

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

HOUSE BILL 1204

By: Representative Nickels
By: Senator Elliott

For An Act To Be Entitled

AN ACT TO REQUIRE LARGE MUNICIPALITIES TO PARTICIPATE IN THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR ALL NEWLY HIRED EMPLOYEES AND ALL NEWLY ELECTED PUBLIC OFFICIALS; TO ALLOW CURRENT EMPLOYEES TO OPT INTO THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.

Subtitle

TO REQUIRE LARGE MUNICIPALITIES TO PARTICIPATE IN THE PUBLIC RETIREMENT SYSTEM FOR ALL NEW EMPLOYEES AND NEW PUBLIC OFFICIALS; AND TO ALLOW CURRENT EMPLOYEES TO OPT INTO THE PUBLIC SYSTEM.

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

SECTION 1. Arkansas Code § 24-4-303, concerning a municipality's membership in the Arkansas Public Employees' Retirement System, is amended to add a new subsection to read as follows:

(d) Beginning January 1, 2014, a municipality that has a retirement plan under § 24-12-101 et seq. and has a population of one hundred thousand (100,000) or more according to the most recent federal decennial census shall:

(1) Include all newly hired employees and newly elected public officials in the membership of the Arkansas Public Employees' Retirement System; and



(2) Allow current employees and current elected public officials participating in a 401(a) plan, established under the Internal Revenue Code, 26 U.S.C. § 401(a), or a 401(k) plan, established under the Internal Revenue Code, 26 U.S.C. § 401(k), to elect to continue participation in the municipality's retirement plan or to establish participation in the Arkansas Public Employees' Retirement System by:

(A) Purchasing service credit:

(i)(a) From the municipality's retirement plan to transfer into the system.

(b) A member shall have at least five (5) years of actual service with the Arkansas Public Employees' Retirement System to be eligible to retire; or

(ii) In a prorated amount by rolling over a 401(a), established under the Internal Revenue Code, 26 U.S.C. § 401(a), or a 401(k), established under the Internal Revenue Code, 26 U.S.C. § 401(k), into the system; and

(B) Notifying the system in writing of the election to participate in the system in a form determined acceptable by the system.

SECTION 2. Arkansas Code § 24-4-723(a)(3), concerning the purchase of service credit for retirement purposes, is amended to read as follows:

(3)(A) ~~The~~ Except as provided in subdivision (a)(3)(B) of this section, a member may pay for all of his or her current service credit or a portion thereof consisting of multiples of one (1) year.

(B) From September 1, 2013, through December 31, 2014, a member may roll over a 401(a) plan established under section 401(a) of the Internal Revenue Code, 26 U.S.C. § 401(a), or a 401(k) plan established under section 401(k) of the Internal Revenue Code, 26 U.S.C. § 401(k), from a municipal employer to purchase credit in a prorated amount in increments of less than one (1) year.

(C) A member shall have at least five (5) years of actual service with the Arkansas Public Employees' Retirement System to be eligible to retire.