

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

A Bill

SENATE BILL 8

4
5 By: Senator J. Jeffress
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE TITLE 24, CHAPTER
10 7, SUBCHAPTER 6 TO ADD A SECTION TO ALLOW A
11 MEMBER OF THE ARKANSAS TEACHER RETIREMENT SYSTEM
12 TO PURCHASE SERVICE CREDIT FOR SERVICE AS A
13 TEACHER WITH THE FEDERAL GOVERNMENT; AND FOR
14 OTHER PURPOSES.

Subtitle

15
16 TO ALLOW A MEMBER OF THE ARKANSAS
17 TEACHER RETIREMENT SYSTEM TO PURCHASE
18 SERVICE CREDIT FOR SERVICE AS A TEACHER
19 WITH THE FEDERAL GOVERNMENT.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code Title 24, Chapter 7, Subchapter 6 is amended
26 to add an additional section to read as follows:

27 24-7-611. Domestic federal service.

28 (a) As used in this section, "domestic federal service" means service
29 rendered as a teacher or administrator in any school or similar institution
30 located on a military base or installation that is administered by the
31 Department of Defense.

32 (b) From and after January 1, 2003, an active member shall be
33 eligible, upon application, to purchase domestic federal service to be
34 credited as service under this section under the following conditions:

35 (1) The domestic federal service credit to be granted shall be
36 limited to service for which no benefit could be paid by a retirement system

1 similar in purpose to the Arkansas Teacher Retirement System, except social
2 security, if the member left on deposit his or her contributions to the other
3 system, and it shall be limited to ten (10) years;

4 (2)(A) For each year of domestic federal service credit granted,
5 the member shall pay to the system the employee and employer contributions
6 based on the greater of:

7 (i) The annual salary received by the member for the
8 member's first full year of credited service that precedes the fiscal year in
9 which the service is purchased; or

10 (ii) The average of the three (3) highest salaries
11 earned at the time of purchase; and

12 (iii) Interest from the end of that year of credited
13 service to the date of payment in full.

14 (B) The contribution rate is the rate in effect at the
15 time of purchase.

16 (C) If the payment for service under this section is not
17 made in a single lump-sum payment, interest shall accrue from the date of the
18 initial payment to the date of the payment in full.

19 (D) The payment is credited to the member's account in the
20 members' deposit account and is in addition to regular member contributions;

21 (3) The domestic federal service shall not become credited
22 service under this system until:

23 (A) The member payments specified in subdivision (b)(2) of
24 this section have been paid in full; and

25 (B)(i) The member has established five (5) or more years
26 of actual service exclusive of domestic federal service.

27 (ii) Should a member cease to be an active member
28 before the domestic federal service has been established as system-credited
29 service, the member payments contributed as specified in subdivision (b)(2)
30 of this section shall be refundable, together with regular interest thereon;

31 (4) The benefit program to be applied to each year of service
32 credit being granted shall be the benefit program in effect at the time of
33 retirement; and

34 (5) The other rules and regulations consistent with this section
35 as the Board of Trustees of the Arkansas Teacher Retirement System may from
36 time to time adopt.

1 (c) An active member may purchase a fraction of a year of domestic
2 federal service to be credited as service under this subchapter in the manner
3 as provided for domestic federal service under subsection (b) of this section
4 if the service meets the following requirements:

5 (1) The member has not less than thirty (30) days of domestic
6 federal service in a fiscal year; and

7 (2) The fraction of a year of domestic federal service may be
8 credited in keeping with policies as provided by § 24-7-601.

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