1	State of Arkansas	
2	94th General Assembly A Bill	
3	Regular Session, 2023SENATE BILL 12	29
4		
5	By: Senator Hickey	
6	By: Representative Maddox	
7		
8	For An Act To Be Entitled	
9	AN ACT TO AMEND THE STATE POLICE RETIREMENT SYSTEM	
10	PLAN REGARDING SURVIVOR BENEFITS; TO PROVIDE FOR THE	
11	PROPER ADMINISTRATION OF SURVIVOR BENEFITS UNDER THE	
12	STATE POLICE RETIREMENT SYSTEM; TO DECLARE AN	
13	EMERGENCY; AND FOR OTHER PURPOSES.	
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15		
16	Subtitle	
17	TO AMEND THE STATE POLICE RETIREMENT	
18	SYSTEM PLAN REGARDING SURVIVOR BENEFITS;	
19	AND TO DECLARE AN EMERGENCY.	
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21		
22	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:	
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24	SECTION 1. Arkansas Code § 24-6-217 is amended to read as follows:	
25	24-6-217. Benefits — Survivor's pension upon death of member Death	
26	before retirement.	
27	(a)(l) In the case of a member who dies on or after January 1, 1956,	
28	and leaves a spouse <u>A member's surviving spouse</u> who has the care of the	
29	member's dependent child or children , the surviving spouse shall receive a	
30	pension equal to the greater of one thousand eight hundred dollars (\$1,800)	
31	per annum or seventy-five percent (75%) of the pension to which the member	
32	would have been entitled had he or she retired the day preceding the date of	
33	his or her death, notwithstanding that even if the member might was not have	
34	been eligible to retire.	
35	(2) When the surviving spouse no longer has the care of the	
36	dependent child, the pension shall be reduced to the greater of one thousand	



1 two hundred dollars (\$1,200) per annum or fifty percent (50%) of the pension 2 to which the member would have been entitled had he or she retired the day 3 preceding the date of his or her death, notwithstanding that even if 4 member might was not have been eligible to retire.

5 (3) Upon the surviving spouse's remarriage or death, the pension6 provided for in this subsection shall terminate.

7 (b)(1) In the case of a member who dies on or after January 1, 1956, 8 and leaves a A member's surviving spouse who does not have in his or her care 9 the member's dependent child or children, the surviving spouse shall receive 10 a pension equal to the greater of one thousand two hundred dollars (\$1,200) 11 per annum or fifty percent (50%) of the pension to which the member would 12 have been entitled had he or she retired the day preceding the date of his or 13 her death, notwithstanding that even if the member might was not have been 14 eligible to retire.

15 (2) Upon the surviving spouse's remarriage or death, the pension 16 provided for in this subsection shall terminate.

17 (c)(1) In the event If a member dies and does not leave a spouse, or 18 in the event the surviving spouse remarries or dies and there is a surviving 19 the member a dependent child or children of the member, each such child shall 20 receive a pension of an equal share of the greater of one thousand eight 21 hundred dollars (\$1,800) per annum or seventy-five percent (75%) of the 22 pension to which the member would have been entitled had he or she retired 23 the day preceding the date of his or her death, notwithstanding that even if 24 he or she the member might was not have been eligible to retire.

(2) In no case shall the <u>The</u> annual pension payable to any such
child <u>shall not</u> exceed fifteen percent (15%) of the final average annual
salary of the deceased member.

28 (d)(1) In the event a member who has five (5) or more years of 29 credited service in the system dies and leaves neither a spouse nor children eligible for pensions provided for in subsections (a)-(c) of this section, 30 31 and there is surviving the member his or her parents, whom are the board 32 finds to be claimed as dependent upon the member member's federal tax return 33 for not less than one (1) year immediately preceding the member's death for 34 at least fifty percent (50%) of their support due to lack of financial means, 35 each dependent parent shall receive a pension of an equal share of fifty 36 percent (50%) of the pension to which the member would have been entitled had

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he or she retired the day preceding the date of his or her the member's
 death, notwithstanding that even if the member might was not have been
 eligible to retire.

4 (2) Upon the remarriage or death of the parent, his or her 5 pension shall terminate.

6 (e)(1)(A) A child shall be is a dependent child for purposes of
7 receiving a survivor's annuity until his or her the child's death, his or her
8 marriage, or his or her attainment of age eighteen (18) eighteen (18) years
9 of age, whichever occurs first.

