

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1348

5 By: Representative Warren
6

For An Act To Be Entitled

8 AN ACT CONCERNING MEMBER CONTRIBUTIONS UNDER THE
9 ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM; TO
10 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
11

Subtitle

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13 CONCERNING MEMBER CONTRIBUTIONS UNDER THE
14 ARKANSAS PUBLIC EMPLOYEES' RETIREMENT
15 SYSTEM; AND TO DECLARE AN EMERGENCY.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 24-4-401(b)(1), concerning member
22 contributions under the Arkansas Public Employees' Retirement System, is
23 amended to read as follows:

24 (b)(1)(A) Until July 1, 2005, the contributions of a contributory
25 member shall be six percent (6%) of the member's annual compensation.

26 (B)(i) Beginning July 1, 2005, the contribution rate shall
27 be five percent (5%) of the member's annual compensation for a contributory
28 member.

29 (ii) A person first hired on or after July 1, 2005,
30 is subject to the provisions of § 24-4-1101 et seq.

31 (C) The member's deposit account shall be credited
32 interest at a rate of four percent (4%) per annum beginning July 1, 2005.

33 (D)(i) Beginning July 1, 2022, and continuing each
34 following fiscal year, the contribution rate shall be increased in increments
35 of twenty-five hundredths of one percent (0.25%) per fiscal year.

36 (ii) An increase to the contribution rate under



1 subdivision (b)(1)(D)(i) of this section shall not result in a contribution
 2 rate greater than seven percent (7%).

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 4 SECTION 2. Arkansas Code § 24-4-1102(a), concerning member
 5 contributions under the Arkansas Public Employees' Retirement System, is
 6 amended to add an additional subdivision to read as follows:

7 (4)(A) Beginning July 1, 2022, and continuing each following
 8 fiscal year, the contribution rate shall be increased in increments of
 9 twenty-five hundredths of one percent (0.25%) per fiscal year.

10 (B) An increase to the contribution rate under subdivision
 11 (a)(3)(A) of this section shall not result in a contribution rate greater
 12 than seven percent (7%).

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 14 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
 15 General Assembly of the State of Arkansas that provisions of the law
 16 concerning the Arkansas Public Employees' Retirement System, a state agency
 17 created by the General Assembly for the purpose of providing retirement
 18 benefits to public employees of this state, are in need of revision and
 19 updating to maintain the retirement laws in conformance with sound public
 20 pension policy; that the system operates on a fiscal year of July 1 to June
 21 30; that having a July 1, 2021, effective date is necessary to allow the
 22 provisions of this act to begin on the first day of the fiscal year to
 23 provide for the proper administration of the procedures mandated by this act;
 24 that the revisions and updates to the law are of great importance for
 25 actuarial purposes and to protect member benefits provided by the system; and
 26 that this act is immediately necessary in order to maintain an orderly system
 27 of benefits for the members of the system. Therefore, an emergency is
 28 declared to exist, and this act being necessary for the preservation of the
 29 public peace, health, and safety shall become effective on July 1, 2021.