

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

# A Bill

Act 908 of 1999  
HOUSE BILL 1497

5 By: Representative R. Smith  
6 By: Senator Canada  
7

## For An Act To Be Entitled

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10 "AN ACT TO AMEND ARKANSAS CODE 24-7-807 AND 24-7-907  
11 TO EXTEND THE TIME PERIOD FOR STAFF MEMBERS OF  
12 TECHNICAL AND COMMUNITY COLLEGES, VOCATIONAL SCHOOLS,  
13 AND THE DEPARTMENT OF WORKFORCE EDUCATION TO BECOME  
14 MEMBERS OF THE TEACHER RETIREMENT SYSTEM (TRS); TO  
15 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

## Subtitle

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18 "TO EXTEND THE TIME FOR STAFF MEMBERS OF  
19 TECHNICAL COLLEGES, VO-TECH SCHOOLS AND  
20 DEPARTMENT OF WORKFORCE EDUCATION TO  
21 ENTER THE TEACHER RETIREMENT SYSTEM."  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code 24-7-807(5), regarding the participation in an  
27 alternate retirement plan by Teacher Retirement System members at technical  
28 and community colleges, is amended to read as follows:

29 "(5)(A)(i) Any Department of Higher Education employee who transferred  
30 from another state department covered by a state-supported retirement system  
31 may elect to participate in an alternate retirement plan.

32 (ii) Such employee shall file written notice of his  
33 election with the Director of the Department of Higher Education.

34 (B)(i) Any department employee with five (5) or more years of  
35 actual service who elects to participate only in the alternate retirement plan  
36 and who has left his contributions in the retirement system shall be eligible

1 to receive an annuity on or after attaining the normal retirement age and on  
 2 his retirement from covered employment.

3 (ii) The amount of the annuity shall be determined by the  
 4 benefit formula of the retirement system at the time of his retirement.

5 (C)(i) The election authorized under this subdivision (5) shall  
 6 be made in writing and filed with the retirement system and with the director  
 7 on or before July 1 of the year in which the person makes the election to  
 8 participate in the alternate retirement plan.

9 (ii) The person's annuity shall begin on the first day of  
 10 the month following the date his application for retirement is filed with the  
 11 board of trustees on or after his attainment of normal retirement age and on  
 12 his retirement from covered employment.

13 (D)(i) Effective July 1, ~~1997~~ 1999, staff members who elect to  
 14 participate in an alternate retirement plan may elect to become members of the  
 15 retirement system.

16 (ii) Service credit forfeited while a member of an  
 17 alternate retirement plan cannot be established in the retirement system.

18 (iii) The election to withdraw from the alternate  
 19 retirement plan and become a member of the retirement system shall be made by  
 20 December 31, ~~1997~~ 1999, and notice of the election shall be made in writing  
 21 and filed with the retirement system and the disbursing officer of the  
 22 employing college or university by December 31, ~~1997~~ 1999."

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

25 "24-7-907. Participation in plan.

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

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

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

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

35 (B) Discontinue contributing to the retirement system, thus  
 36 becoming an inactive member of the retirement system, and participate instead

1 in an alternate retirement plan. Under those circumstances, the staff member  
2 would be both an inactive member of the retirement system and an active member  
3 of the alternate retirement plan; or

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

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

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

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

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

20 (4)(A) No staff member may participate in an alternate retirement plan  
21 without giving prior written notice of his election to participate in the  
22 alternate retirement plan.

23 (B) The notice of election shall be in writing on a form  
24 established by the division and filed with both the director and the  
25 retirement system.

26 (C) New staff members shall make the election within ninety (90)  
27 days after the date of their employment;

28 (5)(A) Effective July 1, ~~1997~~ 1999, staff members who elect to  
29 participate in an alternate retirement plan may elect to become members of the  
30 retirement 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 ~~1997~~ 1999, and notice of the election shall be made in writing to the director  
36 and the retirement system by December 31, ~~1997~~ 1999."

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

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

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

SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the Eighty-second General Assembly that certain staff members of the technical colleges, post-secondary vocational-technical schools and the Department of Workforce Education are unable to achieve an equitable retirement under the current provisions of Arkansas law for an alternate retirement plan; that the retirement laws regarding alternate retirement plans in Arkansas need to be changed to solve this inequitable situation; and that those laws need to be amended and this act needs to become effective at the beginning of the state's fiscal year to promote the proper operation of the vocational-technical colleges and schools in Arkansas. Therefore, in order to promote the effective financial administration of state government, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1999.

APPROVED: 3/29/1999