10 (B)(i) However, the age-eighteen maximum shall be extended 11 as long as the child is continuously enrolled as a full-time student at an 12 accredited secondary school or accredited postsecondary institution of higher 13 education, but in no event beyond his or her attainment of age twenty-three 14 (23) twenty-three (23) years of age.

15 (ii) The <u>eighteen-year age-eighteen</u> maximum shall 16 also be extended for any child who has been deemed physically or mentally 17 incompetent by a court with jurisdiction over the individual or by the board, 18 for as long as the incompetency exists.

19 (2) Once a child ceases to be <u>a</u> dependent <u>child</u>, his or her
20 annuity shall terminate and there shall be a redetermination of the amount
21 payable to any remaining dependent children.

(3) The board is authorized to establish through rules a means
of verification of enrollment in a secondary school or postsecondary
institution of higher education by a surviving dependent child under this
section for purposes of pension benefits.

(f)(1) If a surviving spouse who is receiving survivor's benefits under this section remarries, and the benefits are discontinued, and the surviving spouse again becomes unmarried, benefits provided in this section for the spouse shall be resumed.

30 (2) Benefits shall be resumed for any surviving spouse who had
31 remarried but is unmarried on that date, but no such benefits will be paid
32 the surviving spouse for any period prior to July 1, 1991.

33 (g)(1) If the member is killed while in the official line of duty and 34 the surviving spouse is eligible for a deferred benefit under this section, 35 the surviving spouse may elect to receive a reduced benefit beginning 36 immediately.

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1 (2) The reduction of the benefit otherwise defined in this 2 section shall be: 3 (A) Five-tenths of one percent (0.5%) per month for each 4 of the first sixty (60) months that the benefit begins before it would have 5 otherwise begun; plus 6 (B) Twenty-five hundredths of one percent (0.25%) per month for each month more than sixty (60) months that the benefit begins 7 8 before it would have otherwise begun. 9 (3) However, the total reduction under this subsection shall not 10 be more than fifty percent (50%). 11 (4) Those who otherwise would have been eligible for this 12 benefit on or after July 1, 2002, may also elect this reduced benefit 13 prospectively. 14 15 SECTION 2. Arkansas Code § 24-6-408 is amended to read as follows: 16 24-6-408. Benefit provisions - Election of annuity options. 17 (a) Before the date the first payment of his or her annuity becomes 18 due, but not thereafter, a \underline{A} member may elect to receive his or her annuity 19 as a straight life annuity or he or she may elect to have his or her that 20 annuity reduced and nominate designate a beneficiary in writing and file the 21 elections with the system in accordance with the provisions of before that 22 annuity starting date under one (1) of the following options: 23 (1) Option A60 - Sixty (60) Months Certain and Life Annuity. 24 (A) Under Option A60, the retirant shall be paid a reduced 25 annuity for life with the provisions that if the retirant's death occurs 26 before sixty (60) monthly payments have been made, then the full reduced 27 annuity shall continue to be paid for the remainder of the sixty (60) months 28 to such persons and in such shares as the retirant shall have has designated 29 in writing and filed with the plan. 30 (B) If there is no payee beneficiary surviving, the lump-31 sum actuarial equivalent of the remaining monthly payments shall be paid to 32 the estate of the last survivor among the retirant and the designated persons 33 beneficiary. 34 (C) The reduced annuity shall be ninety-six percent (96%) 35 of the straight life annuity; 36 (2) Option Al20 - One Hundred Twenty (120) Monthly Certain and

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1 Life Annuity.

2 (A) Under Option Al20, the retirant shall be paid a 3 reduced annuity for life with the provision that if the retirant's death 4 occurs before one hundred twenty (120) monthly payments have been made, the full reduced annuity shall continue to be paid for the remainder of the one 5 6 hundred twenty (120) months to such persons and in such shares as the 7 retirant shall have has designated in writing and filed with the plan. 8 (B) If there is no payee beneficiary surviving, the lump-9 sum actuarial equivalent of the remaining monthly payment shall be paid to 10 the estate of the last survivor among the retirant and the designated persons 11 beneficiary. 12 (C) The reduced annuity shall be ninety percent (90%) of 13 the straight life annuity; 14 (3) Option B50 - Fifty Percent (50%) Survivor Beneficiary 15 Annuity. (A)(i) Under Option B50, the retirant shall be paid a 16 17 reduced annuity for life with the provision that, and upon his or her the 18 <u>retirant's</u> death, one-half $(\frac{1}{2})$ of the reduced annuity shall be continued 19 continue throughout the future lifetime of and paid to such person as the 20 retirant shall have has designated in writing and filed with the plan before 21 his or her annuity starting date. 22 (ii) However, that person must be The member may 23 elect either his: 24 (a) His or her spouse, to whom the member has 25 been married for not less than one (1) year six (6) months immediately preceding the first payment due date; or another person 26 27 (b) A dependent child aged forty (40) forty (40) years of age or older receiving who is claimed as a dependent upon the 28 29 member's federal tax return more than one half (1/2) support from the retirant for not less than one (1) year immediately preceding the first payment due 30 31 date. 32 The reduced annuity to the retirant shall be eighty-(B) three percent (83%) if the retirant's age and his or her beneficiary's age 33 34 are the same on the first payment due date, which shall be decreased by one-35 half percent (0.5%) for each year that the beneficiary's age is less than the 36 retirant's age, or which shall be increased by one-half percent (0.5%), up to

