

"AN ACT TO AMEND SUBSECTION 5.03 OF SECTION 5 OF ACT 427 OF 1973, AS AMENDED, [ARK. STATS. 80-1440 (5.03)] RELATING TO THE PURCHASE OF CREDIT IN THE ARKANSAS TEACHER RETIREMENT SYSTEM FOR OUT-OF-STATE SERVICE; AND FOR OTHER PURPOSES."

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

SECTION 1. Subsection 5.03 of Section 5 of Act 427 of 1973, as amended, the same being Arkansas Statute 80-1440 (5.03), is hereby amended to read as follows:

"5.03. 'Out-of-state service' means service rendered in any state except Arkansas in a position which would have been covered by this System had the service been rendered in the State of Arkansas. Out-of-state service contracted for before July 1, 1987 shall be credited as service hereunder in accordance with provisions in force before July 1, 1987. From and after July 1, 1987 an active member may contract with the Board for out-of-state service to be credited as service hereunder in accordance with the following conditions:

(1) The out-of-state service credit to be granted shall be limited to service for which no benefit could be paid by another system similar in purpose to this system (except social security) if the member left on deposit his contributions to such other system, and shall be limited to ten (10) years and

(2) The member shall pay to the System for each year of service credit being granted 19.5 percent of the annual salary received by him for his first full year of State teaching service, together with regular annual interest from the end of such year of State teaching service to the date of payment. If such payment is not made in a single sum at the time the contract is made, regular interest shall be added from the date of the contract to the date of payment. Such payment shall be credited to the member's account in the member's deposit account and shall be in addition to regular member contributions thereto.

(3) Such out-of-state service shall not become credited service under this System until (i) the member payments specified in paragraph (2) next above have been paid in full, and (ii) the member has established ten (10) or more years of credited service exclusive of such out-of-state service. Should a member cease to be an active member before such out-of-state service has been established as system credited service, the member payments contributed as specified in paragraph (2) next above shall be refundable, together with regular interest thereon.

(4) The benefit program to be applied to each year of service credit being granted shall be the benefit program in effect at the time of retirement.

(5) Such other rules and regulations consistent herewith as the Board may from time to time adopt."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: March 4, 1987

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