

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

# A Bill

SENATE BILL 105

5 By: Senator J. Key  
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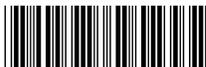
## For An Act To Be Entitled

8 AN ACT TO AMEND STATE EMPLOYEE RETIREMENT LAW; TO  
9 CLARIFY DEFINITIONS; TO REQUIRE THE TERMINATION OF  
10 QUALIFIED EMPLOYMENT PRIOR TO THE PAYMENT OF AN  
11 ANNUITY; TO REQUIRE EMPLOYERS PARTICIPATING IN THE  
12 ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO  
13 PROVIDE INFORMATION; TO DETERMINE ELIGIBILITY  
14 REQUIREMENTS OF AN EMPLOYEE TO RECEIVE DISABILITY  
15 BENEFITS; TO CLARIFY THAT AN EMPLOYEE'S FAILURE TO  
16 TERMINATE EMPLOYMENT DOES NOT REVOKE THE EMPLOYEE'S  
17 RETIREMENT ELECTION; TO REPEAL THE LAW CONCERNING THE  
18 CONVERSION OF AN EMPLOYEE FROM A CONTRIBUTORY TO A  
19 NONCONTRIBUTORY MEMBER OF THE SYSTEM; TO DEFINE WHO  
20 MAY BE A MEMBER OF THE SYSTEM; TO DETERMINE WHEN  
21 INTEREST SHALL BE PAID ON A MEMBER'S CONTRIBUTION; TO  
22 MAKE TECHNICAL CORRECTIONS; TO DECLARE AN EMERGENCY;  
23 AND FOR OTHER PURPOSES.

## Subtitle

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27 TO DETERMINE DISABILITY BENEFITS; TO  
28 CLARIFY WHO MAY BE A MEMBER; TO REPEAL  
29 THE CONVERSION FROM CONTRIBUTORY TO  
30 NONCONTRIBUTORY; TO DETERMINE WHEN  
31 INTEREST SHALL BE PAID; AND TO DECLARE AN  
32 EMERGENCY.  
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35 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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1 SECTION 1. Arkansas Code § 24-4-101(28)(A), concerning the definition  
 2 of normal retirement age, is amended to read as follows:

3 (A) Age sixty (60) and with twenty (20) or more years of  
 4 actual service commencing before January 1, 1978, for a contributory member;  
 5 or

6  
 7 SECTION 2. Arkansas Code § 24-4-101(34)(A), concerning the definition  
 8 of a public safety member, is amended to read as follows:

9 (34)(A) "Public safety member" means, except public safety  
 10 members covered under § 24-4-1004, a ~~noncontributory~~ member whose covered  
 11 employment:

12 (i) ~~is~~ Is for personal services as a police officer  
 13 or firefighter; and

14 (ii) ~~his or her employment commenced prior to~~ Began  
 15 before July 1, 1997, ~~except as provided for public safety members covered~~  
 16 ~~under § 24-4-1004.~~

17  
 18 SECTION 3. Arkansas Code § 24-4-101(34)(B)(i) and (ii), concerning the  
 19 definition of a police officer, is amended to read as follows:

20 (B)(i)(a) "Police officer" means ~~any regular or a~~  
 21 permanent employee whose primary duty is law enforcement of a municipal  
 22 police department, a county sheriff's office, or the Department of Arkansas  
 23 State Police, including a probationary police ~~officers~~ officer.

24 (b) "Police officer" includes a wildlife  
 25 ~~officers~~ officer of the Arkansas State Game and Fish Commission, a drug  
 26 enforcement ~~officers~~ officer of a judicial drug taskforce, a civilian  
 27 ~~firefighters~~ firefighter of the State Military Department covered under § 24-  
 28 4-1004, and all officers and the ~~Director~~ Chief of the State Capitol Police  
 29 within the office of the Secretary of State.

30 (c) "Police officer" does not include a person  
 31 who has not satisfied the training requirements to be a police officer  
 32 established by the Arkansas Commission on Law Enforcement Standards and  
 33 Training under § 12-9-106.

