

1 State of Arkansas  
2 88th General Assembly  
3 Regular Session, 2011

# A Bill

HOUSE BILL 1203

4  
5 By: Representative Nickels  
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## For An Act To Be Entitled

8 AN ACT TO ALLOW MUNICIPAL EMPLOYEES TO PURCHASE  
9 CREDIT IN PRORATED AMOUNTS DURING A SPECIFIC PERIOD  
10 OF TIME; TO DECLARE AN EMERGENCY; AND FOR OTHER  
11 PURPOSES.  
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## Subtitle

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15 TO ALLOW MUNICIPAL EMPLOYEES TO PURCHASE  
16 CREDIT IN PRORATED AMOUNTS DURING A  
17 SPECIFIC PERIOD OF TIME AND TO DECLARE AN  
18 EMERGENCY.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code § 24-4-723(a)(3), concerning the purchase of  
24 service credit for retirement purposes, is amended to add an additional  
25 subdivision to read as follows:

26 (3)(A) The Except as provided in subdivision (a)(3)(B) of this  
27 section, a member may pay for all his or her current service credit or a  
28 portion thereof consisting of multiples of one (1) year.

29 (B) From June 30, 2011, through December 31, 2012, a member may  
30 roll over a 401K account, established under Internal Revenue Code, 26 U.S.C.  
31 § 401(k), from a municipal employer to purchase credit in a prorated amount  
32 in increments of less than one (1) year.  
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34 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
35 General Assembly of the State of Arkansas that the country is struggling  
36 economically, that municipal employees now covered under the Arkansas Public



Employees' Retirement System are unable to purchase the full amount of prior employment with the municipality, and that this act would allow those employees to purchase the service credit using the 401K from the former municipal employment to purchase service credit in increments of less than one (1) year for a specific period of time. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on June 30, 2011.