

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

As Engrossed: H2/18/13

A Bill

HOUSE BILL 1239

5 By: Representatives Gossage, Eubanks, Miller, Payton
6 By: Senator G. Stubblefield
7

For An Act To Be Entitled

9 AN ACT TO CREATE A NEW BENEFIT PROGRAM UNDER THE
10 ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM; TO
11 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
12
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Subtitle

15 TO CREATE A NEW BENEFIT PROGRAM UNDER THE
16 ARKANSAS LOCAL POLICE AND FIRE RETIREMENT
17 SYSTEM.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 Section 1. Arkansas Code section 24-10-602(a)(4), concerning annuity
23 benefit programs, is amended to add an additional subsection to read as
24 follows:

25 (4) Benefit Program 3.

26 (A) The total benefit amount computed under subdivisions
27 (a)(1) and (2) of this section shall not exceed at the time of retirement one
28 hundred percent (100%) of the final average pay plus the amounts provided in
29 subdivision (a)~~(5)~~(4)(B) of this section for volunteer service; ~~and~~

30 ~~(5)~~(A)(B)(i) For retirements effective before July 1, 2003,
31 annuity amounts based upon volunteer service shall be in accordance with
32 system provisions in force before July 1, 2003.

33 ~~(B)~~(i)(ii) For retirements effective July 1, 2003, and the
34 twelve (12) calendar months thereafter, the monthly annuity amount for each
35 year of volunteer service shall be five dollars (\$5.00), to a maximum of two
36 hundred dollars (\$200) monthly for all volunteer service.



1 ~~(ii)~~(iii) For retirements effective in the twelve
 2 (12) calendar months beginning July 1 thereafter, the monthly annuity amount
 3 for each year of volunteer service shall be five dollars (\$5.00), increased
 4 by any percentage increase in the inflation index for the period from
 5 December 2003 to the December immediately preceding the July 1, to a maximum
 6 for all volunteer service of two hundred dollars (\$200) monthly, similarly
 7 increased by any percentage increase in the inflation index; and

8
 9 SECTION 2. Arkansas Code 24-10-602(a), concerning annuity benefit
 10 programs, is amended to add an additional subdivision to read as follows:

11 (5) Benefit Program 4.

12 (A) For each year of volunteer service rendered on or
 13 after the election of Benefit Program 4 and before the election is rescinded:

14 (i) The total benefit amount computed under
 15 subdivision (a)(2) of this section shall not at the time of retirement exceed
 16 one hundred percent (100%) of the final average pay plus the amounts provided
 17 in (a)(5)(B) of this section for volunteer service; and

18 (ii) For retirements effective July 1, 2013, the
 19 monthly annuity amount for each year of volunteer service shall be ten
 20 dollars (\$10.00), increased by any percentage increase in the inflation index
 21 for the calendar year preceding July 1, to a maximum of four hundred dollars
 22 (\$400) monthly for all volunteer service.

23 (B) Benefit Program 4 is not eligible for participation or
 24 funding with premium tax revenues.

25 (C) The election of Benefit Program 4 may be rescinded
 26 only one (1) time by the political subdivision.

27 (D)(i) A member who has volunteer service rendered before
 28 the election date of Benefit Program 4 or after the election is rescinded and
 29 subsequently readopted may have the volunteer service rendered on or after
 30 July 1, 2013, treated as though the volunteer service had been rendered after
 31 the election of Benefit Program 4 by paying to the system the actuarial cost
 32 of the increased benefit by a single contribution or by an agreement to pay
 33 an increased rate of contributions if approved by the board of trustees.

34 (ii) As used in this subdivision (a)(5)(D),
 35 “actuarial cost” means an amount that is the actuarial equivalent of the
 36 value of the credited service to be purchased at the time of the purchase, as

1 determined by the system's actuary.

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3 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
4 General Assembly of the State of Arkansas that the local police and fire
5 retirement systems provide economic security for eligible citizens of
6 Arkansas; that the statutes need amending to update and clarify existing law;
7 and that these changes need to be made immediately. Therefore, an emergency
8 is declared to exist, and this act being immediately necessary for the
9 preservation of the public peace, health, and safety shall become effective
10 on:

11 (1) The date of its approval by the Governor;

12 (2) If the bill is neither approved nor vetoed by the Governor,
13 the expiration of the period of time during which the Governor may veto the
14 bill; or

15 (3) If the bill is vetoed by the Governor and the veto is
16 overridden, the date the last house overrides the veto.

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18 */s/Gossage*

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