34 (ii) ~~An~~ A police officer who, although assigned to  
 35 administrative duties, is still subject to call for service at patrol duty or  
 36 duty in the field or is subject to call for duties in emergency situations

1 requiring the officer to be armed with a firearm shall be considered to have  
 2 the primary duty of law enforcement for the purpose of this subdivision  
 3 (34)(B).

4  
 5 SECTION 4. Arkansas Code § 24-4-101(39), concerning the definition of  
 6 a retirant, is amended to read as follows:

7 (39) "Retirant" means a person who: receiving a plan annuity by  
 8 reason of having been a member of the Arkansas Public Employees' Retirement  
 9 System;

10 (A) Is a vested member of the Arkansas Public Employees'  
 11 Retirement System;

12 (B) Has filed an effective retirement application with the  
 13 system that has not been cancelled; and

14 (C) Is entitled to a plan annuity upon properly  
 15 terminating employment under § 24-4-520;

16  
 17 SECTION 5. Arkansas Code § 24-4-101(40)(B), concerning the definition  
 18 of retirement, is repealed.

19 ~~(B) Failure to meet termination requirements shall not~~  
 20 ~~operate to revoke a member's retirement election;~~

21  
 22 SECTION 6. Arkansas Code Title 24, Chapter 4, Subchapter 1, is amended  
 23 to add an additional section to read as follows:

24 24-4-110. Failure to terminate – Commencement of annuity payments –  
 25 Election to retire.

26 A retirant shall not begin receiving annuity payments until all  
 27 requirements for terminating qualified employment are satisfied.

28  
 29 SECTION 7. Arkansas Code Title 24, Chapter 4, Subchapter 1, is amended  
 30 to add an additional section to read as follows:

31 24-4-111. Failure to meet termination requirements – Member's  
 32 retirement election.

33 The failure to meet termination requirements does not revoke a member's  
 34 retirement election.

35  
 36 SECTION 8. Arkansas Code § 24-4-202, concerning a public employer's

1 contribution to the Arkansas Public Employees' Retirement System, is amended  
 2 to add an additional subsection to read as follows:

3 (g) A participating public employer shall promptly upon request by the  
 4 Arkansas Public Employees' Retirement System provide all information  
 5 requested concerning the status of an employee to the system.

6  
 7 SECTION 9. Arkansas Code § 24-4-401(b)(1)(C), concerning member  
 8 contributions, is amended to read as follows:

9 (C)(i) The member's deposit account shall be credited interest  
 10 at a rate of four percent (4%) per annum beginning July 1, 2005.

11 (ii) The member's deposit account shall not be  
 12 credited interest under subdivision (b)(1)(C)(i) of this section until the  
 13 member has vested in the system.

14  
 15 SECTION 10. Arkansas Code § 24-4-511(a)(2), concerning the eligibility  
 16 requirements to receive disability benefits, is amended to read as follows:

17 (2) Upon filing the proper application and meeting the  
 18 requirements stated in this section, the disability annuity shall be  
 19 effective the first day of the calendar month ~~next~~ following the ~~later~~ of  
 20 ~~either the member's termination of active membership or the onset date of the~~  
 21 ~~qualifying disability~~ Arkansas Public Employees' Retirement System's approval  
 22 of the disability application.

23  
 24 SECTION 11. Arkansas Code § 24-4-523 is repealed.

25 ~~24-4-523. Conversion from contributory to noncontributory plan—~~  
 26 ~~Extension of time.~~

27 ~~Any person who, under § 24-3-101 et seq. [repealed], or any other act,~~  
 28 ~~was authorized to convert from the contributory plan of the Arkansas Public~~  
 29 ~~Employees' Retirement System to the noncontributory plan of the Arkansas~~  
 30 ~~Public Employees' Retirement System prior to January 1, 1985, may convert~~  
 31 ~~from the contributory plan to the noncontributory plan at any time.~~

32  
 33 SECTION 12. Arkansas Code § 24-4-749(a)(1), concerning the purchase of  
 34 out-of-state governmental service, is amended to read as follows:

35 (1) The member has at least+

36 ~~(A)~~ Five five (5) years of credited service at the

1 time of application; ~~or~~

2 ~~(B) Two (2) years of actual service with the Arkansas~~  
3 ~~Public Employees' Retirement System, at least seven (7) years of actual~~  
4 ~~service credit with a retirement system outside of the State of Arkansas, and~~  
5 ~~is at least sixty five (65) years of age;~~

6  
7 SECTION 13. Arkansas Code § 24-4-1101 is amended to read as follows:  
8 24-4-1101. Membership.

