

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**
4 **By: Representative Miller**

A Bill

ACT 332 OF 1995
HOUSE BILL 1298

For An Act To Be Entitled

8 *"AN ACT TO AMEND ARKANSAS CODE 24-7-807 AND 24-7-907 TO*
9 *ALLOW STAFF MEMBERS OF TECHNICAL AND COMMUNITY COLLEGES,*
10 *VOCATIONAL SCHOOLS, AND THE DIVISION OF VOCATIONAL-*
11 *TECHNICAL EDUCATION TO BECOME MEMBERS OF THE TEACHER*
12 *RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."*

Subtitle

15 *"TO ALLOW STAFF OF TECHNICAL AND*
16 *COMMUNITY COLLEGES, VOCATIONAL SCHOOLS,*
17 *AND THE DIVISION OF VOCATIONAL-TECHNICAL*
18 *EDUCATION TO BECOME MEMBERS OF THE*
19 *TEACHER RETIREMENT SYSTEM."*

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

23 SECTION 1. Arkansas Code § 24-7-807 is amended to read as follows:

24 "24-7-807. Participation in plan.

25 Participation in an alternate retirement plan established pursuant to
26 this subchapter shall be as follows:

27 (1) Any staff member employed or appointed by a college or university
28 on or after the establishment of its alternate retirement plan shall
29 participate in the plan or in the teacher retirement system;

30 (2) Any staff member employed or appointed by a college or university
31 prior to July 1, 1969, who is a member of the retirement system shall continue
32 in such membership or shall participate in the alternate retirement plan, as
33 provided in this subchapter;

34 (3) (A) Any staff member employed or appointed by a college or
35 university with fewer than ten (10) years of member service in the retirement
36 system may elect to terminate his membership in the retirement system and

1 participate in the alternate retirement plan established by the employing
2 college or university.

3 (B) The election shall be in writing and filed with the
4 retirement system and the disbursing officer of the employing college or
5 university within one (1) year after he becomes eligible to participate in the
6 alternate retirement plan, except that, on or after July 1, 1993, until
7 December 31, 1993, any staff member employed or appointed by a college or
8 university who has fewer than ten (10) years of member service in the
9 retirement system and who has not already so elected, may elect to terminate
10 his membership in the retirement system and participate in the alternate
11 retirement plan established by the employing college or university. Such
12 election shall be in writing and filed with the retirement system and the
13 disbursing officer of the employing college or university.

14 (C) All accumulated contributions to the credit of the staff
15 member in the members' deposit account which is maintained pursuant to the
16 provisions of § 24-7-406 shall be returned to the staff member, and all of his
17 credited service under the retirement system shall be cancelled;

18 (4) (A) Any staff member employed or appointed by a college or
19 university with ten (10) or more years of credited service who elects to
20 participate only in the alternate retirement plan and who has left his
21 contributions in the retirement system shall be eligible to receive an annuity
22 on or after attaining sixty (60) years of age and on his retirement from
23 covered employment. The amount of the annuity shall be determined by the
24 benefit formula of the retirement system at the time of his retirement.

25 (B) The election authorized under subdivision (4) (A) of this
26 section shall be made in writing and filed with the retirement system and with
27 the disbursing officer of the employing college or university on or before
28 July 1 of the year in which the person makes the election to participate in
29 the alternate retirement plan. The person's annuity shall begin on the first
30 day of the month following the date his application for retirement is filed
31 with the board of trustees on or after his attainment of age sixty (60) years;

32 (5) (A) Any department employee who transferred from another state
33 department covered by a state-supported retirement system may elect to
34 participate in an alternate retirement plan. Such employee shall file written
35 notice of his election with the executive director of the department.

1 (B) Any department employee with ten (10) or more years of
2 credited service who elects to participate only in the alternate retirement
3 plan and who has left his contributions in the retirement system shall be
4 eligible to receive an annuity on or after attaining the normal retirement age
5 and on his retirement from covered employment. The amount of the annuity
6 shall be determined by the benefit formula of the retirement system at the
7 time of his retirement.

8 (C) The election authorized under this subsection shall be made
9 in writing and filed with the retirement system and with the Director of the
10 State Department of Higher Education on or before July 1 of the year in which
11 the person makes the election to participate in the alternate retirement plan.
12 The person's annuity shall begin on the first day of the month following the
13 date his application for retirement is filed with the board of trustees on or
14 after his attainment of normal retirement age and on his retirement from
15 covered employment.

