

34 ~~(f) A noncontributory Tier I member may elect prior to~~ Before ~~the date~~
 35 ~~his or her first annuity payment becomes due, but not thereafter, a~~
 36 noncontributory Tier I member may elect to:

1 ~~(1) receive~~ Receive his or her annuity as a straight life
2 annuity~~;~~ or

3 ~~(2)(A) the member may elect to have~~ Have his or her annuity
4 reduced and nominate a beneficiary in accordance with the option provisions
5 of § 24-6-408.

6 (B) However, in the instance of Option B75 under § 24-6-
7 408(a)(4), the reduced annuity shall be seventy-eight percent (78%) if the
8 retirant's age and his or her beneficiary's age are the same on the first
9 payment due date. The reduced annuity of seventy-eight percent (78%) shall
10 be:

11 (i) Decreased by three-quarters of one percent
12 (0.75%) for each year the beneficiary's age is less than the retirant's age;
13 or

14 (ii) Increased by three-quarters of one percent
15 (0.75%), up to a maximum of ninety percent (90%), for each year that the
16 beneficiary's age is more than the retirants' age.

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18 /s/ G. Jeffress
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