

**ARKANSAS SENATE**  
84th General Assembly - Regular Session, 2003  
**Amendment Form**

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**Subtitle of Senate Bill No. 123**

"TO CHANGE THE TEACHER DEFERRED RETIREMENT OPTION PLAN TO REQUIRE  
EMPLOYER CONTRIBUTIONS TO THE RETIRMENT SYSTEM TO CONTINUE."

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**Amendment No. 1 to Senate Bill No. 123.**

Amend Senate Bill No. 123 as originally introduced:

Page 1, line 13, delete "PLAN" and substitute "PLAN AFTER JULY 1, 2003"

AND

Page 1, delete lines 26 through 36, and Page 2, delete lines 1 through 3, and substitute the following:

"24-7-1303. Contributions to Arkansas Teacher Retirement System.

(a)(1) When a member begins participation in the Teacher Deferred Retirement Option Plan before July 1, 2003, both member and employer contributions to the Arkansas Teacher Retirement System on behalf of the member shall cease.

(2) Beginning July 1, 2003, if a member begins participation in the Teacher Deferred Retirement Option Plan:

(i) The member contributions to the Arkansas Teacher Retirement System shall cease; and

(ii) Employer contributions to the system shall continue.

(b)(1) It is the intent of the General Assembly that the employer contribution to the system that has ceased for a person who became a participant in the Teacher Deferred Retirement Option Plan before July 1, 2003 will become a part of the general operating fund of the school district to be used for any purpose including employee salaries.

(2) The school district shall not make contributions to any tax-qualified retirement plan on behalf of any employee ~~participating who participated~~ in the Teacher Deferred Retirement Option Plan before July 1, 2003. However, this prohibition shall not be applicable to the extent necessary to comply with contractual obligations incurred by a school district prior to February 1, 1999."

AND

Page 2, line 5, add an additional section to read as follows:

"SECTION 2. EMERGENCY CLAUSE. It is found and determined by the



General Assembly of the State of Arkansas that recent economic conditions have caused the Arkansas Teacher Retirement System to suffer losses in the value of its financial assets; that the loss of asset value has created an unfunded actuarial accrued liability exceeding the standard thirty (30) year amortization period set by Arkansas law; that employer contributions to the system that ceased for prior participants in the Teacher Deferred Retirement Option Plan must now resume for all future participants to add to the asset values for the system and eventually return the system to financial balance; and that this act is immediately necessary because imposing changes on employer contributions can best be implemented over the summer between school years. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2003.”

The Amendment was read the first time, rules suspended and read the second time and \_\_\_\_\_

By: Senator Faris  
EAN/VJF - 021720031306  
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Secretary