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1 a maximum of ninety-five percent (95%), for each year that the beneficiary's 2 age is more than the retirant's age. 3 (C) If the named beneficiary under Option B50 predeceases 4 the retirant, the original unreduced benefit shall be paid to the retirant 5 prospectively; 6 (4) Option B75 - Seventy-Five Percent (75%) Survivor Beneficiary 7 Annuity. 8 (A)(i) Under Option B75, the retirant shall be paid a 9 reduced annuity for life with the provision that, and upon his or her the 10 retirant's death, three-quarters three-fourths $(\frac{3}{4})$ of the reduced annuity shall be continued throughout the future lifetime of and paid to such person 11 12 as the retirant shall have has designated in writing and filed with the plan 13 before his or her annuity starting date; however, that person must be 14 (ii) The member may elect either: his 15 (a) His or her spouse to whom the member has 16 been married for not less than one (1) year six (6) months immediately 17 preceding the first payment due date; or another person 18 (b) A dependent child aged forty (40) forty 19 (40) years of age or older receiving more than one-half (1/2) support from the 20 retirant who is claimed as a dependent upon the retirant's federal tax return 21 for not less than one (1) year immediately preceding the first payment due 22 date. 23 (B) The reduced annuity to the retirant shall be seventy-24 five percent (75%) if the retirant's age and his or her beneficiary's age are 25 the same on the first payment due date, which shall be decreased by threequarters percent (0.75%) for each year that the beneficiary's age is less 26 27 than the retirant's age, or which shall be increased by three-quarters 28 percent $(0.75\%)_{\tau}$ up to a maximum of ninety percent $(90\%)_{\tau}$ for each year that 29 the beneficiary's age is more than the retirant's age. 30 (C) If the named beneficiary under Option B75 predeceases the retirant, the original unreduced benefit shall be paid to the retirant 31 32 prospectively. (b)(1)(A) The member may elect to cancel the designation of a 33 34 beneficiary under Option B50 or Option B75 in writing and file the election 35 with the system upon the: 36 (i) A death Death of a spouse; or divorce

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1 (ii) Divorce or other marriage dissolution from the 2 member's spouse; or the death 3 (iii) Death of a person the member's dependent child 4 who is forty (40) years of age or older and who is the designated as a 5 beneficiary under Option B50 or Option B75 following retirement shall cancel, 6 at the written election of the retirant, Option B50 or Option B75 elected at 7 retirement to provide continuing lifetime benefits to the designated person 8 and § 24-6-408(a). 9 (B) The member's election under subsection (b) of this 10 section shall return the retirant to this or her straight life annuity, 11 or the member may elect Option A60 or Option A120 annuity, to be effective 12 the month following receipt by the system of his or her election by the State 13 Police Retirement System. 14 (2) A retirant who is receiving a straight life or Option A60 or 15 Option Al20 annuity and who marries after retirement or within one (1) year 16 six (6) months immediately preceding retirement may elect to cancel his or 17 her straight life, or Option A60, or Option A120 annuity and may elect Option 18 B50 or Option B75 providing to provide continuing lifetime benefits to his or 19 her spouse, but only if the election is: 20 (A) Submitted on a form approved by the system; and is 21 received 22 (B) Received by the system not no earlier than one (1) 23 year six (6) months after the date of the marriage and not no later than 24 eighteen (18) months one (1) year after that date. 25 (3) The election shall be effective the first day of the month following its receipt. 26 27 (c) If a member fails to elect an option, his or her annuity shall be 28 paid to him or her as a straight life annuity. 29 30 SECTION 3. Arkansas Code § 24-6-411 is amended to read as follows: 31 24-6-411. Benefit provisions - Death before retirement. 32 (a) If an active member with five (5) or more years of actual service, 33 including service for the year immediately preceding his or her death, dies 34 in employer service before retirement, the applicable benefit provided in 35 this section shall be paid allowed upon the survivor's written application to 36 filed with the Board of Trustees of the State Police Retirement System

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1 system.

