

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 1202 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: S2/9/09

A Bill

SENATE BILL 209

5 By: Senator Faris
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8 **For An Act To Be Entitled**

9 AN ACT TO AMEND ARKANSAS CODE § 24-7-733 TO
10 COMPLY WITH SECTION 415 OF THE INTERNAL REVENUE
11 CODE CONCERNING BENEFITS PAID TO A MEMBER OF THE
12 ARKANSAS TEACHER RETIREMENT SYSTEM UNDER A LIFE
13 ANNUITY; AND FOR OTHER PURPOSES.
14

15 **Subtitle**

16 TO AMEND ARKANSAS CODE § 24-7-733 TO
17 COMPLY WITH SECTION 415 OF THE INTERNAL
18 REVENUE CODE.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 24-7-733 is amended to read as follows:
24 24-7-733. Limitation on benefits.

25 (a) (1) Notwithstanding the provisions of this subchapter, benefits
26 paid under the Arkansas Teacher Retirement System shall not exceed the
27 limitations of section 415 of the Internal Revenue Code that are applicable
28 to governmental retirement plans, including, ~~but not limited to,~~ without
29 limitation the dollar limitations in section 415(b)(1)(A) of the Internal
30 *Revenue Code.*

31 (2) The annual benefits, as may be increased in subsequent
32 years, that are paid to retirants by the system shall not exceed the
33 limitations under section 415(b) of the Internal Revenue Code applicable to
34 the annuity effective date under section 415(d) of the Internal Revenue Code.

35 (b) *For purposes of determining compliance with section 415 of the*



1 Internal Revenue Code, "compensation" ~~shall be~~ is defined as set forth in
 2 United States Treasury Regulation § 1.415-2(d)(2) as it existed on January 1,
 3 ~~2001~~2009, and ~~shall include any elective deferrals as defined in section~~
 4 ~~402(g)(3) of the Internal Revenue Code and any amount which is contributed or~~
 5 ~~deferred by a member's employer at the election of the member and which is~~
 6 ~~not includable in the gross income of the member by reasons of section 125 or~~
 7 ~~section 457 of the Internal Revenue Code.~~

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 9 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 10 General Assembly of the State of Arkansas that certain provisions of the
 11 Arkansas Teacher Retirement System Act are badly in need of revision and
 12 updating to bring them into conformance with sound public pension policy;
 13 that such revision and updating is of great importance to members of the
 14 Arkansas Teacher Retirement System and to other citizens of the State of
 15 Arkansas; and that this act is immediately necessary in order to maintain an
 16 orderly system of benefits for the members of the Arkansas Teacher Retirement
 17 System. Therefore, an emergency is declared to exist and this act being
 18 necessary for the preservation of the public peace, health, and safety shall
 19 become effective on July 1, 2009.

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 21 /s/ Faris

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 23 **APPROVED: 4/7/2009**