

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

A Bill

SENATE BILL

For An Act To Be Entitled

8 "AN ACT TO AUTHORIZE THE ARKANSAS TEACHERS_ RETIREMENT
9 SYSTEM TO SETUP TAX-DEFERRED SAVINGS PROGRAMS FOR THE
10 MEMBERS OF THE SYSTEM TO TAKE ADVANTAGE OF VARIOUS
11 PROVISIONS OF THE FEDERAL TAX LAWS REGARDING TAX-DEFERRED
12 SAVINGS, THE SCHOOL EMPLOYEES_ INDIVIDUAL RETIREMENT
13 ACCOUNT FUND, AND TO PROVIDE FOR THE ELIGIBILITY AND
14 MANAGEMENT OF THE FUND; AND FOR OTHER PURPOSES."

Subtitle

16
17 "AN ACT TO AUTHORIZE THE ARKANSAS TEACHERS_ RETIREMENT
18 SYSTEM TO SETUP TAX-DEFERRED SAVINGS PROGRAMS FOR THE
19 MEMBERS OF THE SYSTEM."

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

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23 SECTION 1. Legislative Intent. It is the intent of the Arkansas
24 General Assembly to make available to the members of the Arkansas Teachers_
25 Retirement System, a school employees_ individual retirement account plan and
26 any other tax deferral plan permitted by federal law, to enable the members to
27 conveniently and economically receive the fullest benefits offered by federal
28 tax law as it relates to tax deferred savings plans for school employees
29 covered by a mandatory public retirement plan.

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31 SECTION 2. (a) There is hereby created a fund or funds which shall be
32 known collectively as the School Employees_ Individual Retirement Account Fund
33 (SEIRAF). The School Employees_ Individual Retirement Account Fund shall be
34 administered by the Board of Trustees of the Arkansas Teachers_ Retirement
35 System.

1 (b) The Board of Trustees is hereby empowered and authorized to
2 promulgate all necessary rules and regulations to implement the provisions of
3 this act, and to define terms, words and phrases to be used in implementing
4 investment plans and accounts for the school employees, provided the rules and
5 regulations shall conform to the requirements of the Internal Revenue Code.
6 The Board of Trustees may in its discretion adopt one (1) or more tax deferred
7 savings plans authorized by the federal government if it finds that doing so
8 will offer substantial tax benefits to school employees covered under the
9 provisions of this act.

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11 SECTION 3. The SEIRAF program shall be available to all employees in
12 the state of Arkansas who are members of the Arkansas Teachers_ Retirement
13 System. Participation in this fund shall be on a strictly voluntary basis
14 under the rules and regulations which shall be adopted by the Board of
15 Trustees and in accordance with the provisions contained in the Internal
16 Revenue Code as it relates to individual retirement accounts for public
17 employees. Any person who shall become ineligible for participation in the
18 SEIRAF due to the termination of his employment with an eligible employer may
19 leave his contributions on account with the SEIRAF. However, no further
20 contributions may be accepted on his or her account unless the person shall
21 become reemployed by an eligible employer.

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23 SECTION 4. All investments under the SEIRAF program shall be made
24 pursuant to the same authority and same restrictions that govern the
25 investment of funds of the Arkansas Teachers_ Retirement System.

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27 SECTION 5. Contributions to the School Employees_ Individual Retirement
28 Account Fund may be deducted from each participating employees compensation
29 and transmitted to the SEIRAF in accordance with any limitations imposed by
30 federal tax law for any tax deferred savings plan offered pursuant to the
31 provisions of this act and pursuant to the rules and regulations as shall be
32 promulgated by the Board.

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34 SECTION 6. The administrative cost for the operation of the School
35 Employees_ Individual Retirement Account Fund shall be provided through

1 investment earnings on contributions to the fund. No state funds shall be
2 used to administer the provisions of this act.

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4 SECTION 7. All provisions of this act of general and permanent nature
5 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
6 Revision Commission shall incorporate the same in the Code.

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8 SECTION 8. If any provisions of this act or the application thereof to
9 any person or circumstance is held invalid, the invalidity shall not affect
10 other provisions or applications of the act which can be given effect without
11 the invalid provisions or application, and to this end the provisions of this
12 act are declared to be severable.

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14 SECTION 9. All laws and parts of laws in conflict with this act are
15 hereby repealed.

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