

## **Title 24. Retirement and Pensions**

### **Chapter II. State Police Retirement System**

#### **Subchapter A. Generally**

#### **Part 5. State Police Retirement System Board Rules**

##### **Subpart 1. Generally**

###### **24 CAR § 5-101. Administration.**

(a) Administrative functions and records are hereby transferred to the Arkansas Public Employees' Retirement System.

(b) The Executive Director of the Arkansas Public Employees' Retirement System shall be the Executive Secretary of the State Police Retirement System.

**Authority.** Arkansas Code § 24-6-204.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"RULE 3 - July 1969 – ADMINISTRATION"

###### **24 CAR § 5-102. Annuity payments.**

(a) Application for retirement must be received by the first of the month immediately preceding the effective month of benefits.

(b) Annuities for each calendar month shall be paid on the fifteenth of the month.

**Authority.** Arkansas Code § 24-6-204.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"RULE 4 - April 1980 - ANNUITY PAYMENTS"

###### **24 CAR § 5-103. Military service credit.**

(a) In accordance with Arkansas Code § 24-2-502, a member may purchase credit for active duty military service.

(b) Active duty service shall be defined as active service of thirty (30) consecutive days.

(c) Time spent in weekend drills and two-week summer camp is not eligible for purchase.

**Authority.** Arkansas Code § 24-6-204.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"RULE IO - November 1993 - MILITARY SERVICE CREDIT"

**24 CAR § 5-104. Deferred retirement option plan.**

(a)(1) A member who has twenty-eight (28) years of credited service and who is otherwise eligible for a service retirement pension, full or reduced, may elect to participate in the Arkansas State Police Officers' Deferred Option Plan.

(2) The member's application must be submitted on the proper form and received by the administrative office of the State Police Retirement System prior to the effective date of participation.

(3) The effective date of participation must be the first day of a month.

(4) Upon approval by the Board of Trustees of the State Police Retirement System, the monthly benefit that would have been payable had the member retired shall be paid into the Arkansas State Police Officers' Deferred Option Plan account.

(5) If board approval occurs after the effective date requested, payment shall be retroactive.

(6) Interest on the account is applied as allowed by law.

(7) Interest shall be credited to each individual account at the end of each fiscal year.

(b)(1) The member must terminate his or her employment from the Division of Arkansas State Police and start receiving a retirement benefit within seven (7) years of the date participation begins.

(2) The amount in the Arkansas State Police Officers' Deferred Option Plan account may be taken in one (1) of the following methods:

(A) A lump sum;

(B) A lifetime annuity;

(C) A five-year, ten-year, fifteen-year, or twenty-year annuity; or

(D) A partial lump sum and the balance in a lifetime annuity or a five-year, ten-year, fifteen-year, or twenty-year annuity.

(c) The monthly payment amount for an annuity will be determined by the system's actuary.

(d)(1) The monthly retirement benefit, exclusive of the Arkansas State Police Officers' Deferred Option Plan account, payable to the participant upon termination of employment with the division, shall be the monthly benefit payable at the date participation began in the Arkansas State Police Officers' Deferred Option Plan adjusted for any increases granted to retirees during the period of participation.

(2) A member participating in the Arkansas State Police Officers' Deferred Option Plan must make application for regular retirement in the method required for all members of the system.

**Authority.** Arkansas Code § 24-6-204.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"RULE 11 - DEFERRED RETIREMENT OPTION PLAN"

"Amended August 1997, Act 967 of 1995  
Amended June 2022, Act 415 of 2021"

**24 CAR § 5-105. DROP participants considered active members for death-in-service benefits.**

(a) It was not the intent of the legislation allowing the DROP or the section implementing this plan that DROP participants would be excluded from death-in-service benefits.

(b)(1) Therefore, by this action, the Board of Trustees of the State Police Retirement System does hereby designate DROP participants as active members for death-in-service benefits.

(2) This board action is effective with the beginning date of the DROP.

