

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: H2/23/11 H3/9/11

A Bill

HOUSE BILL 1259

5 By: Representative Nickels
6

For An Act To Be Entitled

8 AN ACT TO REQUIRE LARGE MUNICIPALITIES TO PARTICIPATE
9 IN THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM
10 FOR ALL NEWLY HIRED EMPLOYEES AND ALL NEWLY ELECTED
11 PUBLIC OFFICIALS AND TO ALLOW CURRENT EMPLOYEES TO
12 OPT INTO THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT
13 SYSTEM; AND FOR OTHER PURPOSES.
14

Subtitle

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16 TO REQUIRE LARGE MUNICIPALITIES TO
17 PARTICIPATE IN THE PUBLIC RETIREMENT
18 SYSTEM FOR ALL NEW EMPLOYEES AND NEW
19 PUBLIC OFFICIALS AND TO ALLOW CURRENT
20 EMPLOYEES TO OPT INTO THE PUBLIC SYSTEM.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 24-4-303, concerning a municipality's
27 membership in the Arkansas Public Employees' Retirement System, is amended to
28 add a new subsection to read as follows:

29 (d) Beginning January 1, 2012, a municipality that has a retirement
30 plan under § 24-12-101 et seq., and has a population of one hundred thousand
31 (100,000) or more according to the most recent federal decennial census
32 shall:

33 (1) Include all newly hired employees and newly elected public
34 officials in the membership of the Arkansas Public Employees' Retirement
35 System; and

36 (2) Allow current employees and current elected public officials



1 participating in a 401(a) plan, established under Internal Revenue Code, 26
2 U.S.C. § 401(a), or a 401(k) plan, established under Internal Revenue Code,
3 26 U.S.C. § 401(k), to elect to continue participation in the municipality's
4 retirement plan or to establish participation in the Arkansas Public
5 Employees' Retirement System by:

6 (A) Purchasing service credit:

7 (i)(a) From the municipality's retirement plan to
8 transfer into the system.

9 (b) A member shall have at least five (5)
10 years of actual service with the Arkansas Public Employees' Retirement System
11 to retire; or

12 (ii) In a prorated amount by rolling over a 401(a),
13 established under Internal Revenue Code, 26 U.S.C. § 401(a), or a 401(k),
14 established under Internal Revenue Code, 26 U.S.C. § 401(k), into the system;
15 and

16 (B) Notifying the system in writing of the election to
17 participate in the system in a form determined acceptable by the system.

18
19 *SECTION 2. Arkansas Code § 24-4-723(a)(3), concerning the purchase of*
20 *service credit for retirement purposes, is amended to read as follows:*

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

24 (B) From September 1, 2011, through December 31, 2012, a member
25 may roll over a 401(a) plan established under section 401(a) of the Internal
26 Revenue Code, 26 U.S.C. § 401(a), or a 401(k) plan established under section
27 401(k) of the Internal Revenue Code, 26 U.S.C. § 401(k), from a municipal
28 employer to purchase credit in a prorated amount in increments of less than
29 one (1) year.

30 (C) A member shall have at least five (5) years of actual
31 service with the Arkansas Public Employees' Retirement System to retire.

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33 /s/Nickels
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