

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

*As Engrossed: S3/15/99*

## A Bill

Act 864 of 1999  
SENATE BILL 304

5 By: Senator Ross  
6  
7

### For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE SECTION 24-7-406 (f) TO  
10 ALLOW ACTIVE MEMBERS OF THE TEACHER RETIREMENT SYSTEM  
11 TO CHANGE FROM NONCONTRIBUTORY TO CONTRIBUTORY  
12 CREDITED SERVICE AND PAY FOR THE ADDITIONAL  
13 CONTRIBUTORY CREDITED SERVICE; TO DECLARE AND  
14 EMERGENCY; AND FOR OTHER PURPOSES."

### Subtitle

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16 "TO ALLOW MEMBERS OF THE TEACHER  
17 RETIREMENT SYSTEM TO CHANGE FROM  
18 NONCONTRIBUTORY TO CONTRIBUTORY CREDITED  
19 SERVICE AND PAY THE CONTRIBUTIONS FOR  
20 SERVICES."  
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23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code Section 24-7-406 (f), regarding the election  
27 by members of the Teacher Retirement system to convert from noncontributory to  
28 contributory service, is amended to read as follows:

29 "(f)(1) Each member may elect, by written election filed with the  
30 system in accordance with rules and regulations adopted by the board, to  
31 eliminate future member contributions otherwise provided for in this section.

32 (2) For a new member, the election shall become a binding  
33 agreement upon its effective date, if the election is so filed before  
34 preparation of the payroll containing his first salary payment, but in no  
35 event before July 1, 1986.

36 (3) Beginning July 1, 1993, any member may change his election

1 concerning member contributions once each fiscal year. Beginning July 1, 1997,  
2 the election shall be effective the July 1 immediately preceding its filing  
3 provided it is received by the system before October 1 of the current fiscal  
4 year.

5 (4)(A) If the election is to eliminate member contributions, then  
6 the election shall apply only to future member salaries and shall not change  
7 the status of any member contributions made before the election. Beginning  
8 July 1, 1999, an active member who has previously elected to eliminate member  
9 contributions, may, by paying the additional member contributions due, plus  
10 interest from the dates the contributions would have been received by the  
11 system to the date of the payment in full, change credited service on which no  
12 member contributions have been paid to member contributions credited service.

13 (B)(i) If the effect of the election is to require member  
14 contributions, then the election shall apply only to future member salaries  
15 and shall not change any member contribution requirements existing before the  
16 election.

17 (ii) However, if a member has previously contributed  
18 on only the first seven thousand eight hundred dollars (\$7,800) of his annual  
19 salary, he cannot contribute on full future salaries until he has made added  
20 contributions on past full salaries as provided in subsection (b) of this  
21 section.

22 (5)(A) All new members, including any former active members,  
23 shall not make the member contributions otherwise provided for in this  
24 section.

25 (B)(i) Such members may elect, by written election filed  
26 with the system in accordance with rules and regulations adopted by the board,  
27 to make contributions as provided for in this section.

28 (ii)(a) Such election shall become a binding  
29 agreement upon its effective date, if the election is so filed with the system  
30 before the preparation of the payroll containing his first salary payment.

31 (b) In all other circumstances, the election  
32 shall be effective the July 1 immediately following the filing of the  
33 election.

34 (6)(A) For a new member who files in compliance with subdivisions  
35 (f)(1) or (f)(5) of this section, the effective date shall be the date the  
36 first paycheck is received.

1 (B) In all other circumstances, the effective date shall be  
2 July 1."

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4 SECTION 2. No benefit enhancement provided for by this act shall be  
5 implemented if it would cause the publicly supported retirement system's  
6 unfunded actuarial accrued liabilities to exceed a thirty (30) year  
7 amortization. No benefit enhancement provided for by this act shall be  
8 implemented by any publicly supported system which has unfunded actuarial  
9 accrued liabilities being amortized over a period exceeding thirty (30) years  
10 until the unfunded actuarial accrued liability is reduced to a level less than  
11 the standards prescribed by Arkansas Code, Title 24.

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

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17 SECTION 4. If any provision of this act or the application thereof to  
18 any person or circumstance is held invalid, such invalidity shall not affect  
19 other provisions or applications of the act which can be given effect without  
20 the invalid provision or application, and to this end the provisions of this  
21 act are declared to be severable.

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23 SECTION 5. All laws and parts of laws in conflict with this act are  
24 hereby repealed.

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26 SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the  
27 Eighty-second General Assembly that the Teacher Retirement System currently  
28 provides members with noncontributory retirement service credit; that some  
29 members need to have contributory service credit to provide for an adequate  
30 retirement; and that providing for a change to contributory credited service  
31 will improve the motivation and effectiveness of the active teachers in  
32 Arkansas public schools. Therefore, an emergency is declared to exist and this  
33 act being immediately necessary for the preservation of the public peace,  
34 health and safety shall become effective on the date of its approval by the  
35 Governor. If the bill is neither approved nor vetoed by the Governor, it shall  
36 become effective on the expiration of the period of time during which the

1 Governor may veto the bill. If the bill is vetoed by the Governor and the  
2 veto is overridden, it shall become effective on the date the last house  
3 overrides the veto.

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/s/ Ross

APPROVED: 3/25/1999