

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

HOUSE BILL 1204

5 By: Representative Nickels
6 By: Senator Elliott
7

For An Act To Be Entitled

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

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

30 (d) Beginning January 1, 2014, a municipality that has a retirement
31 plan under § 24-12-101 et seq. and has a population of one hundred thousand
32 (100,000) or more according to the most recent federal decennial census
33 shall:

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



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

7 (A) Purchasing service credit:

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

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

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

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

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

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

25 (B) From September 1, 2013, through December 31, 2014, a member
 26 may roll over a 401(a) plan established under section 401(a) of the Internal
 27 Revenue Code, 26 U.S.C. § 401(a), or a 401(k) plan established under section
 28 401(k) of the Internal Revenue Code, 26 U.S.C. § 401(k), from a municipal
 29 employer to purchase credit in a prorated amount in increments of less than
 30 one (1) year.

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