

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

SENATE BILL 116

5 By: Senator K. Hammer
6 By: Representative Warren
7

For An Act To Be Entitled

9 AN ACT TO ALLOW THE PURCHASE OF PERMISSIVE SERVICE
10 CREDIT UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM;
11 TO ADD DEFINITIONS APPLICABLE TO THE ARKANSAS TEACHER
12 RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR
13 OTHER PURPOSES.
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Subtitle

15
16 TO ALLOW THE PURCHASE OF PERMISSIVE
17 SERVICE CREDIT UNDER THE ARKANSAS TEACHER
18 RETIREMENT SYSTEM; AND TO DECLARE AN
19 EMERGENCY.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 24-7-202, concerning definitions applicable
26 to the Arkansas Teacher Retirement System Act, is amended to add additional
27 subdivisions to read as follows:

28 (45) "Gap year" means a period of time:

29 (A) In which a member:

30 (i) Was an inactive member; and

31 (ii) Either:

32 (a) Was unemployed; or

33 (b) Did not provide qualified service; and

34 (B) For which the system may grant the member permissive
35 service credit;

36 (46) "Permissive service credit" means service:



1 (A) That is credited under the system for the purpose of
 2 calculating a member's benefit;

3 (B) That has not previously been credited under the
 4 system; and

5 (C) For which a member contributes or pays the amount
 6 necessary to fund the benefit attributable to the service as required by the
 7 system; and

8 (47) "Qualified service" means the service described in 26
 9 U.S.C. § 415(n)(3)(C)(i)-(iv), as it existed on January 1, 2023.

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 11 SECTION 2. Arkansas Code Title 24, Chapter 7, Subchapter 6, is amended
 12 to add a new section to read as follows:

13 24-7-613. Permissive service credit – Gap year service.

14 (a) A member of the Arkansas Teacher Retirement System may purchase
 15 permissive service credit for one (1) or more gap years if:

16 (1) The member:

17 (A) Has five (5) years of actual service in the system;

18 (B) Has left his or her position as a classroom teacher
 19 immediately before each nonconsecutive gap year or the initial gap year of
 20 consecutive gap years;

21 (C) Returns to his or her position as a classroom teacher
 22 after one (1) or more gap years;

23 (D) Accrues at least one-half (1/2) year of service credit
 24 after returning to his or her position as a classroom teacher;

25 (E) Was inactive during the gap year or gap years; and

26 (F) Is ineligible to receive free service credit for each
 27 gap year under another provision of the law applicable to this system; and

28 (2) Each gap year amounts to an entire fiscal year.

29 (b)(1) A member may purchase one (1) year of permissive service credit
 30 for each one (1) gap year.

31 (2) A member shall not purchase more than five (5) years of
 32 permissive service credit.

33 (c) Permissive service credit for one (1) or more gap years shall not
 34 be purchasable after a member retires from the system.

35 (d) Permissive service credit shall be credited in accordance with §
 36 24-7-601.