2 (b)(1)(A) In the event that If a member dies and is not being paid on 3 that date by his or her employer due solely to illness incurred before he or 4 she left the payroll and the death occurs within one (1) year of the last 5 payroll, the member shall be considered, for purposes of this section, to 6 have died as an active member if all other necessary provisions of this 7 section are met.

8 (B) For purposes of computing <u>To compute</u> benefits provided 9 by this section, the deceased member's salary at the time of death shall be 10 his or her salary for the year immediately preceding the cessation of his or 11 her pay.

(2) (A) If an active member with five (5) or more years of actual service does not have credited service for the year immediately preceding death due to illness which eventually leads to his or her death or due to his or her employer's removing the member from the payroll because of temporary economic conditions of the employer or weather conditions, the active member shall be considered, only for eligibility purposes of the section, to have credited service for the year preceding death.

19 (B) Benefits shall be paid according to the salary earned20 during the year preceding death.

(c)(1) The <u>deceased</u> member's surviving spouse who was married to the member for at least six (6) months immediately preceding the member's death shall receive an annuity computed in the same manner in all respects as if the member had retired:

25 <u>(A) Retired</u> on the date of his or her death with 26 entitlement to an annuity provided for in § 24-6-406, elected;

27 (B) Elected the Option B75 survivor annuity provided for 28 in § 24-6-408, and nominated; and

29 (C) Designated his or her spouse as joint beneficiary.
30 (2)(A) If the <u>deceased</u> member has satisfied the age and service
31 requirement provided for in § 24-6-404 or had acquired twenty (20) years'
32 actual service, then the <u>spouse</u> <u>spousal</u> annuity shall <u>commence immediately</u>
33 and be payable for <u>his or her</u> life.

34 (B)(i) If the member had acquired fifteen (15) years'
35 actual service, but had not attained age sixty five (65) sixty-five (65)
36 years of age, the spouse spousal annuity shall commence at the later of

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1 either age fifty (50) fifty (50) years of age or his or her age at his or her 2 death and shall be payable until the earlier of his or her remarriage or 3 death. 4 (ii) Otherwise, the spouse spousal annuity shall 5 commence at the later of either age sixty-two (62) sixty-two (62) years of 6 age or his or her age at his or her death and shall be payable until the 7 earlier of either his or her remarriage or death. 8 (3) The spouse spousal annuity shall not be less than ten 9 percent (10%) of the deceased member's covered compensation at the time of 10 death. 11 (4) In any event, For as long as the surviving spouse has in his 12 or her care any of the deceased member's dependent children receiving who 13 receive a benefit provided for in this section, there shall be payable to him 14 or her a spouse spousal annuity which shall not be less than ten percent 15 (10%) of the deceased member's compensation at the time of death. 16 (d)(1) The deceased member's dependent child or dependent children 17 shall each receive an annuity of the greater of either: 18 (A) ten Ten percent (10%) of the member's covered compensation at the time of death; or 19 20 (B) an An equal share of one hundred fifty dollars (\$150) 21 monthly. 22 (2) If there are three (3) or more dependent children, each 23 dependent child shall receive as an annuity an equal share of the greater of: 24 (A) either Either twenty-five percent (25%) of the 25 member's covered compensation; or 26 (B) one One hundred fifty dollars (\$150) monthly. 27 (3)(A) A child shall be is considered a dependent child as used 28 in subdivision (d)(1) of this section and for purposes of receiving a 29 survivor's annuity until his or her the child's death, his or her marriage, or his or her attainment of age eighteen (18) eighteen (18) years of age, 30 31 whichever occurs first. 32 (B)(i) However, the age-eighteen maximum shall be extended 33 as long as the child continues uninterruptedly being a full-time student at 34 an accredited secondary school, college, or university but in no event beyond 35 his or her attainment of age twenty-three (23) twenty-three (23) years of 36 age.

