

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

State of Arkansas
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As Engrossed: S3/16/21
A Bill

SENATE BILL 234

By: Senators Rapert, Irvin, B. Johnson

By: Representatives S. Smith, Beck, Bentley, M. Berry, Deffenbaugh, McClure, Rye, C. Cooper,
Crawford, Watson, Wing

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING RETIREMENT
ELIGIBILITY, NONCONTRIBUTORY MEMBERS, MEMBER
CONTRIBUTIONS, AND THE BENEFIT MULTIPLIER UNDER THE
STATE POLICE RETIREMENT SYSTEM; AND FOR OTHER
PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING RETIREMENT
ELIGIBILITY, NONCONTRIBUTORY MEMBERS,
MEMBER CONTRIBUTIONS, AND THE BENEFIT
MULTIPLIER UNDER THE STATE POLICE
RETIREMENT SYSTEM.

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

SECTION 1. Arkansas Code § 24-6-213(a)(1)(A), concerning eligibility for disability retirement benefits under Tier I of the State Police Retirement System, is amended to read as follows:

(a)(1)(A) Upon application filed with the Board of Trustees of the State Police Retirement System by a member or by the Director of the ~~Department~~ Division of Arkansas State Police on behalf of a member, a member who is in the employ of the ~~Department~~ Division of Arkansas State Police, who has ~~five (5)~~ ten (10) or more years of actual service, and who becomes totally and permanently incapacitated for duty in the employ of the ~~department~~ division by reason of a personal injury or disease may be retired



by the Board of Trustees of the State Police Retirement System, but only after a medical examination of the member.

SECTION 2. Arkansas Code § 24-6-213(a)(2), concerning eligibility for disability retirement benefits under Tier I of the State Police Retirement System, is amended to read as follows:

(2) The ~~five (5)~~ ten (10) years of service requirement contained in this subsection shall not apply to a member whom the Board of Trustees of the State Police Retirement System finds to be in receipt of workers' compensation for his or her disability arising solely and exclusively out of and in the course of his or her employment with the ~~department~~ division.

SECTION 3. Arkansas Code § 24-6-226(a), concerning eligibility for benefits and voluntary retirement for Tier I noncontributory members of the State Police Retirement System, is amended to read as follows:

(a)(1) Any member who has acquired ~~five (5)~~ ten (10) years but less than ~~thirty (30)~~ twenty-five (25) years of actual service and has attained ~~age~~ sixty-five (65) years of age may retire upon written application filed with the Board of Trustees of the State Police Retirement System.

(2) Any member who has acquired ~~five (5)~~ ten (10) or more years of actual service and has attained ~~age~~ fifty-two (52) years of age may retire upon written application filed with the State Police Retirement System.

(3) Any member who acquired ~~thirty (30)~~ twenty-five (25) or more years of actual service may retire at any age upon written application filed with the board.

(4) For those members with less than ~~thirty (30)~~ twenty-five (25) actual years of service, the ~~age~~ sixty-five (65) years of age requirement shall be reduced by one (1) month for every two (2) months of public safety credit, but in no event to an age younger than fifty-two (52).

SECTION 4. Arkansas Code § 24-6-227(a)(1), concerning benefits for Tier I noncontributory members of the State Police Retirement System, is amended to read as follows:

(a)(1) Upon retirement as provided in this subchapter, a member shall receive a straight life pension equal to ~~one and fifty-five hundredths percent (1.55%)~~ one and eighty-six-hundredths percent (1.86%) of his or her

final average compensation multiplied by the number of years and any fraction of a year of his or her credited service.

SECTION 5. Arkansas Code § 24-6-227(b), concerning benefits for Tier I noncontributory members of the State Police Retirement System, is amended to read as follows:

(b) In the event a member with ~~five (5)~~ ten (10) years or more of actual service in the State Police Retirement System ceases to be employed as a state police officer prior to reaching the required age for voluntary retirement and does not withdraw his or her accumulated employee contributions to the system, the member shall be entitled to receive a pension upon reaching what his or her voluntary retirement age would have been if he or she had continued state police employment from time of termination of employment.

SECTION 6. Arkansas Code Title 24, Chapter 6, Subchapter 2, is amended to add an additional section to read as follows:

24-6-228. Contributions – Tier I noncontributory members.

(a) Beginning on July 1, 2022, a noncontributory member of the State Police Retirement System shall become a contributory member of the system.

(b) A noncontributory member of the system who becomes a contributory member of the system on July 1, 2022, shall make contributions to the system as follows:

(1) Beginning on July 1, 2022, one percent (1%) of the member's salary;

(2) Beginning on July 1, 2023, two percent (2%) of the member's salary; and

(3) Beginning on July 1, 2024, and continuing every following year, three percent (3%) of the member's salary.

(c)(1) Beginning July 1, 2022, the officers responsible for making up the payroll shall cause to be deducted the contribution required from a member under this section from the salary the member receives each payroll period, from the date the member initially becomes a member of the system to the date his or her membership terminates.

(2) All deducted contributions shall be paid into the State Police Retirement Fund and shall be credited to each member's individual

account in the member's deposit account.

(3) The contributions required under this section shall be made regardless of a change to the minimum salary provided by law for a member.

(4) Each member shall be deemed to consent and agree to the deductions made and required under this section.

(5) Payment of the salary of a member less deductions for contributions required under this section shall be a full and complete discharge and acquittance of all claims and demands for services rendered to the Division of Arkansas State Police by the member, except as to benefits provided by this subchapter.

(d) All funds received as contributions made by members of the system shall be held in trust for the exclusive benefit of the individual members and shall not be used for any other purpose.

