

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011

A Bill

SENATE BILL 68

4
5 By: Senator J. Jeffress

For An Act To Be Entitled

6
7
8 AN ACT TO SPECIFY CONDITIONS FOR CALCULATING SERVICE
9 CREDITS UNDER A CONTRACT BUYOUT AGREEMENT; TO DECLARE
10 AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

11
12
13
14 TO SPECIFY CONDITIONS FOR CALCULATING
15 SERVICE CREDITS UNDER A CONTRACT BUYOUT
16 AGREEMENT; TO DECLARE AN EMERGENCY.

17
18
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

20
21 SECTION 1. Arkansas Code § 24-7-202(27)(B)(ii), concerning benefits
22 under the Arkansas Teacher Retirement System, is amended to read as follows:

23 (ii) However, a member may establish salary earned
24 under a purchase service contract with a covered employer for on-site work by
25 paying employee and employer contributions plus interest.

26
27 SECTION 2. Arkansas Code Title 24, Chapter 7, Subchapter 7 is amended
28 to add an additional section to read as follows:

29 24-7-735. Contract buyout agreement -- Calculation of benefits.

30 (a) A member shall not accumulate additional service credit in the
31 Arkansas Teacher Retirement System during the time that payments under a
32 contract buyout agreement or court-ordered payments are paid to the member by
33 the employer unless the member continues to work on-site for the employer.

34 (b) Employer contributions shall be payable to the system on payments
35 made under subsection (a) of this section as if the payments were made under
36 § 24-7-708 if the member does not continue to work on-site for the employer.



1
2 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
3 General Assembly of the State of Arkansas that certain provisions of the
4 Arkansas Teacher Retirement System are in urgent need of revision and
5 updating to bring them into compliance with sound public pension policy; that
6 this revision is of great importance to members of the Arkansas Teacher
7 Retirement System and to other citizens of the State of Arkansas; that the
8 Arkansas Teacher Retirement System should not provide service credit for
9 contract buyouts when services are not provided on-site to the employer to
10 prevent undue costs from being passed on to the system by contract buyout
11 participants obtaining vesting and service credit rights that otherwise would
12 not be earned or payable; and that this act is immediately necessary because
13 allowing inactive contract buyouts for service credit is poor public policy.
14 Therefore, an emergency is declared to exist and this act being immediately
15 necessary for the preservation of the public peace, health, and safety shall
16 become effective on:

17 (1) The date of its approval by the Governor;

18 (2) If the bill is neither approved nor vetoed by the Governor,
19 the expiration of the period of time during which the Governor may veto the
20 bill; or

21 (3) If the bill is vetoed by the Governor and the veto is
22 overridden, the date the last house overrides the veto.

23
24
25 **APPROVED: 03/04/2011**
26
27
28
29
30
31
32
33
34
35
36