

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

As Engrossed: H3/13/23

# A Bill

HOUSE BILL 1260

5 By: Representatives L. Johnson, Hawk, Maddox, Vaught  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING ANNUITIES UNDER  
9 THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM;  
10 TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

### Subtitle

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13 TO AMEND THE LAW CONCERNING ANNUITIES  
14 UNDER THE ARKANSAS LOCAL POLICE AND FIRE  
15 RETIREMENT SYSTEM; AND TO DECLARE AN  
16 EMERGENCY.  
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19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
21

22 SECTION 1. Arkansas Code § 24-10-404(b)(2), concerning the  
23 contribution for a member whose employment is not also covered by Social  
24 Security or whose employment meets certain other requirements under the  
25 Arkansas Local Police and Fire Retirement System, is amended to read as  
26 follows:

27 (2)(A) Beginning ~~July 1, 2009~~ July 1, 2023, the contribution for  
28 covered members defined in subdivision (b)(1) of this section shall be ~~eight~~  
29 ~~and one-half percent (8.5%)~~ nine and one-half percent (9.5%) of his or her  
30 pay.

31 (B) Beginning ~~July 1, 2009~~ July 1, 2023, the contribution  
32 for paid service members not defined in subdivision (b)(1) of this section  
33 shall be ~~two and one-half percent (2.5%)~~ three and one-half percent (3.5%) of  
34 his or her pay.  
35

36 SECTION 2. Arkansas Code § 24-10-602(a)(1) and (a)(2), concerning the



1 annuity available to a retired member of the Arkansas Local Police and Fire  
2 Retirement System, is amended to read as follows:

3 (1) Benefit Program 1.

4 (A) For each year of paid service resulting from  
5 employment:

6 (i) In a position not also covered by Social  
7 Security, ~~two and ninety four hundredths percent (2.94%)~~ three percent (3%)  
8 of his or her final average pay; and

9 (ii) In a position also covered by Social Security,  
10 ~~one and ninety four hundredths percent (1.94%)~~ two percent (2%) of his or her  
11 final average pay.

12 (B)(i)(a) In addition, if the member is retiring as  
13 provided in § 24-10-604, § 24-10-605, § 24-10-606, or § 24-10-607, and if the  
14 member's age at retirement is less than Social Security's minimum age for an  
15 immediate unreduced retirement benefit, then the member shall receive a  
16 temporary annuity equal to one percent (1%) of his or her final average pay  
17 for each year of paid service resulting from employment in a position also  
18 covered by Social Security.

19 (b) The provisions of this section that allow  
20 a member who retires as provided in § 24-10-607, whose employment was also  
21 covered by Social Security, and who is thereby eligible for a temporary  
22 annuity shall be applied retroactively to all persons who retired under those  
23 circumstances on or after October 1, 1989.

24 (ii) The temporary annuity shall terminate at the  
25 end of the calendar month in which the earlier of the following events  
26 occurs:

27 (a) The member's death; or

28 (b) His or her attainment of Social Security's  
29 minimum age for an immediate unreduced retirement benefit.

30 (iii) Any member who has had a temporary annuity  
31 terminated because of an award of disability retirement under the Social  
32 Security Act, 42 U.S.C. § 301 et seq., shall have that temporary annuity  
33 restored;

34 (2) Benefit Program 2.

35 (A) For each year of paid service rendered on or after the  
36 election date of the Benefit Program 2 and before the election is rescinded:

1 (i) In a position also covered by Social Security,  
2 ~~two and ninety four hundredths percent (2.94%)~~ three percent (3%) of the  
3 member's final average salary; and

4 (ii) In a position not covered by Social Security,  
5 ~~three and twenty eight hundredths percent (3.28%)~~ three and thirty-four  
6 hundredths percent (3.34%) of the member's final average salary.

7 (B)(i) For each year of paid service rendered before the  
8 election date of the Benefit Program 2 or after the election is rescinded:

9 (a) In a position also covered by Social  
10 Security, ~~one and ninety four hundredths percent (1.94%)~~ two percent (2%) of  
11 the member's final average salary; and

12 (b) In a position not covered by Social  
13 Security, ~~two and ninety four hundredths percent (2.94%)~~ three percent (3%)  
14 of the member's final average salary.

15 (ii) A member who has paid service rendered before  
16 the election date of Benefit Program 2 or after the election is rescinded and  
17 subsequently readopted may have the paid service rendered on or after July  
18 28, 1995, treated as though the paid service had been rendered after the  
19 election date of Benefit Program 2 by paying to the system the actuarial cost  
20 of the increased benefit by a single contribution or by an agreement to pay  
21 an increased rate of contributions if approved by the Board of Trustees of  
22 the Arkansas Local Police and Fire Retirement System.

23 (iii) As used in subdivision (a)(2)(B)(ii) of this  
24 section, "actuarial cost" means an amount that is the actuarial equivalent of  
25 the value of the credited service to be purchased at the time of the  
26 purchase, as determined by the system's actuary.

27 (C)(i)(a) In addition, if the member is retiring as  
28 provided in § 24-10-604, § 24-10-605, § 24-10-606, or § 24-10-607, and if the  
29 member's age at retirement is less than Social Security's minimum age for an  
30 immediate unreduced retirement benefit, then the member shall receive a  
31 temporary annuity equal to one percent (1%) of his or her final average pay  
32 for each year of paid service rendered before the election date of Benefit  
33 Program 2 and resulting from employment in a position also covered by Social  
34 Security.

35 (b) The provisions of this section that allow  
36 a member who retires as provided in § 24-10-607, whose employment was also

1 covered by Social Security, and who is thereby eligible for a temporary  
2 annuity shall be applied retroactively to all persons who retired under those  
3 circumstances on or after October 1, 1989.

4 (ii) The temporary annuity shall terminate at the  
5 end of the calendar month in which the earlier of the following events  
6 occurs:

7 (a) The member's death; or

8 (b) His or her attainment of Social Security's  
9 minimum age for an immediate unreduced retirement benefit.

10 (iii) Any member who has had a temporary annuity  
11 terminated because of an award of disability retirement under the Social  
12 Security Act, 42 U.S.C. § 301 et seq., shall have that temporary annuity  
13 restored;

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15 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
16 General Assembly of the State of Arkansas that the operations of a state  
17 public retirement system are complex; that the Arkansas Local Police and Fire  
18 Retirement System must be able to meet the needs of its members as  
19 anticipated by the General Assembly; that certain benefit provisions under  
20 the laws of the Arkansas Local Police and Fire Retirement System need  
21 revision and updating to bring them into conformance with sound public  
22 pension policy and actuarial requirements; that the revisions and updates are  
23 of great importance to members of the Arkansas Local Police and Fire  
24 Retirement System and to other citizens of the State of Arkansas; that an  
25 effective date of July 1, 2023, is necessary in order to allow for a  
26 structured and proper administration of the procedures referenced in this  
27 act; that the updates and revisions contained in this act are of great  
28 importance for actuarial purposes and for the improvement and protection of  
29 member benefits under the Arkansas Local Police and Fire Retirement System;  
30 and that an effective date of July 1, 2023, is necessary in order to maintain  
31 an orderly system of benefits for the members of the Arkansas Local Police  
32 and Fire Retirement System. Therefore, an emergency is declared to exist,  
33 and this act being necessary for the preservation of the public peace,  
34 health, and safety shall become effective on July 1, 2023.

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36 /s/L. Johnson