

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

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

As Engrossed: S2/18/03 S3/3/03

# A Bill

Act 991 of 2003  
SENATE BILL 122

5 By: Senators Faris, J. Bookout  
6 By: Representatives Mahony, R. Smith  
7

## For An Act To Be Entitled

8  
9 AN ACT TO ALTER THE AMOUNT OF THE MEMBER'S PLAN  
10 CONTRIBUTION TO THE PLAN ACCOUNT UNDER THE  
11 TEACHER DEFERRED RETIREMENT OPTION PLAN WITH THE  
12 ARKANSAS TEACHER RETIREMENT SYSTEM; AND FOR OTHER  
13 PURPOSES.  
14

### Subtitle

15  
16 TO ALTER THE AMOUNT OF THE MEMBER'S PLAN  
17 CONTRIBUTIONS TO THE PLAN ACCOUNT UNDER  
18 THE TEACHER DEFERRED RETIREMENT OPTION  
19 PLAN.  
20  
21  
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
24

25 SECTION 1. Arkansas Code § 24-7-1306 is amended to read as follows:  
26 24-7-1306. Amount of contributions.

27 (a)(1) Teacher Deferred Retirement Option Plan contributions shall be  
28 a percentage of the plan benefit.

29 (2)(A) The percentage is one hundred percent (100%) reduced by  
30 the product of one percent (1%) multiplied by the number of years of  
31 contributory service credit and fractions thereof, and further reduced by the  
32 product of six-tenths percent (0.6%) multiplied by the number of years of  
33 noncontributory service credit and fractions thereof.

34 (B)(i) *When a participant whose effective date in the*  
35 *Teacher Deferred Retirement Option Plan is before September 1, 2003, reaches*  
36 *normal retirement age, the plan contributions shall be one hundred percent*



1 (100%) with no reduction.

2 (ii) For any member whose effective date in the  
 3 Teacher Deferred Retirement Option Plan is September 1, 2003, or after, the  
 4 plan contributions for a participant who reaches normal retirement age shall  
 5 continue as reduced under subdivision (a)(2)(A) of this section.

6 (3)(A) In the event a member whose effective date in the Teacher  
 7 Deferred Retirement Option Plan is before September 1, 2003, has more than  
 8 thirty (30) years of service, the years of service above thirty (30) years  
 9 shall be reduced by one-half percent (0.5%) for contributory years and three-  
 10 tenths percent (0.3%) for noncontributory years.

11 (B) For any member whose effective date in the Teacher  
 12 Deferred Retirement Option Plan is September 1, 2003, or after and who has  
 13 more than thirty (30) years of service, the plan contributions for the years  
 14 of service above thirty (30) years shall be reduced under subdivision  
 15 (a)(2)(A) of this section.

16 ~~(4) Those members already in the plan will have a one-time~~  
 17 ~~adjustment made in their contributions.~~

18 ~~(5) The amount of the one-time adjustment will be determined by~~  
 19 ~~the Board of Trustees of the Arkansas Teacher Retirement System.~~

20 ~~(6)(4) Furthermore, the board is authorized to make further~~  
 21 ~~adjustments on the plan to make it cost-neutral to the Arkansas Teacher~~  
 22 ~~Retirement System.~~

23 (5) As used in this section, "effective date" means the date  
 24 determined to be the member's teacher deferred retirement option plan date  
 25 under the policies, rules, and regulations of the Board of Trustees of the  
 26 Arkansas Teacher Retirement System.

27 (b) For the purpose of § 24-7-709 related to disposition of residue,  
 28 plan contributions shall be considered to be annuity payments.

29  
 30 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
 31 General Assembly of the State of Arkansas that the Teacher Deferred  
 32 Retirement Option Plan is not presently cost neutral; that certain changes in  
 33 the law governing plan contributions for members who reach normal retirement  
 34 age or who have more than thirty (30) years of service and whose effective  
 35 date in the plan is on or after September 1, 2003 are necessary to make it  
 36 cost neutral; and that the most effective time to make changes to the

1 retirement system is at the beginning of the state's fiscal year. Therefore,  
2 an emergency is declared to exist and this act being necessary for the  
3 preservation of the public peace, health, and safety shall become effective  
4 on July 1, 2003.

5 /s/ Fari

APPROVED: 4/1/2003s