**Authority.** Arkansas Code § 24-6-204.

**Codification Notes.** "DROP" means deferred retirement option plan.

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"RULE 13 - July 1996 - DROP PARTICIPANTS CONSIDERED ACTIVE MEMBERS FOR DEATH-IN-SERVICE BENEFITS"

**24 CAR § 5-106. Deferred retirement option plan (DROP) provisions for members called to active duty.**

(a) **Generally.**

(1)(A) A DROP participant who is called to active duty will provide the State Police Retirement System with a copy of his or her orders that will be maintained in the member's file.

(B) A copy of the orders will be utilized to verify the date that the member is called to active duty.

(2)(A) The employer will continue to report the DROP participant on the monthly DROP report.

(B) The agency representative will indicate that the member is on military leave.

(3) The employer will continue to pay in to the system employer contributions on behalf of the DROP participant.

(4) When the member is released from active duty, he or she will submit a copy of the DD214 Form or other appropriate documents to the system to verify that

the member has returned to covered employment and/or been released from active duty.

**(b) Maximum participation period.**

(1) A DROP participant who is on active duty shall continue to receive his or her monthly DROP payment (which includes any benefit enhancements awarded to eligible retirees) until the maximum allowable time in the DROP has occurred or the member requests retirement and distribution of his or her DROP account, whichever occurs first.

(2)(A) If the member has participated in the DROP for at least three (3) years, he or she must:

(i) Complete a retirement application packet and DROP distribution form or forms prior to his or her departure for active duty; and

(ii) Deliver the completed forms to the system office along with a copy of his or her orders.

(B) The retirement application and DROP distribution forms will be held and processed on the effective date indicated unless he or she returns to covered employment within the DROP term under Arkansas Code §§ 24-6-306 and 24-6-507.

(3) Should the DROP member not deliver a retirement application packet and DROP distribution form or forms to the system and the maximum period of DROP participation under Arkansas Code §§ 24-6-306 and 24-6-507 expires prior to the member returning to covered employment and/or requesting retirement:

(A) The monthly DROP accrual will cease on the fifth anniversary of the member's beginning DROP date and no additional interest will be paid;

(B) The monthly retirement benefit will not become effective until the member files a completed retirement application and complies with applicable deadlines; and

(C) The DROP account balance shall be distributed upon the member's filing of the required DROP distribution form or forms.

**(c) Death while on active duty.**

(1) In the event a DROP participant on active duty dies during the period of DROP participation, a lump-sum payment equal to the account balance of the participant shall be paid to the participant's survivor.

(2) If survivor benefits are payable, the surviving spouse, dependent children, or dependent parents will receive monthly benefits.

**(d) Becoming eligible for DROP participation while on active duty.**

(1) If a member becomes eligible to participate in the DROP while on active duty, he or she will be placed in the plan retroactive to the date of initial eligibility providing the application is received within one (1) month of the member returning to covered employment.

(2) Such participation will also be contingent upon the necessary employee (if applicable) and employer contributions being made to the system for the period of active duty prior to the employee entering the DROP.

**(e) Reemployment.**

(1) After release from active duty, should a DROP member fail to apply for

reemployment or fail to accept reemployment pursuant to the provisions of 38 U.S.C. § 4312 as amended, the employer shall promptly notify the system.

(2) After notice to the member and opportunity for hearing, should the system determine that the member failed to apply for or accept reemployment as provided above, the system shall:

(A) Determine that the member's retirement application and DROP distribution form required under maximum participation period, subdivision (b)(2)(A) of this section, are void as of the date of the member's release from active duty;

(B) Terminate payments of the deferred benefit into the member's DROP account;

(C) Deduct any payments of the deferred benefit into the member's DROP account after date of the member's release from active duty and interest thereon and pay said amount of the deferred benefit without interest thereon to the member as accumulated monthly annuity payments upon the member's filing a completed retirement application and DROP distribution form in compliance with applicable deadlines;

(D) Not pay interest on the member's DROP account after the date of the member's release from active duty and hold said account balance pending the member's filing of the DROP distribution forms; and

(E) Pay the member's monthly retirement annuity to the member upon his or her filing a completed retirement application and in compliance with applicable deadlines.

