

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 1322 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: S2/5/09

A Bill

SENATE BILL 210

5 By: Senator Faris
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8 **For An Act To Be Entitled**

9 AN ACT TO CLARIFY THE RESCISSION OF TERMINATION
10 PROVISIONS IN THE ARKANSAS TEACHER RETIREMENT
11 SYSTEM TO BENEFIT MEMBERS WHO CHOOSE TO RETURN TO
12 WORK; TO REDUCE THE AMOUNT OF TIME REQUIRED UPON
13 A RETURN TO WORK FOR BENEFITS TO REACCURUE; AND
14 FOR OTHER PURPOSES.

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16 **Subtitle**

17 TO CLARIFY THE RESCISSION OF TERMINATION
18 PROVISIONS IN THE ARKANSAS TEACHER
19 RETIREMENT SYSTEM TO BENEFIT MEMBERS WHO
20 CHOOSE TO RETURN TO WORK.
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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 § 24-7-717 is amended to read as follows:

26 24-7-717. Rescission of ~~termination of active membership~~ retirement.

27 (a) A retirant under this chapter who ~~has not attained age seventy-two~~
28 ~~(72)~~ is not required to receive mandatory distributions may rescind the
29 decision to ~~terminate active membership~~ retire and may become an active
30 member upon ~~reemployment~~ employment by a covered employer.

31 (b) ~~Persons rescinding their decisions~~ A retirant who rescinds his or
32 her decision to terminate ~~active membership~~ their retirement shall file a
33 written ~~rescission~~ election to rescind on the form furnished by the ~~Board of~~
34 ~~Trustees of the~~ Arkansas Teacher Retirement System.

35 (c) The rescission ~~shall become~~ under subsection (b) of this section



1 is effective the first day of the calendar month next following the date the
2 written ~~rescission~~ election to rescind is received by the ~~board~~ system.

3 (d)(1) Upon rescission, a ~~former~~ retirant shall be considered an
4 active member and shall accrue additional credited service subject to the
5 provisions of subsection (e) of this section.

6 (2) Any retirement annuity benefit formerly previously due from
7 the ~~Arkansas Teacher Retirement System~~ system shall be terminated upon the
8 effective date of the rescission.

9 (e)(1)(A) If ~~reemployment~~ a retirant who has elected to rescind his or
10 her retirement terminates covered employment before the end of the fiscal
11 year in which a former retirant he or she has accumulated at least ~~three (3)~~
12 years one (1) year of additional credited service, ~~the former retirant shall~~
13 ~~become a retired member, and the payment of the annuity the member's~~
14 retirement benefits shall resume upon the termination at the same benefit
15 amount prior to the rescission.

16 (B) ~~The former retirant shall be entitled to receive any~~
17 ~~member contributions which may have been made during the reemployment period~~
18 If the member retires again before serving the required additional one (1)
19 year of service under subdivsion (e)(1)(A) of this section, the system shall
20 refund without interest:

21 (i) A member contribution that is credited to the
22 system after the election to rescind retirement; and

23 (ii) A member contribution that is not included in
24 the member's retirement benefits.

25 (2) If reemployment terminates after the end of the fiscal year
26 in which the former retirant has accumulated at least ~~three (3) years~~ one (1)
27 year of additional credited service, ~~then upon termination of reemployment,~~
28 ~~the former retirant the rescinded member shall become a retired member and~~
29 receive an annuity which has been recalculated according to the benefit
30 formula in effect at the time of the termination of reemployment.

31 (f) ~~Effective July 1, 1993, if a retirant has previously rescinded his~~
32 ~~or her decision to terminate active membership and has become an active~~
33 ~~member by reemployment, but after becoming a retirant and before rescinding~~
34 ~~had been employed in a position covered by the system, as an active member he~~
35 ~~or she shall be eligible to purchase the previous service by:~~

36 (1) ~~Fulfilling the requirements set out in subdivsion (e)(2) of~~

1 ~~this section;~~

2 ~~(2) Returning to the system all retirement benefits received~~
 3 ~~during the employment, together with regular interest from the date of~~
 4 ~~receipt of the payments to the date of repayment in full; and~~

5 ~~(3) Paying to the system both member and employer contributions~~
 6 ~~for the previous service rendered after becoming a retirant but before~~
 7 ~~rescinding, plus regular interest from the date of reemployment to the date~~
 8 ~~of payment in full.~~

9 ~~(g)(f)(1) A retirant under § 24-7-702 may rescind the decision to~~
 10 ~~terminate active membership and may become an active member upon reemployment~~
 11 ~~for the purpose of participation in the retire and may elect to participate~~
 12 ~~in the Teacher Deferred Retirement Option Plan beginning in the next fiscal~~
 13 ~~year after the date the member meets the eligibility requirements.~~

14 ~~(2) Upon reemployment and completion of credited service~~
 15 ~~required to meet the minimum conditions of participation in the plan, the~~
 16 ~~reemployed retirant may elect to participate in the plan.~~

17 ~~(3) If reemployment a rescinded member terminates covered~~
 18 ~~employment before the end of the fiscal year in which a former retirant has~~
 19 ~~worked at least three (3) years he or she is entitled to at least one (1)~~
 20 ~~year of additional credited service, then the former retirant shall~~
 21 ~~member shall forfeit any additional benefit accruals credited after the effective~~
 22 ~~date of rescission.~~

23 ~~(A) Become a retired member, and the payment of the~~
 24 ~~annuity at the time of recission shall resume upon the termination;~~

25 ~~(B) Be entitled to receive any member contributions that~~
 26 ~~may have been made during the reemployment period; and~~

27 ~~(C) Forfeit any accumulated funds in the plan.~~

28 ~~(4) If the former retirant's reemployment terminates after the~~
 29 ~~end of the fiscal year in which the former retirant has accumulated at least~~
 30 ~~three (3) years of credited service, then upon termination of reemployment~~
 31 ~~the former retirant shall become a retired member and receive an annuity~~
 32 ~~along with any funds accumulated while participating in the plan.~~

33 ~~(g) The election to rescind under this section may be exercised only~~
 34 ~~once by the member or retirant.~~

35 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 36 General Assembly of the State of Arkansas that certain provisions of the

1 Arkansas Teacher Retirement System Act are badly in need of revision and
2 updating to bring them into conformance with sound public pension policy;
3 that such revision and updating is of great importance to members of the
4 Arkansas Teacher Retirement System and to other citizens of the State of
5 Arkansas; and that this act is immediately necessary in order to maintain an
6 orderly system of benefits for the member of the Arkansas Teacher Retirement
7 System. Therefore, an emergency is declared to exist and this act being
8 necessary for the preservation of the public peace, health, and safety shall
9 become effective on July 1,2009.

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11 */s/ Faris*

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13 **APPROVED: 4/9/2009**
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