9 (a) ~~All public employees~~ A public employee, as defined in § 24-4-  
10 101(17), first hired on or after July 1, 2005, ~~are~~ is subject to the benefit  
11 provisions of this subchapter.

12 (b)(1)(A) ~~All public employees~~ A public employee ~~hired prior to July~~  
13 ~~1, 2005, and who are~~ remains an active members member of the Arkansas Public  
14 Employees' Retirement System ~~on July 1, 2009, shall have six (6) months from~~  
15 ~~July 1, 2009, to~~ may elect coverage under the benefit provisions of this  
16 subchapter.

17 (B) If the member elects contributory coverage, the  
18 effective date of the member's contributory coverage shall be:

19 (i) The first payroll period that is paid and  
20 reported ~~in January 2010~~ in the next month after the contributory election;  
21 and

22 (ii) Prospective only.

23 (2) ~~No~~ A conversion or purchase of noncontributory service into  
24 contributory service under this subchapter is not allowed.

25 (3) The election shall be made as directed by the Board of  
26 Trustees of the Arkansas Public Employees' Retirement System and is  
27 irrevocable.

28 ~~(c)(1)(A) A public employee hired prior to July 1, 2005, and who is an~~  
29 ~~active member of the Arkansas Public Employees' Retirement System on July 1,~~  
30 ~~2011, shall have six (6) months from July 1, 2011, to elect coverage under~~  
31 ~~the benefit provisions of this subchapter.~~

32 ~~(B) If the member elects contributory coverage, the~~  
33 ~~effective date of the member's contributory coverage shall be:~~

34 ~~(i) The first payroll period that is paid and~~  
35 ~~reported in January 2012; and~~

36 ~~(ii) Prospective only.~~

1           ~~(2) Conversion or purchase of noncontributory service into~~  
2 ~~contributory service under this subchapter is prohibited.~~

3           ~~(3) The election shall be made as directed by the Board of~~  
4 ~~Trustees of the Arkansas Public Employees' Retirement System and is~~  
5 ~~irrevocable.~~

6           (d)(c) Noncontributory members who terminate covered service for a  
7 period of more than six (6) months and subsequently return to covered service  
8 will be subject to the provisions of this subchapter.

9  
10           SECTION 14. Arkansas Code § 24-4-1102(a)(2), concerning member  
11 contributions, is amended to read as follows:

12           (2) ~~Interest~~ After a member has vested in the system, interest  
13 shall be paid on accumulated member contributions at the rate of four percent  
14 (4%) per annum.

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16           SECTION 15. EMERGENCY CLAUSE. It is found and determined by the  
17 General Assembly of the State of Arkansas that it is vital that the Arkansas  
18 Public Employees' Retirement System be permitted to immediately implement  
19 policies regarding the termination of employment, eligibility of employees to  
20 receive benefits, availability of information, and when to pay interest on  
21 employee contributions; and to clarify the meaning of terms in the Arkansas  
22 Code of 1987 Annotated to avoid the undue consumption of the system's  
23 resources. Therefore, an emergency is declared to exist, and this act being  
24 immediately necessary for the preservation of the public peace, health, and  
25 safety shall become effective on:

26           (1) The date of its approval by the Governor;

27           (2) If the bill is neither approved nor vetoed by the Governor,  
28 the expiration of the period of time during which the Governor may veto the  
29 bill; or

30           (3) If the bill is vetoed by the Governor and the veto is  
31 overridden, the date the last house overrides the veto.

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