

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019

A Bill

HOUSE BILL 1336

4
5 By: Representative Bragg
6 By: Senator Hester

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING EARLY ANNUITIES
10 UNDER THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT
11 SYSTEM; AND FOR OTHER PURPOSES.

Subtitle

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14 TO AMEND THE LAW CONCERNING EARLY
15 ANNUITIES UNDER THE ARKANSAS PUBLIC
16 EMPLOYEES' 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 § 24-4-510(a)(2), concerning eligibility for
23 benefits and deferred and early annuities under the Arkansas Public
24 Employees' Retirement System, is amended to read as follows:

25 (2)(A)(i) Upon early retirement, a member shall receive a
26 certain percentage of an annuity for life provided for in § 24-4-601.

27 (ii) The percentage shall be one hundred percent
28 (100%) reduced by one-half of one percent (0.5%) multiplied by the number of
29 months by which the member's age at early retirement is younger than his or
30 her normal retirement age, using what his or her normal retirement age would
31 have been under the provisions of § 24-4-508 if he or she had continued
32 covered employment from the time of early retirement.

33 (iii) The Board of Trustees of the Arkansas Public
34 Employees' Retirement System may set by board resolution the early annuity
35 reduction under subdivision (a)(2)(A)(ii) of this section at a percentage
36 rate between five percent (5%) per year and fifteen percent (15%) per year,



1 to be prorated monthly, if the:

2 (a) System's actuary certifies to the board
 3 that the amortization period to pay the unfunded liabilities of the system
 4 exceeds eighteen (18) years; and

5 (b) Board determines that a reduction in the
 6 cost of early voluntary retirement is prudent to maintain actuarial
 7 soundness.

8 (B)(i)(a) However, if the member or former member has at
 9 least twenty-five (25) years of actual service but less than twenty-eight
 10 (28) years of actual service and has not reached age sixty-five (65), then
 11 upon early retirement the member shall receive a percentage of a life annuity
 12 as provided in § 24-4-601.

13 (b) The percentage shall be one hundred
 14 percent (100%) reduced by one percent (1%) multiplied by the number of months
 15 by which the time of early retirement precedes the earlier of either the
 16 completion of twenty-eight (28) years of actual service or the attainment of
 17 age sixty-five (65).

18 (c) The board may set by board resolution the
 19 early annuity reduction under subdivision (a)(2)(B)(i)(b) of this section at
 20 a percentage rate between five percent (5%) per year and fifteen percent
 21 (15%) per year, to be prorated monthly, if the:

22 (1) System's actuary certifies to the
 23 board that the amortization period to pay the unfunded liabilities of the
 24 system exceeds eighteen (18) years; and

25 (2) Board determines that a reduction in
 26 the cost of early voluntary retirement is prudent to maintain actuarial
 27 soundness.

28 (ii) If the reduction set forth under this
 29 subdivision (a)(2)(B) is greater than the reduction that would have otherwise
 30 been imposed except for this subdivision (a)(2)(B), then the lesser reduction
 31 shall apply.