**(f) Procedures applicable to DROP/active duty issues.**

(1) The Executive Secretary of the State Police Retirement System shall:

(A) Determine all issues of interpretation or implementation of this section in regard to DROP members and active military duty; and

(B) Conduct any hearings provided for herein or required by other law.

(2)(A) If the member is not satisfied with the executive secretary's decision on matters that were not decided in conjunction with a hearing, the member may request that the issue be presented to the Board of Trustees of the State Police Retirement System.

(B) The board shall:

(i) Review the:

(a) Member's request for review;

(b) Record considered by the executive secretary; and

(c) Executive secretary's decision;

(ii) Afford the member the opportunity to present additional information or documentation and to appear before the board; and

(iii) Determine whether to:

(a) Affirm or modify the executive secretary's decision; or

(b) Return the case to the executive secretary for further

consideration.

(3)(A) A member who was a party to a hearing by the executive secretary concerning DROP/active duty issues and who is not satisfied with the executive

secretary's decision may file an appeal to the board.

(B) The member shall file notice of appeal in writing, stating the grounds therefore, with the executive secretary on or before thirty (30) days following the date of record of the executive secretary's decision.

(C) The executive secretary's written decision shall be mailed to the member by certified mail, return receipt requested, restricted delivery to the member's last known address of record.

(4) Upon appeal, the review by the board shall be confined to the record considered by the executive secretary, provided, however:

(A)(i) The member may apply to present additional evidence and should the board find that the evidence is material and that there were good reasons for failure to present it in the proceeding before the executive secretary, the board may order that the additional evidence be taken before the executive secretary upon any conditions that may be just.

(ii) The executive secretary may modify the findings and decision by reason of the additional evidence and shall file that evidence and any modification, new findings, or decisions with the board;

(B)(i) Should the member assert any alleged irregularity in procedure before the executive secretary not shown in the record, the board may hear testimony on that issue or in its discretion may remand the matter to the executive secretary to conduct further proceedings on the record on the member's allegation of procedural irregularity.

(ii) After any further proceeding by the executive secretary regarding any procedural irregularity, the executive secretary:

(a) May modify the findings and decision by reason of the additional evidence; and

(b) Shall file that evidence and any modifications, new findings, or decisions with the board; and

(C) The member may request the opportunity to make an oral presentation to the board.

(5) The board may affirm or reverse the executive secretary's decision or remand the case for further proceedings.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"BOARD RULE 14 - Nov. 2003 - DEFERRED RETIREMENT OPTION PLAN (DROP) PROVISIONS FOR MEMBERS CALLED TO ACTIVE DUTY"

**24 CAR § 5-107. Qualified domestic relations orders.**

(a) In accordance with Acts 1993, No. 1143, the State Police Retirement System will comply with qualified domestic relations orders (QDROs) issued by chancery courts in the State of Arkansas that meet the following conditions:

(1) The QDRO is issued in accordance with all provisions of the model QDRO

adopted by the Board of Trustees of the State Police Retirement System;

(2) The QDRO, as specified in Section 1(3)(c) of Acts 1993, No. 1143, does not require:

(A) The system to provide any type or form of benefit or pay options not otherwise available under the plan;

(B) The plan to provide increased benefits; and

(C) The payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to be a qualified domestic relations order;

(3) The QDRO is issued on or after the effective date of Acts 1993, No. 1143;

(4) The system will review QDROs for compliance with this section and notify appropriate parties of its findings; and

(5) Payments to the alternate payee shall commence on the earlier event when the member:

(A) Ceases employment in a covered position and requests a refund of contributions;

(B) Begins participation in the deferred retirement option plan (DROP); or

(C) Retires.

(b) In those instances where the alternate payee selects alternative B under Section III, Duration of Payments to Alternate Payee, of the model QDRO, the actuary will use the following guidelines in computing an equivalent benefit to be paid for the alternate payee's lifetime:

(1) The interest rate will be the valuation rate;

(2) The mortality table will be the "50/50 Table"; and

(3) The age used in the computation shall be the attained age at the last birth date prior to the effective date of the QDRO.

**Authority.** Arkansas Code § 24-6-204.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"BOARD RULE 15 -May 2004 - Qualified Domestic Relations Orders (QDRO's)"