

ARKANSAS SENATE

81st GENERAL ASSEMBLY
Regular Session, 1997

Amendment Form

Amendment No. _____ to SENATE Bill No. 20

Amend SENATE Bill No. 20 as engrossed 02-24-97
by

deleting everything on lines 18 through 36 of page 1 and lines 1 through 33 of page 2 and substituting therefor the new language as follows:

"(a) Option to establish plan. The Board of Trustees of the Arkansas Judicial Retirement System may establish a deferred retirement option plan for its members so that, in lieu of terminating judicial service and accepting a service retirement benefit pursuant to Arkansas Code §§ 24-8-201, et seq., any person, who is a member of the Arkansas Judicial Retirement System, who has twenty (20) or more years of actual service as a justice of the Supreme Court or a judge of the circuit or chancery courts or of the Arkansas Court of Appeals, and who is otherwise eligible to receive a service retirement benefit pursuant to Arkansas Code Annotated, Title 24, Chapter 8, Subchapter 2, may participate in a Arkansas Judicial Deferred Retirement Option Plan and defer the receipt of benefits in accordance with the provisions of this act. The Board of Trustees of the Arkansas Judicial Retirement System shall be authorized to promulgate rules and regulations for a plan to provide this deferred retirement option to its members as is appropriate to maintain an actuarially sound System. Provided, that prior to providing a deferred retirement option to its members, the Board of Trustees shall file relevant information concerning the actuarial impact of the deferred retirement option plan with the Joint Committee on Retirement and Social Security Programs and the action shall be reviewed by the committee.

(b) Plan provisions. In the event a plan is established, the Arkansas

The amendment was read the first time, rules suspended and read the second time and

Senator Hopkins

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Judicial Deferred Retirement Option Plan shall have, as a minimum, provisions which require:

(1) the Board of Trustees of the Arkansas Judicial Retirement System to approve of the member's participation in the plan;

(2) The member's deferred retirement benefit to be deposited into an account in which shall be accumulated the member's deferred option contributions, plus interest. The deferred option contributions shall be a percentage of the Judicial deferred option benefit. The percentage shall be one hundred percent (100%) of the benefit reduced by a set percentage to be determined in accordance with the rules and regulations of the Board of Trustees as is appropriate to maintain an actuarially sound System. The contribution amount shall be as calculated by the Board and the member shall be informed of the amount of his deferred option benefit and contribution. The percentage amount of his contribution may be increased, but shall not be reduced, during the term of the member's participation in the plan. The Board shall annually set the percentage rate for future participation in the plan;

(3) The rate of interest to be credited to each member's deferred option account shall be at a rate to be determined by the Board of Trustees as is appropriate to maintain an actuarially sound System and interest is to be paid on the mean balance in the account for the fiscal year and credited on an annual basis at the end of each fiscal year. The interest rate paid on accounts may be increased, but shall not be reduced, during the term of the

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member's participation in the plan. The Board shall annually set the interest rate to be paid on member's accounts for future participation in the plan;

(4) That when a member begins participation in the deferred retirement option, the member_s contributions and the state_s contributions, as employer, to the System shall cease;

(5) That a member's selection of the deferred retirement option, the time of the retirement deferral, and the selection of the retirement annuity are irrevocable;

(6) That the member_s monthly retirement benefit shall not change, unless the Judicial Retirement System receives a benefit increase;

(7) That, at the conclusion of a member_s participation in the deferred retirement option, the member shall terminate service and shall start receiving the member_s accrued monthly retirement benefit from the Arkansas Judicial Retirement System

(8) That the duration of participation in the deferred retirement shall not exceed four (4) years; and

(9) The Board of Trustees of the Arkansas Judicial Retirement System may determine any other provisions of the plan, such as the methods of benefit payments for participants of the plan, the payment methods in the event of the death of a participant, and any other provisions not in conflict with other provisions of this act or Arkansas Code Annotated, Title 24, Chapter 8, Subchapter 2.";

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AND

by deleting on line 35 of page 2 the letter and parenthesis "(i)" and substituting therefor the new language "SECTION 2.";

AND

by inserting on line 1 of page 3 after the period (.) at the end a new sentence as follows:

"Further, the participation of a person in the Arkansas Judicial Deferred Retirement Option Plan established in accordance with this act shall not be construed to affect the requirements of Arkansas Code § 24-8-215 for judges or justices to retire by their seventieth (70th) birthday or lose their retirement benefits.";

AND

by inserting on line 2 of page 3 the new SECTIONS 3. and 4. as follow:

"SECTION 3. In the event a plan is established by the Board of Trustees prior to July 1, 1998, the effective date of the plan shall be retroactive back to January 1, 1997, and a person_s eligibility to participate in the plan

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shall be made retroactive to January 1, 1997 as long as the person meets all the requirements of the plan_s provisions on that date. Otherwise, the effective date of the plan shall be set by the Board at any time as is deemed appropriate in maintaining the actuarial soundness of the System.

SECTION 4. No benefit enhancement provided for by this act shall be implemented if it would cause the publicly supported retirement system_s unfunded actuarial accrued liabilities to exceed a thirty (30) year amortization. No benefit enhancement provided for by this act shall be implemented by any publicly supported system which has unfunded actuarial accrued liabilities being amortized over a period exceeding thirty (30) years until the unfunded actuarial accrued liability is reduced to a level less than the standards prescribed by Arkansas Code §§ 24-1-101, et seq.";

AND

by renumbering the subsequent SECTIONs appropriately.

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