

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**  
4 **By: Representative Stephens**

# A Bill

**HOUSE BILL**

## For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 24-7-411 TO CHANGE THE  
9 PROCEDURE FOR IMPOSITION OF PENALTIES ON LATE REMITTANCES  
10 BY PARTICIPATING EMPLOYERS IN THE TEACHER RETIREMENT  
11 SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

## Subtitle

14 "AN ACT TO CHANGE THE PROCEDURE FOR IMPOSING PENALTIES ON  
15 LATE PAYMENTS BY PARTICIPATING EMPLOYERS IN THE TEACHER  
16 RETIREMENT SYSTEM."

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

20 SECTION 1. Arkansas Code § 24-7-411 is hereby amended to read as  
21 follows:

22 "24-7-411. Compelling payment upon delinquency of employer.

23 (a) (1) Beginning July 1, 1993, if any participating employer fails to  
24 remit to the system those moneys which are required by law or regulation by  
25 the fifteenth (15th) day of the month in which the moneys are due, then the  
26 system shall impose a penalty of six percent (6%) interest on an annual basis  
27 on the moneys due. This interest shall be computed on the actual days of  
28 delinquency and shall be paid to the system for the purpose of reimbursing the  
29 trust fund for the money which would have been earned on the moneys had they  
30 been paid when due. For purposes of this section, an employers\_ remittance  
31 shall not be considered delinquent if received by the system by the fifteenth  
32 (15th) day or postmarked no later than the fourteenth (14th) day of the month  
33 in which the payment is due.

34 (2) The interest penalty shall be determined by the system on the  
35 date the delinquent funds are received, and a statement of the interest shall

1 be sent to the participating public employer.

2           (3) If the interest penalty or delinquent moneys are not received  
3 by the system by the last business day of the month in which the moneys were  
4 originally due, then the system shall cause the sums of moneys, including the  
5 interest, to be transferred from any moneys due the participating employer  
6 from the State Treasurer and the Department of Education, as provided in §19-  
7 5-106(a)(5).

8           (b)(1) Beginning July 1, 1993, if any participating employer fails to  
9 file with the system the retirement report by the fifteenth (15th) day of the  
10 month in which the report is due, then the system shall impose a penalty of  
11 one hundred and fifty dollars (\$150) for each time the report is late. For  
12 purposes of this section, the retirement report will not be considered late if  
13 received by the system by the fifteenth (15th) day of the month or postmarked  
14 no later than the fourteenth (14th) day of the month in which the report is  
15 due.

16           (2) A statement of the penalty shall be sent to the participating  
17 employer. If the penalty is not received by the last business day of the  
18 month in which the report was due, then the system shall cause the penalty  
19 amount to be transferred from any moneys due the participating employer from  
20 the State Treasurer and the Department of Education as provided in §19-5-  
21 106(a)(5).

22           (3) The penalty amounts collected shall be deposited to the  
23 credit of the administrative funds of the system to help defray the cost of  
24 additional expenses incurred due to the additional work required to process  
25 late reports."

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27           SECTION 2. All provisions of this act of a general and permanent nature  
28 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
29 Revision Commission shall incorporate the same in the Code.

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31           SECTION 3. If any provision of this act or the application thereof to  
32 any person or circumstance is held invalid, such invalidity shall not affect  
33 other provisions or applications of the act which can be given effect without  
34 the invalid provision or application, and to this end the provisions of this  
35 act are declared to be severable.

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SECTION 4. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 5. Emergency. It is hereby found and determined by the Seventy-Ninth General Assembly that the change in the procedure for imposing late penalties on participating employers who are habitually late in making remittances to the Teacher Retirement System need to be updated and made stricter and that the change in the law is essential to the continued efficient operation of the Teacher Retirement System. Therefore, an emergency is hereby declared to exist and this act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1993.

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