

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

SENATE BILL 72

By: Senator B. Sample

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING PAID AND VOLUNTEER SERVICE, SERVICE CREDIT, DISABILITY RETIREMENT, AND TERMINATION OF COVERED EMPLOYMENT UNDER THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING PAID AND VOLUNTEER SERVICE, SERVICE CREDIT, DISABILITY RETIREMENT, AND TERMINATION OF COVERED EMPLOYMENT UNDER THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-10-501(c)(1), concerning when an employer must certify the periods of prior employment of the members of the retirement system to the Board of Trustees of the Arkansas Local Police and Fire Retirement System, is amended to read as follows:

(c)(1) Not later than ~~one (1) year~~ ten (10) calendar days from and after the date an employer covers its employees and before the retirement of a member included in the employees so covered, the employer shall certify to the board the periods of ~~prior~~ employment of each of its members to be considered for credit as paid service and for credit as volunteer service.

SECTION 2. Arkansas Code § 24-10-501, concerning paid and volunteer



service, is amended to add an additional subsection to read as follows:

(e)(1) A member who is hired on or after July 1, 2019, may be covered by only one (1) employer until he or she accrues ten (10) years of actual service credit in the system.

(2) After a member accrues ten (10) years of actual service credit in the system, the member may only accrue a maximum of five (5) additional years of the service credit described under subdivision (a)(2) of this section.

SECTION 3. Arkansas Code § 24-10-508, concerning service credit, is amended to add an additional subsection to read as follows:

(c) No additional service credit shall be credited under this section on or after April 1, 2019.

SECTION 4. Arkansas Code § 24-10-607(a)(2), concerning when a proper application must be filed with the Board of Trustees of the Arkansas Local Police and Fire Retirement System by or on behalf of a member or a former member, is amended to read as follows:

(2) A proper application to the board by the member or former member or on behalf of the member shall be filed with the board not later than ~~one (1) year~~ thirty (30) calendar days after the termination of active membership.

SECTION 5. Arkansas Code § 24-10-607(a)(3), concerning the effective date of a disability annuity for a member who is incapacitated as a result of personal injury or disease, is amended to read as follows:

(3) The disability annuity shall be effective the first day of the calendar month next following ~~the later of:~~

~~(A) His or her termination of active membership; or~~

~~(B) Six (6) months before the date the proper application is filed with the board~~ his or her termination of active membership and filing of the proper application with the board.

SECTION 6. Arkansas Code § 24-10-607(c)(2), concerning when a proper application must be filed with the Board of Trustees of the Arkansas Local Police and Fire Retirement System by or on behalf of a member or a former

member, is amended to read as follows:

(2) A proper application to the board by the member or former member or on behalf of the member shall be filed with the board not later than ~~one (1) year~~ thirty (30) calendar days after the termination of active membership.

SECTION 7. Arkansas Code § 24-10-607(c)(3), concerning the effective date of a disability annuity for a member who is incapacitated as a result of actual performance of duty, is amended to read as follows:

(3) The disability annuity shall be effective the first day of the calendar month next following ~~the later of:~~

~~(A) His or her termination of active membership; or~~

~~(B) Six (6) months before the date the proper application is filed with the board~~ his or her termination of active membership and filing of the proper application with the board.

SECTION 8. Arkansas Code § 24-10-611(b)(3), concerning the calculation of the redetermined amount of a member's annuity, is amended to read as follows:

(3)(A) The redetermined amount shall be the amount of final average pay at the time of termination of covered employment increased by one-half ($\frac{1}{2}$) of any percentage increase in the inflation index for the period from three (3) months immediately preceding the termination to three (3) months immediately preceding the annuity effective date.

(B) For an annuity with an effective date that is on or after July 1, 2019, the pay used for the annuity computation shall be the final average pay at the time of termination from paid service employment with the system.

SECTION 9. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the operations of the Arkansas Local Police and Fire Retirement System are complex; that the Arkansas Local Police and Fire Retirement System must be able to meet the needs of its members; that these statutes are imminently in need of revision and updating in order to conform with competent public pension policy and prevent any possible exploitation of the benefit structure of the Arkansas Local Police

and Fire Retirement System; that the calculation of certain retirement benefits is in need of clarification; that there is a need for certainty with regard to benefit accruals that are applicable to new members of the Arkansas Local Police and Fire Retirement System; and that this act is immediately necessary in order to maintain an orderly management of benefits for the members of the Arkansas Local Police and Fire Retirement System. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on March 31, 2019.

APPROVED: 2/19/19