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1 (ii) The age-eighteen maximum shall also be extended 2 for any child who has been deemed physically or mentally incompetent by an 3 Arkansas court of competent jurisdiction or by the board Board of Trustees of 4 the State Police Retirement System for as long as the incompetency exists. 5 (4) Upon a child's ceasing Once a child ceases to be a dependent 6 child, his or her annuity shall terminate, and there shall be a 7 redetermination of the amounts payable to any remaining dependent children. 8 (e)(1) If at the time of the member's death there is neither a spouse 9 nor a dependent child, each dependent parent shall receive an allowance of 10 the greater of either ten percent (10%) of the deceased member's covered 11 compensation or an equal share of one hundred fifty dollars (\$150) monthly, 12 but only if the board finds that the parent was dependent for at least fifty 13 percent (50%) of his or her financial support upon the member. 14 (2) A dependent parent eligible for a survivor benefit under 15 this section shall have been claimed as dependent upon the deceased member's or former member's federal tax return for not less than one (1) year 16 17 immediately preceding the member's death. 18 (f)(1) If no annuity can become payable to a dependent child due to 19 the member's death of the member, and a the surviving spouse or dependent 20 parents may elect to receive a refund of the member's or former member's accumulated contributions as provided in § 24-6-222 in lieu of any benefits 21 22 which could become payable under this plan if the: 23 (A) Surviving spouse or dependent parents are the only 24 persons who will be eligible for monthly benefits; and the 25 (B) Surviving spouse or dependent parents are also the 26 designated beneficiaries of the <u>deceased</u> member, then, in that event, the 27 surviving spouse or dependent parent may elect to receive a refund of the 28 member's accumulated contributions in lieu of any benefits which could become 29 payable under this subchapter. 30 (2) The option to choose a refund of the deceased member's 31 contribution shall also be afforded to any spouse or dependent parent 32 qualified under this section whose eligibility for the benefit occurred 33 before the passage of this chapter and who could not exercise that option. 34 (3) Once the A refund of the deceased member's accumulated 35 contributions has been made to the surviving spouse or dependent parents 36 under this subsection, the recipient shall have no precludes any right or

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1 future claim to monthly retirement benefits due to the death of the member.

2 (g)(1) In the event all the annuities provided for in this section 3 payable on account of the member's death of a member terminate before there 4 has been paid an aggregate amount equal to his or her accumulated 5 contributions standing to his or her credit in the member's deposit account 6 at the time of his or her death, the difference between the accumulated 7 contributions and the aggregate amount of annuity payments shall be paid to 8 such person as he or she shall have nominated by written designation duly 9 executed and filed with the board system.

10 (2) If there is no designated person surviving a termination,11 the difference shall be paid to the member's estate.

12 (h)(1) In the case of a \underline{A} surviving spouse of a deceased member who 13 had benefits whose benefits were terminated due to remarriage under the 14 provisions of this section, the surviving spouse of the member shall be 15 entitled to a reinstatement of benefits upon the death of any subsequent 16 spouse.

17 (2) The <u>reinstated</u> benefits shall cease immediately upon the
18 <u>death or subsequent</u> remarriage <u>or death</u> of the surviving spouse <u>of the</u>
19 <u>deceased member</u>.

20 (i)(1) If the member is killed while in the official line of duty and 21 the surviving spouse is eligible for a deferred benefit under this section, 22 the surviving spouse may elect to receive a reduced benefit beginning 23 immediately.

24 (2) The reduction of the benefit otherwise defined in this25 section shall be:

26 (A) Five-tenths of one percent (0.5%) per month for each
27 of the first sixty (60) months that the benefit begins before it would have
28 otherwise begun; plus

(B) Twenty-five hundredths of one percent (0.25%) per
month for each month more than sixty (60) months that the benefit begins
before it would have otherwise begun.

32 (3) However, the total reduction under this subsection shall not33 be more than fifty percent (50%).

34 (4) Those who otherwise would have been eligible for this
35 benefit on or after July 1, 2002, may also elect this reduced benefit
36 prospectively.

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2	SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
3	General Assembly of the State of Arkansas that certain provisions of the
4	Arkansas State Police Retirement System law are in need of revision and
5	updating to maintain the retirement laws in conformance with sound public
6	pension policy; that the Arkansas State Police Retirement System operates on
7	a fiscal year of July 1 to June 30; that having a July 1, 2023 effective date
8	is necessary to allow the provisions within this act to begin on the first
9	day of the fiscal year to provide proper administration of the procedures
10	herein; that such revisions and updating are of great importance for
11	actuarial purposes and to protect the benefits to members of the Arkansas
12	State Police Retirement System; and that it is necessary for this act to have
13	a July 1, 2023 effective date in order to maintain an orderly system of
14	benefits for the members of Arkansas State Police Retirement System.
15	Therefore, an emergency is declared to exist, and this act being necessary
16	for the preservation of the public peace, health, and safety shall become
17	effective on July 1, 2023.
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