

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

SENATE BILL 122

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

For An Act To Be Entitled

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

Subtitle

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

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



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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.

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/s/ Faris