

1 State of Arkansas  
2 84th General Assembly  
3 Second Extraordinary Session, 2003  
4

Call Item 4

# A Bill

HOUSE BILL 1069

5 By: Representative R. Smith  
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## For An Act To Be Entitled

9 AN ACT CONCERNING THE ARKANSAS TEACHER RETIREMENT  
10 SYSTEM; TO ALLOW ACTIVE MEMBERS OF THE ARKANSAS  
11 TEACHER RETIREMENT SYSTEM WHO HAVE PREVIOUSLY  
12 ELECTED TO ELIMINATE MEMBER CONTRIBUTIONS TO MAKE  
13 AN IRREVOCABLE ELECTION TO MAKE FUTURE  
14 CONTRIBUTIONS; TO MANDATE THAT ANY ACTIVE MEMBER  
15 WHOSE STATUS CHANGES FROM NONTEACHER STATUS TO  
16 TEACHER STATUS UNDER CONTRACT FOR ONE HUNDRED  
17 EIGHTY-ONE (181) DAYS OR MORE SHALL BECOME  
18 CONTRIBUTORY; AND FOR OTHER PURPOSES.  
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## Subtitle

20 AN ACT CONCERNING THE ARKANSAS TEACHER  
21 RETIREMENT SYSTEM.  
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. Arkansas Code § 24-7-406(f) regarding the election by  
28 members of the Arkansas Teacher Retirement System to convert from  
29 noncontributory to contributory service, is amended to read as follows:

30 (f)(1) Active members as of July 1, 1999, shall elect by written  
31 election filed with the system in accordance with rules and regulations  
32 adopted by the board to eliminate future member contributions or to make  
33 member contributions, otherwise provided for in this section. The election  
34 shall be irrevocable and shall be made on or before July 1, 2000. If no  
35 election is made, the member's status on June 30, 2000, shall be in effect  
36 and shall be irrevocable.



1           (2)(A) Effective July 1, 2004, and each July 1 thereafter,  
 2 active members who have previously elected to eliminate member contributions  
 3 may make an irrevocable election to make future contributions to the  
 4 retirement system.

5           (B) If the election is made prior to the preparation of  
 6 the first salary payment to the member in the fiscal year, the election will  
 7 become effective immediately. If the election is made after the preparation  
 8 of the first payroll containing the first salary payment to the member in the  
 9 fiscal year, the election shall be effective July 1 of the next fiscal year.

10           ~~(2)~~(3) For a former inactive member, the election shall be made  
 11 within one (1) year of the effective date the member is considered an active  
 12 member. The election shall be effective the earlier of the preparation of the  
 13 payroll containing the first salary payment upon reentry or the July 1 next  
 14 following the date the election is filed with the system. If no election is  
 15 made within one (1) year, the member's status prior to reentry will remain in  
 16 effect.

17           ~~(3)~~(4)(A)(i) If the election is to eliminate member  
 18 contributions, then the election shall apply only to future member salaries  
 19 and shall not change the status of any member contributions made before the  
 20 election.

21                               (ii) Beginning July 1, 1999, an active member who  
 22 has previously elected to eliminate member contributions may change credited  
 23 service on which no member contributions have been paid to member  
 24 contributions credited service, by paying the additional member contributions  
 25 due plus interest from the dates the contributions would have been received  
 26 by the system to the date of the payment in full.

27           (B)(i) If the effect of the election is to require member  
 28 contributions, then the election shall apply only to future member salaries  
 29 and shall not change any member contribution requirements existing before the  
 30 election.

31                               (ii) If a member has previously contributed on only  
 32 the first seven thousand eight hundred dollars (\$7,800) of his or her annual  
 33 salary, he or she cannot contribute on full future salaries until he or she  
 34 has made added contributions on past full salaries as provided in subsection  
 35 (b) of this section.

36           ~~(4)~~(5)(A)(i) After July 1, 1999, all new members shall make the

1 member contributions otherwise provided for in this section. Provided,  
2 however, new members who are under contract with a covered employer for one  
3 hundred eighty (180) days or less shall have one (1) year to make an  
4 irrevocable election to make member contributions.

5 (ii) Effective July 1, 2005, any active member whose  
6 status later changes from nonteacher status to teacher status under contract  
7 for one hundred eighty-one (181) days or more shall make the member  
8 contributions otherwise provided for in this section regardless of an earlier  
9 election to be noncontributory.

10 (B) New members who are not under contract with a covered  
11 employer shall not make member contributions.

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14 APPROVED: 12/31/2003  
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