

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

A Bill

HOUSE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 24-7-501 TO PROVIDE PART-
9 TIME SCHOOL PERSONNEL WHO ACCUMULATE LESS THAN THIRTY (30)
10 DAYS OF CUMULATIVE SERVICE WITHIN A FISCAL YEAR SHALL NOT
11 BE ELIGIBLE FOR MEMBERSHIP IN THE TEACHER RETIREMENT
12 SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

14 "AN ACT TO DECLARE PART-TIME SCHOOL EMPLOYEES WITH LESS
15 THAN 30 DAYS OF SERVICE PER YEAR ARE NOT ELIGIBLE FOR THE
16 TEACHER RETIREMENT SYSTEM."
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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21 SECTION 1. Arkansas Code 24-7-501 is hereby amended to read as follows:

22 "24-7-501. Generally.

23 (a) The membership of the system shall include the following persons:

24 (1) All teachers who last began service before July 1, 1971, in
25 accordance with provisions in force before July 1, 1971;

26 (2) All teachers who last began service on or after July 1, 1971,
27 and whose service is not covered by another retirement plan similar in purpose
28 to the system, except social security; and

29 (3) (A) All nonteachers who begin nonteaching service on or after
30 July 1, 1989, and whose nonteaching service is not covered by another
31 retirement plan similar in purpose to the system, except social security.

32 (B) All nonteachers who began nonteaching service before
33 July 1, 1989, whose nonteaching service is covered or coverable by the
34 Arkansas Public Employees' Retirement System shall continue to be covered by
35 the Arkansas Public Employees' Retirement System for all nonteaching service,

1 both past and future.

2 (C) These nonteachers who began service before July 1,
3 1989, shall be considered members of a closed system to be administered by the
4 Arkansas Public Employees' Retirement System.

5 (D) The employer contribution rate for this closed system
6 shall be established at a rate necessary to fund all present and future
7 liabilities until such time as there are no longer members, retirants, or
8 deferred annuitants.

9 (b)(1) A person who has excluded himself from membership before July 1,
10 1991, may rescind the exclusion by filing with the system a membership data
11 form.

12 (2) The rescission shall be effective July 1 of the fiscal year
13 in which it is exercised.

14 (3) At the direction of the person, the membership may be
15 prospective only, or both prospective and retroactive.

16 (4) For the membership to be retroactive, the member must pay to
17 the system both the member contributions and the employer contributions which
18 would have been paid to the system had there been no exclusion, plus regular
19 interest from the dates the contributions would normally have been received by
20 the system to the date of actual payment.

21 (c) In any case of question as to the system membership status of any
22 person, the board shall have the final power to decide the question.

23 (d) Membership in the system shall be a condition of employment in
24 accordance with subsections (a)-(c) of this section and shall not be subject
25 to election by individual employees. Provided, however, individual employees
26 who accumulate less than thirty (30) days of credited service within a fiscal
27 year shall not be eligible for membership in the system."

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

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

1 the invalid provision or application, and to this end the provisions of this
2 act are declared to be severable.

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

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7 SECTION 5. EMERGENCY CLAUSE. It is hereby found and determined by the
8 Seventy-Ninth General Assembly that even part-time educational personnel are
9 made compulsory members of the Teacher Retirement System; that, in situations
10 where part-time employees work less than thirty (30) days per fiscal year, the
11 administrative cost to the System is more than can be justified, either in
12 benefits accumulated or in investments earned; and that, in such cases, it is
13 necessary to make these persons ineligible for membership in the System.
14 Therefore, in order to promote the more efficient operation of the Teacher
15 Retirement System, an emergency is hereby declared to exist, and this act
16 being necessary for the immediate preservation of the public peace, health and
17 safety shall be in full force and effect from and after its passage and
18 approval.

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