

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

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1336

By: Representative Bragg
By: Senator Hester

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING EARLY ANNUITIES
UNDER THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT
SYSTEM; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING EARLY
ANNUITIES UNDER THE ARKANSAS PUBLIC
EMPLOYEES' RETIREMENT SYSTEM.

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

SECTION 1. Arkansas Code § 24-4-510(a)(2), concerning eligibility for benefits and deferred and early annuities under the Arkansas Public Employees' Retirement System, is amended to read as follows:

(2)(A)(i) Upon early retirement, a member shall receive a certain percentage of an annuity for life provided for in § 24-4-601.

(ii) The percentage shall be one hundred percent (100%) reduced by one-half of one percent (0.5%) multiplied by the number of months by which the member's age at early retirement is younger than his or her normal retirement age, using what his or her normal retirement age would have been under the provisions of § 24-4-508 if he or she had continued covered employment from the time of early retirement.

(iii) The Board of Trustees of the Arkansas Public Employees' Retirement System may set by board resolution the early annuity reduction under subdivision (a)(2)(A)(ii) of this section at a percentage rate between five percent (5%) per year and fifteen percent (15%) per year,



to be prorated monthly, if the:

(a) System's actuary certifies to the board that the amortization period to pay the unfunded liabilities of the system exceeds eighteen (18) years; and

(b) Board determines that a reduction in the cost of early voluntary retirement is prudent to maintain actuarial soundness.

(B)(i)(a) However, if the member or former member has at least twenty-five (25) years of actual service but less than twenty-eight (28) years of actual service and has not reached age sixty-five (65), then upon early retirement the member shall receive a percentage of a life annuity as provided in § 24-4-601.

(b) The percentage shall be one hundred percent (100%) reduced by one percent (1%) multiplied by the number of months by which the time of early retirement precedes the earlier of either the completion of twenty-eight (28) years of actual service or the attainment of age sixty-five (65).

(c) The board may set by board resolution the early annuity reduction under subdivision (a)(2)(B)(i)(b) of this section at a percentage rate between five percent (5%) per year and fifteen percent (15%) per year, to be prorated monthly, if the:

(1) System's actuary certifies to the board that the amortization period to pay the unfunded liabilities of the system exceeds eighteen (18) years; and

(2) Board determines that a reduction in the cost of early voluntary retirement is prudent to maintain actuarial soundness.

(ii) If the reduction set forth under this subdivision (a)(2)(B) is greater than the reduction that would have otherwise been imposed except for this subdivision (a)(2)(B), then the lesser reduction shall apply.