

Act 10 of the 1989 Regular Session.

Act 10

HB1171

By: Representative Todd

"AN ACT TO AMEND ARKANSAS CODE 24-7-601(b) AND ARKANSAS CODE 24-7-603 PERTAINING TO THE PURCHASE OF CREDIT IN THE ARKANSAS TEACHERS RETIREMENT SYSTEM FOR SERVICE IN A YEAR IN WHICH THE PERSON HAD BOTH IN-STATE AND OUT-OF-STATE SERVICE; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 24-7-603 is hereby amended to read as follows:  
"24-7-603. Out-of-state service.

(a) As used in this section, "out-of-state service" means service rendered in any state except Arkansas in a position which would have been covered by the system had the service been rendered in the State of Arkansas.

(b) 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.

(c) 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 the other system and shall be limited to ten (10) years;

(2) The member shall pay to the system for each year of service credit being granted nineteen and one-half percent (19.5%) 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 that year of state teaching service to the date of payment. If the 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. The 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) The out-of-state service shall not become credited service under this system until:

(A) The member payments specified in subdivision (c)(2) have been paid in full; and

(B) The member has established ten (10) or more years of credited service exclusive of out-of-state service. Should a member cease to be an active member before the out-of-state service has been established as system credited service, the member payments contributed as specified in subdivision (c)(2) 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.

(d) An active member who had both in-state and out-of-state service in one (1) school year may contract with the board for one (1) year of service

to be credited as service under this subchapter in the same manner as provided for out-of-state service under subsection (c) of this section, if the service meets the following additional requirements:

(1) The combination of in-state and out-of-state service rendered in the fiscal school year was not fewer than one hundred twenty (120) days; and

(2) The person had not less than thirty (30) days of out-of-state teaching service in the school year and not less than thirty (30) days in-state teaching service in the fiscal school year."

SECTION 2. Arkansas Code 24-7-601(b) is hereby amended to read as follows:

"(b) In no case, other than specifically provided otherwise in this subchapter, shall fewer than one hundred twenty (120) days of teaching service rendered in any fiscal school year be credited as one (1) year of service, nor shall more than one (1) year of service be credited any member for all teaching service rendered by him in any one (1) fiscal school year, nor shall any credited service be given for teaching service rendered after the fiscal school year in which the member attains the age of seventy-two (72) years, nor shall any credited service be given for service as a consultant."

SECTION 3. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: February 1, 1989

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