

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

A Bill

SENATE BILL 124

5 By: Senator B. Sample
6

For An Act To Be Entitled

8 AN ACT TO MAKE CERTAIN TECHNICAL CHANGES TO THE LAW
9 CONCERNING THE ARKANSAS LOCAL POLICE AND FIRE
10 RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR
11 OTHER PURPOSES.
12
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Subtitle

14 TO MAKE CERTAIN TECHNICAL CHANGES TO THE
15 LAW CONCERNING THE ARKANSAS LOCAL POLICE
16 AND FIRE RETIREMENT 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 § 24-10-506(a)(1), concerning other local
23 police and fire service, is amended to read as follows:

24 (a) ~~Any An~~ active member of the Arkansas Local Police and Fire
25 Retirement System shall be entitled to purchase credited service in the
26 system equivalent to a period not to exceed fifteen (15) years if the member:

27 (1) (A) Has at least five (5) years of actual service with the
28 system~~+~~.

29 (B) A member hired on or after July 1, 2013, shall accrue
30 ten (10) years of actual service in order to be eligible for purchase under
31 this section;
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33 SECTION 2. Arkansas Code § 24-10-508 is amended to read as follows:
34 24-10-508. Service credit.

35 (a) (a) ~~Any An~~ active member of the Arkansas Local Police and Fire
36 Retirement System who has at least five (5) years of actual service and who



1 has service in an Arkansas law enforcement agency or fire department and who
 2 has been employed as a public safety or law enforcement officer in any agency
 3 not covered by the system or any other system that is reciprocal to the
 4 system shall receive credited service for that service.

5 (b) A member hired on or after July 1, 2013, shall accrue ten (10)
 6 years of actual service in order to be eligible under this section.

7
 8 SECTION 3. Arkansas Code § 24-10-510(a), concerning service credit for
 9 former military personnel, is amended to read as follows:

10 (a) ~~Any~~ An active member of the Arkansas Local Police and Fire
 11 Retirement System may purchase credited service in the system equivalent to a
 12 period not to exceed five (5) years for service rendered by the member while
 13 on active duty in the armed forces of the United States before the member's
 14 employment covered by the system, if the member:

15 (1) Received an honorable discharge from the armed forces;

16 (2)~~(A)~~ Has at least five (5) years of actual service in the
 17 system; ~~and.~~

18 (B) A member hired on or after July 1, 2013, shall accrue
 19 ten (10) years of actual service in order to be eligible for purchase under
 20 this section; and

21 (3)(A) Contributes to the system an amount that is the actuarial
 22 equivalent of the value of the credited service to be purchased.

23 (B) The actuarial equivalent is of the time of the
 24 purchase of the credited service and shall be determined by the actuary for
 25 the system.

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 27 SECTION 4. Arkansas Code § 24-10-604(a), concerning voluntary
 28 retirement application, is amended to read as follows:

29 (a)~~(1)~~ ~~Any~~ A member in covered employment may retire with an annuity
 30 provided for in § 24-10-602 upon his or her written application to the Board
 31 of Trustees of the Arkansas Local Police and Fire Retirement System setting
 32 forth at what time, ~~not less than~~ at least thirty (30) days ~~nor~~ but not more
 33 than ninety (90) days subsequent to the execution and filing of his or her
 34 application, he or she desires to be retired, but only if, at the time of his
 35 or her separation from employment and at the time so specified for his or her
 36 retirement, the member shall have attained his or her normal retirement age

1 and have five (5) years of credited service in force.

2 (2) A member hired on or after July 1, 2013, shall accrue ten
3 (10) years of actual service in order to be eligible under this section.

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5 SECTION 5. Arkansas Code § 24-10-607(a), concerning disability
6 retirement, is amended to read as follows:

7 (a)(1)(A)(i) ~~Any~~ An active member with five (5) years of credited
8 service, including credited service for seventy-five percent (75%) of the two
9 (2) years immediately preceding his or her disability, who while an active
10 member becomes totally and permanently physically or mentally incapacitated
11 for any suitable duty as an employee as a result of a personal injury or
12 disease may be retired by the Board of Trustees of the Arkansas Local Police
13 and Fire Retirement System upon written application filed with the board by
14 or on behalf of the member or former member.

15 (ii) A member hired on or after July 1, 2013, shall
16 accrue ten (10) years of actual service in order to be eligible for
17 retirement.

18 (B) The employee shall be retired only if, after a medical
19 examination of the member or former member made by or under the direction of
20 a physician or physicians designated by the board, the physician reports to
21 the ~~plan~~ board in writing that the member or former member is physically or
22 mentally totally incapacitated for the further performance of any suitable
23 duty, that the incapacity will probably be permanent, and that the member or
24 former member should be retired.

25 (2) A written application to the board by the member or former
26 member or on behalf of the member shall be filed with the board not later
27 than one (1) year after the termination of active membership.

28 (3) The disability annuity shall be effective the first day of
29 the calendar month next following the later of:

30 (A) His or her termination of active membership; or

31 (B) Six (6) months before the date the written application
32 is filed with the board.

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34 SECTION 6. Arkansas Code § 24-10-609, concerning the death of a member
35 in volunteer service, is amended to add an additional subsection to read as
36 follows:

1 (e) A member hired on or after July 1, 2013, shall accrue ten (10)
 2 years of actual service in order to be eligible for benefits under this
 3 section.

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 5 SECTION 7. Arkansas Code § 24-10-611(a)(1), concerning termination of
 6 covered employment, is amended to read as follows:

7 (a) A member who terminates covered employment before attaining his or
 8 her normal retirement age, for a reason other than death, early retirement,
 9 or disability retirement, shall be entitled to an annuity computed in
 10 accordance with the provisions of this section, as it provides at the time of
 11 the last termination of covered employment, subject to the member's
 12 satisfying all of the following conditions:

13 (1)(A) The member has five (5) years of credited service~~+~~.

14 (B) A member hired on or after July 1, 2013, shall accrue
 15 ten (10) years of actual service in order to be eligible for retirement;

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 17 SECTION 8. Arkansas Code § 24-12-109(c)(1), concerning investments, is
 18 amended to read as follows:

19 (c)(1) In those nonuniformed employees' pension and relief funds in
 20 which assets exceed one hundred thousand dollars (\$100,000), the board of
 21 trustees may employ:

22 (A) An investment advisor ~~as defined in § 24-10-402(a)(2)(A)(ii)~~
 23 to invest the assets, subject to the terms, conditions, limitations, and
 24 restrictions imposed by law upon the Arkansas ~~Local Police and Fire~~
 25 ~~Retirement System, as provided by § 24-10-401 et seq.~~ Public Employees'
 26 Retirement System; and

27 (B) A trustee or custodian to hold the assets.

28 (2) The investments shall not be limited to interest-bearing bonds.

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 30 SECTION 9. EMERGENCY CLAUSE. It is found and determined by the
 31 General Assembly of the State of Arkansas that the local police and fire
 32 retirement systems provide economic security for eligible citizens of
 33 Arkansas; that the statutes need amending to update and clarify existing law;
 34 and that these changes need to be made immediately. Therefore, an emergency
 35 is declared to exist and this act being immediately necessary for the
 36 preservation of the public peace, health, and safety shall become effective

1 on:

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

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

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

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