

Stricken language would be deleted from and underlined language would be added to present law.
Act 315 of the Regular Session

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: H2/18/13 H3/1/13
A Bill

HOUSE BILL 1239

By: Representatives Gossage, Eubanks, Miller, Payton
By: Senator G. Stubblefield

For An Act To Be Entitled

AN ACT TO CREATE A NEW BENEFIT PROGRAM UNDER THE
ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM; TO
DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE A NEW BENEFIT PROGRAM UNDER THE
ARKANSAS LOCAL POLICE AND FIRE RETIREMENT
SYSTEM.

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

Section 1. Arkansas Code section 24-10-602(a)(4), concerning annuity benefit programs, is amended to add an additional subsection to read as follows:

(4) Benefit Program 3.

(A) The total benefit amount computed under subdivisions (a)(1) and (2) of this section shall not exceed at the time of retirement one hundred percent (100%) of the final average pay plus the amounts provided in subdivision (a)~~(5)~~(4)(B) of this section for volunteer service; ~~and~~

~~(5)(A)(B)(i)~~ (i) For retirements effective before July 1, 2003, annuity amounts based upon volunteer service shall be in accordance with system provisions in force before July 1, 2003.

~~(B)(i)(ii)~~ For retirements effective July 1, 2003, and the twelve (12) calendar months thereafter, the monthly annuity amount for each year of volunteer service shall be five dollars (\$5.00), to a maximum of two hundred dollars (\$200) monthly for all volunteer service.



~~(ii)~~(iii) For retirements effective in the twelve (12) calendar months beginning July 1 thereafter, the monthly annuity amount for each year of volunteer service shall be five dollars (\$5.00), increased by any percentage increase in the inflation index for the period from December 2003 to the December immediately preceding the July 1, to a maximum for all volunteer service of two hundred dollars (\$200) monthly, similarly increased by any percentage increase in the inflation index~~+~~; and

SECTION 2. Arkansas Code 24-10-602(a), concerning annuity benefit programs, is amended to add an additional subdivision to read as follows:

(5) Benefit Program 4.

(A) For each year of volunteer service rendered on or after the election of Benefit Program 4 and before the election is rescinded:

(i) The total benefit amount computed under subdivision (a)(2) of this section shall not at the time of retirement exceed one hundred percent (100%) of the final average pay plus the amounts provided in (a)(5)(B) of this section for volunteer service; and

(ii) For retirements effective July 1, 2013, the monthly annuity amount for each year of volunteer service shall be ten dollars (\$10.00), increased by any percentage increase in the inflation index for the calendar year preceding July 1, to a maximum of four hundred dollars (\$400) monthly for all volunteer service.

(B) The increased benefit associated with Benefit Program 4 in excess of that defined in Benefit Program 3 shall not be funded through an allocation of premium tax revenues.

(C) The election of Benefit Program 4 may be rescinded only one (1) time by the political subdivision.

(D)(i) A member who has volunteer service rendered before the election date of Benefit Program 4 or after the election is rescinded and subsequently readopted may have the volunteer service rendered on or after July 1, 2013, treated as though the volunteer service had been rendered after the election of Benefit Program 4 by paying to the system the actuarial cost of the increased benefit by a single contribution or by an agreement to pay an increased rate of contributions if approved by the board of trustees.

(ii) As used in this subdivision (a)(5)(D), "actuarial cost" means an amount that is the actuarial equivalent of the

value of the credited service to be purchased at the time of the purchase, as determined by the system's actuary.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the local police and fire retirement systems provide economic security for eligible citizens of Arkansas; that the statutes need amending to update and clarify existing law; and that these changes need to be made immediately. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

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

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

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

/s/Gossage

APPROVED: 03/11/2013