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.

2 87th General Assembly A B1ll 3 Regular Session, 2009 SENATE BILL 4 5 By: Senator G. Jeffress 5 By: Senator G. Jeffress	
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:	
21 SECTION 1. Arkansas Code § 24-10-404, concerning members' deposit	1
22 accounts in the Arkansas Local Police and Fire Retirement System, is amende	?d
23 to add an additional subsection to read as follows:	
24 (f)(1) For purposes of deferring federal and state income tax under	
25 <u>the Internal Revenue Code of 1986, 26 U.S.C. § 414(h)(2), as adopted by § 2</u>	<u>:6-</u>
26 <u>51-414, the political subdivision that pays the salary of the member shall</u>	
27 pick up the members' contributions to the system as required by this section	<u>, n</u>
28 <u>beginning with contributions made on and after July 1, 2009.</u> 20	
29 <u>(2)(A) Member contributions paid by the applicable political</u>	- 4-
30 <u>subdivision shall be paid from the same source of funds used for the payment</u>	<u>1</u> E
31 <u>of salary to the member.</u>	
32 (B) A deduction shall be made from each member's salary,	-
 33 <u>equal to the amount of the member's contribution paid by the employer.</u> 34 (3) For all other purposes, member contributions paid by the 	
35 political subdivision shall be considered member contributions.	
36	



1	SECTION 2. Arkansas Code § 24-10-612(c)(3), as amended by Act 720 of
2	2009, concerning a redetermination of retirement benefits, is amended to read
3	as follows:
4	(3) (A) Except as provided in subdivision (c)(3)(B) of this
5	section, the The redetermination under subdivisions (c)(1) and (2) of this
6	section is applicable to all paid service members or their beneficiaries
7	receiving benefits under this subchapter.
8	(B) The redetermination under subdivisions (c)(1) and (2)
9	of this section does not apply to service members receiving benefits under §
10	24-10-607.
11	
12	SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
13	General Assembly of the State of Arkansas that members under the Arkansas
14	Local Police and Fire Retirement System are currently paying income tax on
15	the employer's contribution to their retirement account; that other members
16	of state-supported retirement systems are not required to pay income tax on
17	their employer's contributions; and that the members of the Arkansas Local
18	Police and Fire Retirement System should receive pre-tax employer
19	contributions. Therefore, an emergency is declared to exist and this act
20	being necessary for the preservation of the public peace, health, and safety
21	shall become effective on July 1, 2009.
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23	/s/ G. Jeffress
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