

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 188 of the Regular Session

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H2/10/05

A Bill

HOUSE BILL 1207

5 By: Representative Mahony
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8 **For An Act To Be Entitled**

9 AN ACT CONCERNING THE TEACHER DEFERRED RETIREMENT
10 OPTION PLAN; AND FOR OTHER PURPOSES.
11

12 **Subtitle**

13 AN ACT CONCERNING THE TEACHER DEFERRED
14 RETIREMENT OPTION PLAN.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 *SECTION 1. Arkansas Code § 24-7-1306 is amended to read as follows:*
20 *24-7-1306. Amount of ~~contributions~~ deposits.*

21 *(a)(1) Teacher Deferred Retirement Option Plan ~~contributions~~ deposits*
22 *shall be a percentage of the plan benefit.*

23 *(2)(A) The percentage is one hundred percent (100%) reduced by*
24 *the product of one percent (1%) multiplied by the number of years of*
25 *contributory service credit and fractions thereof, and further reduced by the*
26 *product of six-tenths percent (0.6%) multiplied by the number of years of*
27 *noncontributory service credit and fractions thereof.*

28 *(B)(i) When a participant whose effective date in the plan*
29 *is before September 1, 2003, reaches normal retirement age, the plan*
30 *contributions shall be one hundred percent (100%) with no reduction.*

31 *(ii) For any member whose effective date in the plan*
32 *is September 1, 2003, or after, the plan contributions for a participant who*
33 *reaches normal retirement age shall continue as reduced under subdivision*
34 *(a)(2)(A) of this section.*

35 *(3)(A) In the event a member whose effective date in the plan is*



1 before September 1, 2003, has more than thirty (30) years of service, the
2 years of service above thirty (30) years shall be reduced by one-half percent
3 (0.5%) for contributory years and three-tenths percent (0.3%) for
4 noncontributory years.

5 (B) For any member whose effective date in the plan is
6 September 1, 2003, or after and who has more than thirty (30) years of
7 service, the plan contributions for the years of service above thirty (30)
8 years shall be reduced under subdivision (a)(2)(A) of this section.

9 (4) Furthermore, the Board of Trustees of the Arkansas Teacher
10 Retirement System is authorized to make further adjustments on the plan to
11 make it cost-neutral to the Arkansas Teacher Retirement System.

12 (5) As used in this section, "effective date" means the date
13 determined to be the member's plan date under the policies, rules, and
14 regulations of the board.

15 (b) For the purpose of § 24-7-709 related to disposition of residue,
16 ~~plan contributions shall be considered to be annuity payments~~ any amounts
17 received from the Teacher Deferred Retirement Option Plan account either in
18 the form of a lump sum or annuity payments shall be considered to be annuity
19 payments received by the member or his or her designated beneficiary and
20 shall act to reduce or eliminate the disposition of residue that, except for
21 the provisions of this subsection, would have been paid under § 24-7-709.

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23 SECTION 2. Arkansas Code § 24-7-1307 is amended to read as follows:

24 (a) The member's Teacher Deferred Retirement Option Plan account shall
25 be the account in which shall be accumulated ~~at plan interest~~ ~~the member's~~
26 ~~plan contributions~~ Teacher Deferred Retirement Option Plan deposits made on
27 behalf of the member and plan interest.

28 (b) At the end of each fiscal year, the Board of Trustees of the
29 Arkansas Teacher Retirement System shall credit each plan participant's plan
30 account with plan interest on the mean balance in the account for the fiscal
31 year.

32 (c) For the purposes of this section, "plan interest" shall be at the
33 rate determined by the Board from time to time.

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35 SECTION 3. Arkansas Code § 24-7-1310 is amended to read as follows:
36 24-7-1310. Death of participant.

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