

1 State of Arkansas *As Engrossed: H2/18/13 H3/1/13*

2 89th General Assembly

A Bill

3 Regular Session, 2013

HOUSE BILL 1239

4

5 By: Representatives Gossage, Eubanks, Miller, Payton

6 By: Senator G. Stubblefield

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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.

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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:

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(4) Benefit Program 3.

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(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~~

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~~(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.

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~~(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

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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) The increased benefit associated with Benefit Program
24 4 in excess of that defined in Benefit Program 3 shall not be funded through
25 an allocation of premium tax revenues.

26 (C) The election of Benefit Program 4 may be rescinded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

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29 the election date of Benefit Program 4 or after the election is rescinded and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

35 (ii) As used in this subdivision (a)(5)(D),
36 “actuarial cost” means an amount that is the actuarial equivalent of the

1 value of the credited service to be purchased at the time of the purchase, as
2 determined by the system's actuary.

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

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

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

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

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19 /s/Gossage
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