

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1319

5 By: Representative Maddox
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE FINAL AVERAGE
9 SALARY AND CREDITED SERVICE UNDER THE ARKANSAS
10 TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY;
11 AND FOR OTHER PURPOSES.
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Subtitle

14 TO AMEND THE LAW CONCERNING THE FINAL
15 AVERAGE SALARY AND CREDITED SERVICE UNDER
16 THE ARKANSAS TEACHER RETIREMENT SYSTEM;
17 AND TO DECLARE AN EMERGENCY.
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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 § 24-7-601(e)(4)-(6), concerning credited
24 service and the calculation of the final average salary under the Arkansas
25 Teacher Retirement System, are amended to read as follows:

26 (4) The final average salary used shall be that of the Arkansas
27 Teacher Retirement System or any reciprocal system that in which the member
28 has at least two (2) years of service credit, whichever furnishes the highest
29 final average salary at the time of retirement.

30 ~~(5) Beginning July 1, 2014, if the reciprocal system in which a~~
31 ~~member has service credit has fewer than the number of years of service~~
32 ~~credit required in the Arkansas Teacher Retirement System's formula for the~~
33 ~~calculation of final average salary for a member, then the Arkansas Teacher~~
34 ~~Retirement System shall obtain the salary and service credit information from~~
35 ~~the reciprocal system and use the combined salary and service credit~~
36 ~~information to calculate the member's final average salary as if the salary~~



1 ~~and service credit have all been earned in the Arkansas Teacher Retirement~~
 2 ~~System.~~

3 ~~(6)(5)~~ When the Arkansas Teacher Retirement System provides a
 4 benefit amount that is not dependent on length of credited service, the
 5 benefit amount shall be reduced to the proportion that actual system service
 6 bears to total reciprocal system-credited service.

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 8 SECTION 2. Arkansas Code § 24-7-601(g)(3), concerning credited service
 9 generally and concurrent credit service under the Arkansas Teacher Retirement
 10 System, is amended to read as follows:

11 (3)(A) A member may elect to waive all or part of the concurrent
 12 service credited to the member in the system and retire under a reciprocal
 13 system if+

14 ~~(A) The~~ the member acknowledges that the waiver is a
 15 voluntary surrender of the member's concurrent service credit in the system
 16 and cancels the member's concurrent service credit in the system; ~~and.~~

17 (B) ~~The member's employer-accrued contributions and~~
 18 ~~employee-accrued contributions in the system remain with the system~~ The
 19 employer-and-employee accrued contributions attributable to the concurrent
 20 service may be refunded to the employer and member.

21
 22 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
 23 General Assembly of the State of Arkansas that the operations of a state
 24 public retirement system are complex; that the Arkansas Teacher Retirement
 25 System must be able to meet the needs of its members as anticipated by the
 26 General Assembly; that certain provisions of the Arkansas Teacher Retirement
 27 System Act, § 24-7-201 et seq., are in need of immediate revision and
 28 updating to conform with sound public pension policy and actuarial
 29 requirements; that there are conflicts in the law applicable to the various
 30 retirement systems concerning concurrent service; that member benefits will
 31 be at risk if the conflicts in the law concerning concurrent service remain
 32 unresolved; that this act resolves the conflicts in the law concerning
 33 concurrent service; that such revision and updating is of great importance to
 34 members of the Arkansas Teacher Retirement System and to other citizens of
 35 the State of Arkansas; and that this act is necessary in order to maintain an
 36 orderly system of benefits for the members of the Arkansas Teacher Retirement

1 System and reciprocal systems. Therefore, an emergency is declared to exist,
2 and this act being immediately necessary for the preservation of the public
3 peace, health, and safety shall become effective on:

4 (1) The date of its approval by the Governor;

5 (2) If the bill is neither approved nor vetoed by the Governor,
6 the expiration of the period of time during which the Governor may veto the
7 bill; or

8 (3) If the bill is vetoed by the Governor and the veto is
9 overridden, the date the last house overrides the veto.

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12 **APPROVED: 3/2/21**
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