

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 *As Engrossed: S2/18/03 S3/3/03 S3/11/03 S3/18/03*

2 84th General Assembly

A Bill

Act 992 of 2003

3 Regular Session, 2003

SENATE BILL 123

4

5 By: Senators Faris, J. Bookout

6 By: Representatives Mahony, R. Smith

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For An Act To Be Entitled

10 AN ACT TO CHANGE THE TEACHER DEFERRED RETIREMENT
11 OPTION PLAN TO REQUIRE EMPLOYER CONTRIBUTIONS TO
12 THE TEACHER RETIREMENT SYSTEM TO CONTINUE IF A
13 MEMBER PARTICIPATES IN THE *PLAN*; AND FOR OTHER
14 PURPOSES.

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Subtitle

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TO CHANGE THE TEACHER DEFERRED

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RETIREMENT OPTION PLAN TO REQUIRE

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EMPLOYER CONTRIBUTIONS TO THE RETIRMENT

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SYSTEM TO CONTINUE.

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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 § 24-7-1303 is amended to read as follows:

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24-7-1303. Contributions to Arkansas Teacher Retirement System.

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(a)(1) When a member begins participation in the Teacher Deferred

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*Retirement Option Plan both member and employer contributions to the Arkansas
Teacher Retirement System on behalf of the member shall cease.*

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(2) Until and on August 31, 2003, employer contributions on

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behalf of the members participating in the Teacher Deferred Retirement Option

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Plan that are due the Arkansas Teacher Retirement System may be retained by

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the school districts for the purposes under subdivision (b)(1) of this

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section.

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(3)(A) Beginning September 1, 2003, for members whose effective

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date in the Teacher Deferred Retirement Option Plan is before September 1,



1 2003, the employer contribution rate to the Arkansas Teacher Retirement
2 System on behalf of all members in the Teacher Deferred Retirement Option
3 Plan shall recommence at the rate of:

4 (i) One percent (1%) for the period from July 1,
5 2003 through June 30, 2005;

6 (ii) Three percent (3%) for the period from July 1,
7 2005 through June 30, 2007;

8 (iii) Six percent (6%) for the period from July 1,
9 2007 through June 30, 2009;

10 (iv) Nine percent (9%) for the period from July 1,
11 2009 through June 30, 2011; and

12 (v) Twelve percent (12%) after July 1, 2011.

13 (B) The portion of the employer contribution not required
14 to be paid to the Arkansas Teacher Retirement System for members in the
15 Teacher Deferred Retirement Option Plan under subdivision (a)(3) of this
16 section may be retained by the school districts for the purposes under
17 subdivision (b)(1) of this section.

18 (4) Beginning September 1, 2003, for members whose effective
19 date in the Teacher Deferred Retirement Option Plan is on or after September
20 1, 2003, the employer contribution rate on behalf of members in the Teacher
21 Deferred Retirement Option Plan shall continue at the rate established by the
22 entity having the authority to set the employer contribution rates for the
23 system.

24 (b)(1) It is the intent of the General Assembly that the employer
25 contribution to the system that has ceased for a participant in the Teacher
26 Deferred Retirement Option Plan will become a part of the general operating
27 fund of the school district to be used for any purpose including employee
28 salaries.

29 (2) ~~The~~ Except for employer contributions to the Arkansas
30 Teacher Retirement System, the school district shall not make contributions
31 to any tax-qualified retirement plan on behalf of any employee participating
32 in the Teacher Deferred Retirement Option Plan. However, this prohibition
33 shall not be applicable to the extent necessary to comply with contractual
34 obligations incurred by a school district prior to February 1, 1999.

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36 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the

1 General Assembly of the State of Arkansas that the Teacher Deferred
2 Retirement Option Plan is not presently cost neutral; that certain changes in
3 the law governing employer contributions are necessary to make it cost
4 neutral; and that the most effective time to make changes to the retirement
5 system is at the beginning of the state's fiscal year. Therefore, an
6 emergency is declared to exist and this act being necessary for the
7 preservation of the public peace, health, and safety shall become effective
8 on July 1, 2003.

9 /s/ Faris

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12 APPROVED: 4/1/2003
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