

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**  
4 **By: Representative Stephens**

# A Bill

**ACT 300 OF 1993**  
**HOUSE BILL 1260**

## For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 24-7-411 TO CHANGE THE  
9 PROCEDURE FOR IMPOSITION OF PENALTIES ON LATE REMITTANCES  
10 BY PARTICIPATING EMPLOYERS IN THE TEACHER RETIREMENT  
11 SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

## Subtitle

14 **"AN ACT TO CHANGE THE PROCEDURE FOR IMPOSING**  
15 **PENALTIES ON LATE PAYMENTS BY PARTICIPATING**  
16 **EMPLOYERS IN THE TEACHER RETIREMENT SYSTEM."**

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

20 **SECTION 1. Arkansas Code § 24-7-411 is hereby amended to read as follows:**

21 **"24-7-411. Compelling payment upon delinquency of employer.**

22 **(a)(1) Beginning July 1, 1993, if any participating employer fails to remit to the system**  
23 **those moneys which are required by law or regulation by the fifteenth (15th) day of the month**  
24 **in which the moneys are due, then the system shall impose a penalty of six percent (6%)**  
25 **interest on an annual basis on the moneys due. This interest shall be computed on the actual**  
26 **days of delinquency and shall be paid to the system for the purpose of reimbursing the trust**  
27 **fund for the money which would have been earned on the moneys had they been paid when due.**  
28 **For purposes of this section, an employers\_ remittance shall not be considered delinquent if**  
29 **received by the system by the fifteenth (15th) day or postmarked no later than the fourteenth**  
30 **(14th) day of the month in which the payment is due.**

31 **(2) The interest penalty shall be determined by the system on the date the**  
32 **delinquent funds are received, and a statement of the interest shall be sent to the participating**  
33 **public employer.**

34 **(3) If the interest penalty or delinquent moneys are not received by the system**  
35 **by the last business day of the month in which the moneys were originally due, then the system**  
36 **shall cause the sums of moneys, including the interest, to be transferred from any moneys due**

1 **the participating employer from the State Treasurer and the Department of Education, as**  
2 **provided in §19-5-106(a)(5).**

3 **(b)(1) Beginning July 1, 1993, if any participating employer fails to file with the system**  
4 **the retirement report by the fifteenth (15th) day of the month in which the report is due, then**  
5 **the system shall impose a penalty of one hundred and fifty dollars (\$150) for each time the**  
6 **report is late. For purposes of this section, the retirement report will not be considered late if**  
7 **received by the system by the fifteenth (15th) day of the month or postmarked no later than the**  
8 **fourteenth (14th) day of the month in which the report is due.**

9 **(2) A statement of the penalty shall be sent to the participating employer. If the**  
10 **penalty is not received by the last business day of the month in which the report was due, then**  
11 **the system shall cause the penalty amount to be transferred from any moneys due the**  
12 **participating employer from the State Treasurer and the Department of Education as**  
13 **provided in §19-5-106(a)(5).**

14 **(3) The penalty amounts collected shall be deposited to the credit of the**  
15 **administrative funds of the system to help defray the cost of additional expenses incurred due**  
16 **to the additional work required to process late reports."**

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18 **SECTION 2. All provisions of this act of a general and permanent nature are**  
19 **amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision**  
20 **Commission shall incorporate the same in the Code.**

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22 **SECTION 3. If any provision of this act or the application thereof to any person or**  
23 **circumstance is held invalid, such invalidity shall not affect other provisions or applications of**  
24 **the act which can be given effect without the invalid provision or application, and to this end**  
25 **the provisions of this act are declared to be severable.**

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27 **SECTION 4. All laws and parts of laws in conflict with this act are hereby repealed.**

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29 **SECTION 5. Emergency. It is hereby found and determined by the Seventy-Ninth**  
30 **General Assembly that the change in the procedure for imposing late penalties on participating**  
31 **employers who are habitually late in making remittances to the Teacher Retirement System**  
32 **need to be updated and made stricter and that the change in the law is essential to the**  
33 **continued efficient operation of the Teacher Retirement System. Therefore, an emergency is**  
34 **hereby declared to exist and this act being necessary for the immediate preservation of the**  
35 **public peace, health and safety shall be in full force and effect from and after July 1, 1993.**

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**APPROVED: 03/01/93**