16 (D) Effective July 1, 1995, staff members who elect to
17 participate in an alternate retirement plan may elect to become members of the
18 retirement system. Service credit forfeited while a member of an alternate
19 retirement plan cannot be established in the retirement system. The election
20 to withdraw from the alternate retirement plan and become a member of the
21 retirement system shall be made by December 31, 1995, and notice of the
22 election shall be made in writing and filed with the retirement system and the
23 disbursing officer of the employing college or university by December 31,
24 1995."

25 SECTION 2. Arkansas Code § 24-7-907 is amended to read as follows:

26 "24-7-907. Participation in plan.

27 Participation in an alternate retirement plan established pursuant to
28 this subchapter shall be as follows:

29 (1) All staff members shall participate in either the retirement system
30 or an alternate retirement plan, or may participate in both, but participation
31 in both shall be limited to the circumstances described in subdivision (2) of
32 this section;

33 (2) Any staff member who has become fully vested in the retirement
34 system may:

35 (A) Continue as an active member of the retirement system;

1 (B) Discontinue contributing to the retirement system, thus
2 becoming an inactive member of the retirement system, and participate instead
3 in an alternate retirement plan. Under those circumstances, the staff member
4 would be both an inactive member of the retirement system and an active member
5 of the alternate retirement plan; or

6 (C) Participate in an alternate retirement plan and receive all
7 accumulated contributions to the credit of the staff member in the members'
8 deposit account which is maintained pursuant to the provisions of § 24-7-406
9 and have the member's credited service under the retirement system cancelled.

10 (3) Any staff member who has participated in the retirement system for
11 a period which is insufficient to allow for full vesting of that staff
12 member's retirement system benefits may:

13 (A) Continue as an active member of the retirement system;

14 (B) Discontinue membership in the retirement system and transfer
15 from the retirement system into his account with the alternate retirement
16 plan, i.e., roll over all contributions which the staff member has previously
17 made to the retirement system; or

18 (C) Participate in the alternate retirement plan and receive all
19 accumulated contributions to the credit of the staff member in the members'
20 deposit account which is maintained pursuant to the provisions of § 24-7-406
21 and have the member's credited service under the retirement system cancelled.

22 (4) No staff member may participate in an alternate retirement plan
23 without giving prior written notice of his election to participate in the
24 alternate retirement plan. The notice of election shall be in writing on a
25 form established by the division and filed with both the director and the
26 retirement system. New staff members shall make the election within ninety
27 (90) days after the date of their employment.

28 (5) (A) Effective July 1, 1995, staff members who elect to participate
29 in an alternate retirement plan may elect to become members of the retirement
30 system.

31 (B) Service credit forfeited while a member of an alternate
32 retirement plan cannot be established in the retirement system.

33 (C) The election to withdraw from the alternate retirement plan
34 and become a member of the retirement system shall be made by December 31,
35 1995, and notice of the election shall be made in writing to the director and

1 the retirement system by December 31, 1995."

2 SECTION 3. All provisions of this act of general and permanent nature
3 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
4 Revision Commission shall incorporate the same in the Code.

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6 SECTION 4. If any provisions of this act or the application thereof to
7 any person or circumstance is held invalid, the invalidity shall not affect
8 other provisions or applications of the act which can be given effect without
9 the invalid provisions or application, and to this end the provisions of this
10 act are declared to be severable.

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12 SECTION 5. (a) Arkansas Code § 24-7-802 is hereby repealed.

13 (b) All laws and parts of laws in conflict with this act are hereby
14 repealed.

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16 SECTION 6. Emergency. It is hereby found and determined by the
17 Eightieth General Assembly of the State of Arkansas that certain staff members
18 of the Arkansas Technical and Community College system are unable to achieve
19 an equitable retirement under the current provisions of Arkansas law; that the
20 retirement laws regarding alternate retirement plans in Arkansas need to be
21 changed to solve this inequitable situation; and that those laws need to be
22 amended and this act needs to be effective at the beginning of the state
23 fiscal biennium to continue the effective and efficient operation of the
24 Arkansas Technical and Community College system in Arkansas. Therefore, in
25 order to promote effectiveness in state government, an emergency is hereby
26 declared to exist, and this act being necessary for the immediate preservation
27 of the public peace, health, and safety, shall be in full force and effect
28 from and after July 1, 1995.

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/s/Miller

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APPROVED: 2-14-95

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