	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 As Engrossed: H2/10/05
2	85th General Assembly A Bill
3	Regular Session, 2005HOUSE BILL 1207
4	
5	By: Representative Mahony
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7	
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.
15	
16 17	DE TU ENAQUED DU UTIE CENEDAL ACCEMPLU OF UTIE CUAUE OF ADVANCAC.
17 18	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
10 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 <del>contributions</del> 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



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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 (0.5%) for contributory years and three-tenths percent (0.3%) for 3 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. (5) As used in this section, "effective date" means the date 12 determined to be the member's plan date under the policies, rules, and 13 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 the form of a lump sum or annuity payments shall be considered to be annuity 18 payments received by the member or his or her designated beneficiary and 19 20 shall act to reduce or eliminate the disposition of residue that, except for the provisions of this subsection, would have been paid under § 24-7-709. 21 22 SECTION 2. Arkansas Code § 24-7-1307 is amended to read as follows: 23 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 Arkansas Teacher Retirement System shall credit each plan participant's plan 29 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. 34 SECTION 3. Arkansas Code § 24-7-1310 is amended to read as follows: 35 36 24-7-1310. Death of participant.

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1 In the event that a Teacher Deferred Retirement Option Plan participant 2 dies, the benefits payable from the plan shall be determined according to § 24-7-710(b)(1)(A) and (B), provided, however, the plan participant's 3 4 surviving spouse may choose to receive the plan benefit in a lump sum without 5 affecting options on the monthly retirement benefit payable from the Arkansas 6 Teacher Retirement System. 7 8 SECTION 4. Arkansas Code § 24-7-1314(b), concerning early 9 participation in the Teacher Deferred Retirement Option Plan, is amended to read as follows: 10 11 (b) If the board authorizes early participation, the plan contribution deposit under § 24-7-1306 shall be based upon the contribution deposit 12 percent payable for a participant with thirty (30) years of service, reduced 13 by at least an additional one-half of one percent (0.5%) of the plan benefit 14 15 for each month the member begins participating in the plan prior to having 16 thirty (30) years of credited service. The board may increase the percentage 17 required as an early participation reduction in order to provide a fair and just and reasonable benefit for all members of the Arkansas Teacher 18 19 Retirement System and to provide for appropriate actuary considerations. 20 21 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the 22 General Assembly of the State of Arkansas that current Arkansas laws 23 concerning the Teacher Retirement Deferred Option plan require clarity; that 24 the nature of existing laws concerning the Teacher Retirement Deferred Option 25 Plan complicates the operation of the Arkansas Teacher Retirement System and 26 hinders the system in its efforts to serve its members; and that the most effective time to make change to the system is at the beginning of the 27 state's fiscal year. Therefore, an emergency is declared to exist and this 28 29 act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2005. 30 31 32 /s/ Mahony 33 34 35 APPROVED: 2/17/2005 36

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