

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: S2/18/09

A Bill

SENATE BILL 179

5 By: Senator G. Jeffress
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7

For An Act To Be Entitled

9 AN ACT TO INCREASE THE MULTIPLIER USED BY THE
10 LOCAL POLICE AND FIRE RETIREMENT SYSTEM; TO FUND
11 THE INCREASED MULTIPLIER BY AN INCREASE IN THE
12 MEMBER'S CONTRIBUTION; AND FOR OTHER PURPOSES.
13

Subtitle

15 TO INCREASE THE MULTIPLIER USED BY THE
16 LOCAL POLICE AND FIRE RETIREMENT SYSTEM
17 AND TO FUND THE INCREASED MULTIPLIER BY
18 AN INCREASE IN THE MEMBER'S
19 CONTRIBUTION.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 *SECTION 1. Arkansas Code § 24-10-404(b), concerning a member's*
25 *contribution to the Local Police and Fire Retirement System, is amended to*
26 *read as follows:*

27 *(b)(1) If a member's covered employment is not also covered by social*
28 *security, or if his or her covered employment is also covered by social*
29 *security and his or her political subdivision has elected Benefit Program 2,*
30 *as provided in § 24-10-602, and if he or she is receiving pays resulting in*
31 *paid service credit, his or her contributions to the system shall be six*
32 *percent (6%) of his or her pays.*

33 *(2)(A) Beginning July 1, 2009, the contribution for covered*
34 *members defined in subdivision (b)(1) of this section shall be eight and one-*
35 *half percent (8.5%) of his or her pay.*

36 *(B) Beginning July 1, 2009, the contribution for paid*



1 service members not defined in subdivision (b)(1) of this section shall be
 2 two and one-half percent (2.5%) of his or her pay.

3 ~~(2)(3)~~ The contributions shall be made notwithstanding that the
 4 minimum salary or wages provided by law for any member shall thereby be
 5 changed.

6 ~~(3)(4)~~ Each member shall be deemed to consent and agree to the
 7 deductions made and provided for in this section.

8 ~~(4)(5)~~ Payment of a member's pay less the deductions shall be a
 9 full and complete discharge and acquittance of all claims and demands
 10 whatsoever for services rendered by him or her to a political subdivision,
 11 except as to benefits provided by this system.

12
 13 SECTION 2. Arkansas Code § 24-10-602(a)(1)(A), concerning annuities in
 14 the Local Police and Fire Retirement System, is amended to read as follows:

15 (A) For each year of paid service resulting from
 16 employment:

17 (i) In a position not also covered by social
 18 security, ~~two and seven-tenths percent (2.7%)~~ two and ninety-four hundredths
 19 percent (2.94%) of his or her final average pay; and

20 (ii) In a position also covered by social security,
 21 ~~one and seven-tenths percent (1.7%)~~ one and ninety-four hundredths percent
 22 (1.94%) of his or her final average pay.

23
 24 SECTION 3. Arkansas Code § 24-10-602(a)(2)(A) and (B), concerning
 25 annuities in the Local Police and Fire Retirement System, is amended to read
 26 as follows:

27 (A) For each year of paid service rendered on or after the
 28 election date of the Benefit Program 2 and before the election is rescinded:

29 (i) In a position also covered by social security,
 30 ~~two and six-tenths percent (2.6%)~~ two and ninety-four hundredths percent
 31 (2.94%) of the member's final average salary; and

32 (ii) In a position not covered by social security,
 33 ~~three and one-tenth percent (3.1%)~~ three and twenty-eight hundredths percent
 34 (3.28%) of the member's final average salary.

35 (B)(i) For each year of paid service rendered before the
 36 election date of the Benefit Program 2 or after the election is rescinded:

1 (a) In a position also covered by social
2 security, ~~one and seven tenths percent (1.7%)~~ one and ninety-four hundredths
3 percent (1.94%) of the member's final average salary; and

4 (b) In a position not covered by social
5 security, ~~two and seven tenths percent (2.7%)~~ two and ninety-four hundredths
6 percent (2.94%) of the member's final average salary.

7 (ii) A member who has paid service rendered before
8 the election date of Benefit Program 2 or after the election is rescinded and
9 subsequently readopted may have the paid service rendered on or after July
10 28, 1995, treated as though the paid service had been rendered after the
11 election date of Benefit Program 2 by paying to the system the actuarial cost
12 of the increased benefit by a single contribution or by an agreement to pay
13 an increased rate of contributions if approved by the board.

14 (iii) As used in subdivision (a)(2)(B)(ii) of this
15 section, "actuarial cost" means an amount that is the actuarial equivalent of
16 the value of the credited service to be purchased at the time of the
17 purchase, as determined by the system's actuary.

18
19 SECTION 4. Arkansas Code § 24-10-602(a)(4), concerning annuities in
20 the Local Police and Fire Retirement System, is amended to read as follows:

21 (4)(A) The total benefit amount computed under ~~subdivision~~
22 subdivisions (a)(1) and (2) of this section shall not exceed at the time of
23 retirement ~~eighty-five percent (85%)~~ one hundred percent (100%) of the final
24 average pay plus the amounts provided in subdivision (a)(5) of this section
25 for volunteer service; and

26 ~~(B) If the member accrued a benefit at any time under~~
27 ~~Benefit Program 2 described in subdivision (a)(2) of this section, then the~~
28 ~~total of the amounts computed pursuant to subdivisions (a)(1) and (2) of this~~
29 ~~section shall not exceed at the time of retirement eighty-five percent (85%)~~
30 ~~of the final average pay plus the amounts provided in subdivision (a)(5) of~~
31 ~~this section for volunteer service; and~~

32
33 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
34 General Assembly of the State of Arkansas that economic conditions have
35 resulted in the need to increase retirement benefits; that it is sound public
36 policy to increase the retirement benefit multiplier; and that the increase

1 should be funded by an increase in the member's contribution. Therefore, an
2 emergency is declared to exist and this act being necessary for the
3 preservation of the public peace, health, and safety shall become effective
4 on July 1, 2009.

5 /s/ G. Jeffress
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