

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

HOUSE BILL 1137

5 By: Representative Lenderman
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For An Act To Be Entitled

8 AN ACT TO ALLOW ARKANSAS TEACHER RETIREMENT SERVICE
9 CREDIT AND CURRENT SALARY TO BE USED IN THE
10 CALCULATION OF FINAL AVERAGE SALARY FOR MEMBERS
11 RETIRING OTHER THAN THE FIRST DAY OF A CALENDAR
12 QUARTER WITHIN A FISCAL YEAR; TO DECLARE AN
13 EMERGENCY; AND FOR OTHER PURPOSES.
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Subtitle

16 TO ALLOW SERVICE CREDIT AND CURRENT
17 SALARY TO BE USED IN THE CALCULATION OF
18 FINAL AVERAGE SALARY FOR MEMBERS RETIRING
19 OTHER THAN THE FIRST DAY OF A CALENDAR
20 QUARTER WITHIN A FISCAL YEAR AND TO
21 DECLARE AN EMERGENCY.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code § 24-7-701(d), concerning voluntary
28 retirement, is amended to read as follows:

29 (d) ~~If a~~ A member ~~is~~ retiring with an effective date other than July 1
30 or the first day of a calendar quarter within the fiscal year, ~~the following~~
31 ~~limitations shall apply~~ may receive service credit for the current year and
32 use the salary for the current year in the calculation of the member's final
33 average salary with the following restrictions:

34 (1) ~~No salary for service within the fiscal year shall be~~
35 ~~considered in determining final average salary;~~

36 ~~(2)~~ Credited service for service within the fiscal year shall



1 not exceed one-quarter ($\frac{1}{4}$) year for each full calendar quarter elapsed since
 2 the beginning of the fiscal year; and

3 ~~(3)~~(2) Service credit to be used in the computation of benefits
 4 shall be computed only on the full calendar quarter completed and shall not
 5 include service credit for a partial calendar quarter worked.

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 7 SECTION 2. Arkansas Code § 24-7-702(e), concerning the calculation of
 8 life annuity for early voluntary retirement, is amended to read as follows:

9 (e) ~~If a~~ A member ~~is~~ retiring with an effective date other than July 1
 10 or the first day of a calendar quarter within the fiscal year, ~~the following~~
 11 limitations shall apply may receive service credit for the current year and
 12 use the salary for the current year in the calculation of the member's final
 13 average salary with the following restrictions:

14 (1) ~~No salary for service within the fiscal year shall be~~
 15 ~~considered in determining final average salary;~~

16 ~~(2)~~ Credited service for service within the fiscal year shall
 17 not exceed one-quarter ($\frac{1}{4}$) year for each full calendar quarter elapsed since
 18 the beginning of the fiscal year; and

19 ~~(3)~~(2) Service credit to be used in the computation of benefits
 20 shall be computed only on the full calendar quarter completed and shall not
 21 include service credit for a partial calendar quarter worked.

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 23 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
 24 General Assembly of the State of Arkansas that provisions of the Arkansas
 25 Teacher Retirement System Act are in need of revision and updating to
 26 maintain the teacher retirement laws in conformance with sound public pension
 27 policy; that the Arkansas Teacher Retirement System operates on a July 1 to
 28 June 30 fiscal year; that having a July 1, 2013, effective date is necessary
 29 to allow the provisions of this act to being on the first day of the fiscal
 30 year and provide proper administration of the system; and that this act is
 31 necessary to maintain an orderly system of benefits for the members of the
 32 Arkansas Teacher Retirement System. Therefore, an emergency is declared to
 33 exist, and this act being necessary for the preservation of the public peace,
 34 health, and safety shall become effective on July 1, 2013.

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 36 APPROVED: 04/04/2013