

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**

# **A Bill**

**ACT 979 OF 1993**  
**HOUSE BILL 1643**

4 **By: Representatives B. Wood and McGinnis**

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## **For An Act To Be Entitled**

8 "AN ACT TO AMEND ARKANSAS CODE § 24-7-907 TO ALLOW STAFF  
9 MEMBERS OF THE POST-SECONDARY VOCATIONAL-TECHNICAL SCHOOLS  
10 AND THE DIVISION OF VOCATIONAL-TECHNICAL EDUCATION TO  
11 BECOME MEMBERS OF THE TEACHER RETIREMENT SYSTEM AND  
12 PURCHASE SERVICE IN THE SYSTEM AFTER BEING IN AN ALTERNATE  
13 RETIREMENT PLAN; TO REPEAL ARKANSAS CODE § 24-70-902  
14 REGARDING THE CONSTRUCTION OF THE ALTERNATE RETIREMENT  
15 PLAN SUBCHAPTER; TO DECLARE AN EMERGENCY; AND FOR OTHER  
16 PURPOSES."

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## **Subtitle**

19 "AN ACT TO ALLOW EMPLOYEES OF THE VOCATIONAL-TECHNICAL  
20 SCHOOLS AND THE DIVISION TO BECOME MEMBERS OF TEACHER  
21 RETIREMENT AFTER BEING IN AN ALTERNATE PLAN."

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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 § 24-7-907 is hereby amended to read as  
26 follows:

27 "24-7-907. Participation in plan. Participation in an alternate  
28 retirement plan established pursuant to this subchapter shall be as follows:

29 (1) All staff members shall participate in either the retirement system  
30 or an alternate retirement plan, or may participate in both, but participation  
31 in both shall be limited to the circumstances described in subdivision (2) of  
32 this section;

33 (2) Any staff member who has become fully vested in the retirement  
34 system may:

35 (A) Continue as an active member of the retirement system;

36 (B) Discontinue contributing to the retirement system, thus

1 becoming an inactive member of the retirement system, and participate instead  
2 in an alternate retirement plan. Under those circumstances, the staff member  
3 would be both an inactive member of the retirement system and an active member  
4 of the alternate retirement plan; or

5           (C) Participate in an alternate retirement plan and receive all  
6 accumulated contributions to the credit of the staff member in the members'  
7 deposit account which is maintained pursuant to the provisions of § 24-7-406  
8 and have the member's credited service under the retirement system cancelled.

9           (3) Any staff member who has participated in the retirement system for  
10 a period which is insufficient to allow for full vesting of that staff  
11 member's retirement system benefits may:

12           (A) Continue as an active member of the retirement system;

13           (B) Discontinue membership in the retirement system and transfer  
14 from the retirement system into his account with the alternate retirement  
15 plan, i.e., roll over all contributions which the staff member has previously  
16 made to the retirement system; or

17           (C) Participate in the alternate retirement plan and receive all  
18 accumulated contributions to the credit of the staff member in the members'  
19 deposit account which is maintained pursuant to the provisions of § 24-7-406  
20 and have the member's credited service under the retirement system cancelled.

21           (4) No staff member may participate in an alternate retirement plan  
22 without giving prior written notice of his election to participate in the  
23 alternate retirement plan. The notice of election shall be in writing on a  
24 form established by the division and filed with both the director and the  
25 retirement system. New staff members shall make the election within ninety  
26 (90) days after the date of their employment.

27           (5) *Effective July 1, 1993, staff members who elect to participate in*  
28 *an alternate retirement plan may elect to become members of the retirement*  
29 *system. Service credit forfeited while a member of an alternate retirement*  
30 *plan cannot be established in the retirement system. The election to withdraw*  
31 *from the alternate retirement plan and become a member of the retirement*  
32 *system shall be made by December 31, 1993, and notice of the election shall be*  
33 *made in writing to the Director and the retirement system by December 31,*  
34 *1993."*

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1 SECTION 2. All provisions of this act of general and permanent nature  
2 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
3 Revision Commission shall incorporate the same in the Code.

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5 SECTION 3. If any provisions of this act or the application thereof to  
6 any person or circumstance is held invalid, the invalidity shall not affect  
7 other provisions or applications of the act which can be given effect without  
8 the invalid provisions or application, and to this end the provisions of this  
9 act are declared to be severable.

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11 SECTION 4. (a) Arkansas Code § 24-7-902 is hereby repealed.

12 (b) All laws and parts of laws in conflict with this act are hereby  
13 repealed.

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15 SECTION 5. Emergency. It is hereby found and determined by the  
16 Seventy-Ninth General Assembly of the State of Arkansas that certain staff  
17 members of the post-secondary vocational-technical schools and the Division of  
18 Vocational-Technical Education are unable to achieve an equitable retirement  
19 under the current provisions of law, that the retirement laws regarding  
20 alternate retirement plans in Arkansas need to be changed to solve this  
21 inequitable situation, and that those laws need to be amended and this act  
22 needs to be effective at the beginning of the state fiscal biennium to  
23 continue the effective and efficient operation of the vocational-technical  
24 schools in Arkansas. Therefore, in order to promote effectiveness in state  
25 government, an emergency is hereby declared to exist, and this act being  
26 necessary for the immediate preservation of the public peace, health, and  
27 safety, shall be in full force and effect from and after July 1, 1993.

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*/s/B. Wood, et al*

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APPROVED: 4/9/93

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