(e) This section does not apply to a member who was a contributory member of the system before July 1, 2022, and subject to contributions described in § 24-6-208.

SECTION 7. Arkansas Code § 24-6-404(a), concerning eligibility for benefits and voluntary retirement under the Tier Two Benefit Plan for the State Police Retirement System, is amended to read as follows:

(a)(1) Any member who has acquired ~~five (5)~~ ten (10) years but less than ~~thirty (30)~~ twenty-five (25) years of credited service and has attained age sixty-five (65) may retire upon his or her written application filed with the Board of Trustees of the State Police Retirement System.

(2) Any member who has acquired ~~thirty (30)~~ twenty-five (25) or more years of credited service may retire at any age upon his or her written application filed with the board.

(3) For those members with less than ~~thirty (30)~~ twenty-five (25) credited years of service, the age sixty-five requirement shall be reduced by ~~seventy-five hundredths~~ seventy-five-hundredths (0.75) of a month for each credited month of service, but in no event to an age younger than fifty-five (55) years of age.

SECTION 8. Arkansas Code § 24-6-405(a)(1)(A), concerning eligibility for disability retirement benefits under the Tier Two Benefit Plan for the State Police Retirement System, is amended to read as follows:

(a)(1)(A) Upon application filed with the Board of Trustees of the State Police Retirement System by a member or by the Director of the Division of Arkansas State Police on behalf of a member, a member who is in the employ of the Division of Arkansas State Police, who has ~~five (5)~~ ten (10) or more years of actual service, and who becomes totally and permanently incapacitated for duty in the employ of the division by reason of personal injury or disease may be retired by the Board of Trustees of the State Police Retirement System, but only after a medical examination of the member.

SECTION 9. Arkansas Code § 24-6-406(a)(1), concerning benefits under the Tier Two Benefit Plan for the State Police Retirement System, is amended to read as follows:

(a)(1) Upon retirement as provided in this subchapter, a member shall receive a straight life pension equal to ~~two and four hundred seventy-five thousandths percent (2.475%)~~ two and ninety-seven-hundredths percent (2.97%) of the member's final average compensation multiplied by the number of years and any fraction of a year of his or her service.

SECTION 10. Arkansas Code § 24-6-406(b), concerning benefits under the Tier Two Benefit Plan for the State Police Retirement System, is amended to read as follows:

(b) In the event a member with ~~five (5)~~ ten (10) years or more of actual service in the State Police Retirement System ceases to be employed as a state police officer prior to reaching fifty-five (55) years of age and does not withdraw his or her accumulated employee contributions to the system, the member shall be entitled to receive a pension upon reaching what the member's voluntary retirement age would have been if he or she had continued state police employment from the time of termination of employment.

SECTION 11. Arkansas Code § 24-6-410(a)(2), concerning early retirement benefits under the Tier Two Benefit Plan for the State Police Retirement System, is amended to read as follows:

(2) The member or former member eligible for a vested termination annuity must have at least ~~five (5)~~ ten (10) years of actual service and be within ten (10) years of voluntary retirement age.

SECTION 12. Arkansas Code § 24-6-411(a), concerning death benefits under the Tier Two Benefit Plan for the State Police Retirement System, is amended to read as follows:

(a) If an active member with ~~five (5)~~ ten (10) or more years of actual service, including service for the year immediately preceding his or her death, dies in employer service before retirement, the applicable benefit provided in this section shall be paid upon written application to the Board of Trustees of the State Police Retirement System.

SECTION 13. Arkansas Code § 24-6-411(b)(2)(A), concerning death benefits under the Tier Two Benefit Plan for the State Police Retirement System, is amended to read as follows:

(2)(A) If an active member with ~~five (5)~~ ten (10) or more years of actual service does not have credited service for the year immediately preceding death due to illness which eventually leads to his or her death or due to his or her employer's removing the member from the payroll because of temporary economic conditions of the employer or weather conditions, the active member shall be considered, only for eligibility purposes of ~~the~~ this section, to have credited service for the year preceding death.

SECTION 14. Arkansas Code Title 24, Chapter 6, Subchapter 4, is amended to add an additional section to read as follows:

24-6-416. Contributions – Tier II noncontributory members.

(a) Beginning on July 1, 2022, a noncontributory member of the Tier Two Benefit Plan for the State Police Retirement System shall become a contributory member of the State Police Retirement System.

(b) A noncontributory member who becomes a contributory member of the system on July 1, 2022, shall make contributions to the system as follows:

(1) Beginning on July 1, 2022, one percent (1%) of the member's salary;

(2) Beginning on July 1, 2023, two percent (2%) of the member's salary; and

(3) Beginning on July 1, 2024, and continuing every following year, three percent (3%) of the member's salary.

(c)(1) The officers responsible for making up the payroll shall cause to be deducted the contribution required from a member under this section

from the salary the member receives each payroll period, from the date the member initially becomes a member of the system to the date his or her membership terminates.

(2) All deducted contributions shall be paid into the State Police Retirement Fund and shall be credited to each member's individual account in the member's deposit account.

(3) The contributions required under this section shall be made regardless of a change to the minimum salary provided by law for a member.

(4) Each member shall be deemed to consent and agree to the deductions made and required under this section.

(5) Payment of the salary of a member less deductions for contributions required under this section shall be a full and complete discharge and acquittance of all claims and demands for services rendered to the Division of Arkansas State Police by the member, except as to benefits provided by this subchapter.

(d) All funds received as contributions made by members of the system shall be held in trust for the exclusive benefit of the individual members and shall not be used for any other purpose.

(e) This section does not apply to a member who was a contributory member of the system before July 1, 2022.

/s/Rapert