

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.
Act 831 of the Regular Session

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

A Bill

HOUSE BILL 2555

5 By: Representative D. Johnson
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For An Act To Be Entitled

9 AN ACT REQUIRING INSTITUTIONS OF HIGHER EDUCATION
10 TO NOTIFY NEW EMPLOYEES CONCERNING THEIR
11 RETIREMENT PLAN OPTIONS; AND FOR OTHER PURPOSES.
12

Subtitle

13 AN ACT REQUIRING INSTITUTIONS OF HIGHER
14 EDUCATION TO NOTIFY NEW EMPLOYEES
15 CONCERNING THEIR RETIREMENT PLAN
16 OPTIONS.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 24-7-807 is amended to read as follows:
23 24-7-807. Participation in plan.

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

26 (1) Any staff member employed or appointed by a college or
27 university on or after the establishment of its alternate retirement plan
28 shall participate in the plan or in the Arkansas Teacher Retirement System;

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

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



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

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

19 (4)(A)(i) Any staff member employed or appointed by a college or
 20 university with five (5) or more years of actual service who elects to
 21 participate only in the alternate retirement plan and who has left his or her
 22 contributions in the retirement system shall be eligible to receive an
 23 annuity on or after attaining sixty (60) years of age and on his or her
 24 retirement from covered employment.

25 (ii) The amount of the annuity shall be determined
 26 by the benefit formula of the retirement system at the time of his or her
 27 retirement.

28 (B) The election authorized under subdivision (4)(A) of
 29 this section shall be made in writing and filed with the retirement system
 30 and with the disbursing officer of the employing college or university on or
 31 before July 1 of the year in which the person makes the election to
 32 participate in the alternate retirement plan.

33 (C) The person's annuity shall begin on the first day of
 34 the month following the date his or her application for retirement is filed
 35 with the board of trustees on or after his or her attainment of age sixty
 36 (60);

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

4 (ii) The employee shall file written notice of his
 5 or her election with the Director of the Department of Higher Education.

6 (B)(i) Any department employee with five (5) or more years
 7 of actual service who elects to participate only in the alternate retirement
 8 plan and who has left his or her contributions in the retirement system shall
 9 be eligible to receive an annuity on or after attaining the normal retirement
 10 age and on his or her retirement from covered employment.

11 (ii) The amount of the annuity shall be determined
 12 by the benefit formula of the retirement system at the time of his or her
 13 retirement.

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

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

22 (D)(i) Effective July 1, 2001, staff members who elect to
 23 participate in an alternate retirement plan may elect to become members of
 24 the retirement system.

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

27 (iii) The election to withdraw from the alternate
 28 retirement plan and become a member of the retirement system shall be made by
 29 December 31, 2001, and notice of the election shall be made in writing and
 30 filed with the retirement system and the disbursing officer of the employing
 31 college or university by December 31, 2001.

32 (6)(A) Each college or university shall provide to each new
 33 employee of the college or university a written document explaining to the
 34 employee each of his or her retirement plan options.

35 (B) The written document shall contain a line for the
 36 employee's signature verifying that he or she understands his or her

1 retirement plan options.

2 (C) The signed document shall be added to the employee's
3 personnel file.

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