

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: S4/8/03*  
**A Bill**

**Act 1479 of 2003**  
SENATE BILL 8

5 By: Senator J. Jeffress  
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8 **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.

15  
16 **Subtitle**

17 TO ALLOW A MEMBER OF THE ARKANSAS  
18 TEACHER RETIREMENT SYSTEM TO PURCHASE  
19 SERVICE CREDIT FOR SERVICE AS A TEACHER  
20 WITH THE FEDERAL GOVERNMENT.  
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22

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.

