

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

SENATE BILL 124

By: Senator B. Sample

For An Act To Be Entitled

AN ACT TO MAKE CERTAIN TECHNICAL CHANGES TO THE LAW CONCERNING THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO MAKE CERTAIN TECHNICAL CHANGES TO THE LAW CONCERNING THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM.

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

SECTION 1. Arkansas Code § 24-10-506(a)(1), concerning other local police and fire service, is amended to read as follows:

(a) ~~Any~~ An active member of the Arkansas Local Police and Fire Retirement System shall be entitled to purchase credited service in the system equivalent to a period not to exceed fifteen (15) years if the member:

(1) (A) Has at least five (5) years of actual service with the system~~+~~.

(B) A member hired on or after July 1, 2013, shall accrue ten (10) years of actual service in order to be eligible for purchase under this section;

SECTION 2. Arkansas Code § 24-10-508 is amended to read as follows:
24-10-508. Service credit.

(a) ~~Any~~ An active member of the Arkansas Local Police and Fire Retirement System who has at least five (5) years of actual service and who



has service in an Arkansas law enforcement agency or fire department and who has been employed as a public safety or law enforcement officer in any agency not covered by the system or any other system that is reciprocal to the system shall receive credited service for that service.

(b) A member hired on or after July 1, 2013, shall accrue ten (10) years of actual service in order to be eligible under this section.

SECTION 3. Arkansas Code § 24-10-510(a), concerning service credit for former military personnel, is amended to read as follows:

(a) ~~Any~~ An active member of the Arkansas Local Police and Fire Retirement System may purchase credited service in the system equivalent to a period not to exceed five (5) years for service rendered by the member while on active duty in the armed forces of the United States before the member's employment covered by the system, if the member:

(1) Received an honorable discharge from the armed forces;

(2)(A) Has at least five (5) years of actual service in the system; ~~and.~~

(B) A member hired on or after July 1, 2013, shall accrue ten (10) years of actual service in order to be eligible for purchase under this section; and

(3)(A) Contributes to the system an amount that is the actuarial equivalent of the value of the credited service to be purchased.

(B) The actuarial equivalent is of the time of the purchase of the credited service and shall be determined by the actuary for the system.

SECTION 4. Arkansas Code § 24-10-604(a), concerning voluntary retirement application, is amended to read as follows:

(a)(1) ~~Any~~ A member in covered employment may retire with an annuity provided for in § 24-10-602 upon his or her written application to the Board of Trustees of the Arkansas Local Police and Fire Retirement System setting forth at what time, ~~not less than~~ at least thirty (30) days ~~nor~~ but not more than ninety (90) days subsequent to the execution and filing of his or her application, he or she desires to be retired, but only if, at the time of his or her separation from employment and at the time so specified for his or her retirement, the member shall have attained his or her normal retirement age

and have five (5) years of credited service in force.

(2) A member hired on or after July 1, 2013, shall accrue ten (10) years of actual service in order to be eligible under this section.

SECTION 5. Arkansas Code § 24-10-607(a), concerning disability retirement, is amended to read as follows:

(a)(1)(A)(i) ~~Any~~ An active member with five (5) years of credited service, including credited service for seventy-five percent (75%) of the two (2) years immediately preceding his or her disability, who while an active member becomes totally and permanently physically or mentally incapacitated for any suitable duty as an employee as a result of a personal injury or disease may be retired by the Board of Trustees of the Arkansas Local Police and Fire Retirement System upon written application filed with the board by or on behalf of the member or former member.

(ii) A member hired on or after July 1, 2013, shall accrue ten (10) years of actual service in order to be eligible for retirement.

(B) The employee shall be retired only if, after a medical examination of the member or former member made by or under the direction of a physician or physicians designated by the board, the physician reports to the ~~plan~~ board in writing that the member or former member is physically or mentally totally incapacitated for the further performance of any suitable duty, that the incapacity will probably be permanent, and that the member or former member should be retired.

(2) A written 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 after the termination of active membership.

(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 written application is filed with the board.

SECTION 6. Arkansas Code § 24-10-609, concerning the death of a member in volunteer service, is amended to add an additional subsection to read as follows:

(e) A member hired on or after July 1, 2013, shall accrue ten (10) years of actual service in order to be eligible for benefits under this section.

SECTION 7. Arkansas Code § 24-10-611(a)(1), concerning termination of covered employment, is amended to read as follows:

(a) A member who terminates covered employment before attaining his or her normal retirement age, for a reason other than death, early retirement, or disability retirement, shall be entitled to an annuity computed in accordance with the provisions of this section, as it provides at the time of the last termination of covered employment, subject to the member's satisfying all of the following conditions:

(1)(A) The member has five (5) years of credited service~~+~~.

(B) A member hired on or after July 1, 2013, shall accrue ten (10) years of actual service in order to be eligible for retirement;

SECTION 8. Arkansas Code § 24-12-109(c)(1), concerning investments, is amended to read as follows:

(c)(1) In those nonuniformed employees' pension and relief funds in which assets exceed one hundred thousand dollars (\$100,000), the board of trustees may employ:

(A) An investment advisor ~~as defined in § 24-10-402(a)(2)(A)(ii)~~ to invest the assets, subject to the terms, conditions, limitations, and restrictions imposed by law upon the Arkansas ~~Local Police and Fire Retirement System, as provided by § 24-10-401 et seq.~~ Public Employees' Retirement System; and

(B) A trustee or custodian to hold the assets.

(2) The investments shall not be limited to interest-bearing bonds.

SECTION 9. 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.