

ARKANSAS SENATE
86th General Assembly - Regular Session, 2007
Amendment Form

Subtitle of Senate Bill No. 158

"AN ACT AMENDING THE ARKANSAS FIRE AND POLICE PENSION REVIEW BOARD
CONCERNING ELIGIBILITY REQUIREMENTS, BENEFITS, CREDITED SERVICE,
EMPLOYEE AND EMPLOYER CONTRIBUTIONS, AND THE ADMINISTRATION OF THE
BOARD."

Amendment No. 1 to Senate Bill No. 158.

Amend Senate Bill No. 158 as originally introduced:

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Page 1, delete lines 9 through 14 and substitute the following:
"AN ACT ESTABLISHING MINIMUM ASSET MANAGEMENT STANDARDS FOR LOCAL PENSION AND
RELIEF FUNDS; AND FOR OTHER PURPOSES."

AND

Page 1, delete lines 17 through 22 and substitute the following:
"AN ACT ESTABLISHING MINIMUM ASSET MANAGEMENT STANDARDS FOR LOCAL PENSION AND
RELIEF FUNDS."

AND

Delete everything following the enacting clause and substitute the following:

"SECTION 1. Arkansas Code Title 24, Chapter 11, Subchapter 2 is
amended to add an additional section to read as follows:

§ 24-11-216 Minimum asset management standards.

(a) A local pension and relief shall meet the minimum asset management
standards established under this section.

(b)(1) A local pension and relief fund shall be deemed to have met the
minimum asset management standards if:

(A) The fund has a legally constituted board under § 24-
11-405 and § 24-11-801;

(B) The board of the fund meets at least twice annually;

(C) The fund is actuarially sound as defined by the
Arkansas Fire and Police Pension Review Board;

(D)(i) The rate of return earned by the pension and relief
fund over the most recent three (3) year period is at least equal to the rate
of return for one (1) year Treasury notes over the most recent three (3) year
period.



(ii) A higher standard for rate of return may be set by rule of the Arkansas Fire and Police Pension Review Board; and

(E) The fund has been in compliance under § 24-11-202 in two (2) of the past three (3) years.

(2) A local pension and relief fund shall meet the requirements of this section on or before December 31, 2008 and each year thereafter.

(c) If the Arkansas Fire and Police Pension Review Board determines that a local pension and relief fund does not meet the minimum asset management standard under subsection (b) of this section, the board shall:

(1) Notify the local pension and relief fund and the sponsoring municipality of the local pension and relief fund of that fact and advise the fund of the steps necessary to comply with the standards; and

(2) Require the fund to:

(A) Establish a written investment policy which incorporates the rate of return established under subdivision (b)(4) of this section and other requirements in accordance with rules promulgated by the board; and

(B) Obtain professional investment management in accordance with rules promulgated by the board.

(d) If the local pension and relief fund or its sponsoring municipality does not comply with subsection (c) of this section within six (6) months of the notification by the board, then the fund shall develop a written plan of action in conjunction with the board in accordance with rules promulgated by the board.

(e) The board shall promulgate rules necessary to implement the provisions of this section.”

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator J. Jeffress

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Secretary