

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: S2/2/11
A Bill

SENATE BILL 86

5 By: Senator J. Key
6

7 **For An Act To Be Entitled**

8 AN ACT TO INCREASE THE NUMBER OF DAYS EMPLOYED TO
9 EARN CREDITED SERVICE UNDER THE ARKANSAS TEACHER
10 RETIREMENT SYSTEM EACH FISCAL YEAR; TO DECLARE AN
11 EMERGENCY; AND FOR OTHER PURPOSES.
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14 **Subtitle**

15 TO INCREASE THE NUMBER OF DAYS EMPLOYED
16 TO EARN CREDITED SERVICE UNDER THE
17 ARKANSAS TEACHER RETIREMENT SYSTEM EACH
18 FISCAL YEAR; 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 § 24-7-501(d), concerning membership in the
24 Arkansas Teacher Retirement System, is amended to read as follows:

25 (d)(1) Membership in the system shall be a condition of employment ~~in~~
26 ~~accordance with~~ under subsections (a) and (b) of this section.

27 (2) ~~Provided, however,~~ However, except as provided in this
28 section, individual members who are employed for less than ~~thirty (30) days~~
29 ~~within a fiscal year~~ one-fourth (1/4) of a fiscal year under § 24-7-601 shall
30 not be eligible for any credit or benefit in the system, ~~and any employee~~
31 ~~contributions made by the member during that period shall be refunded by the~~
32 ~~system.~~
33

34 SECTION 2. Arkansas Code § 24-7-502(b)(2)-(4), concerning the number
35 of days a member must be employed to receive service credit, is amended to
36 read as follows:



1 (2) If an inactive member has not retired and later becomes
2 reemployed by an employer in a position covered by the system, the ~~person~~
3 member shall become an active member and be eligible to accrue additional
4 service credit.

5 (3) If the member's service credit during reemployment is ~~for~~
6 less than ~~thirty (30) days~~ one-fourth (1/4) of a fiscal year under § 24-7-
7 601, he or she shall be considered to be an inactive member at the
8 termination of the reemployed service, and the only monthly benefits payable
9 shall be those provided by § 24-7-707.

10 (4)(A)(i) ~~An~~ Before July 1, 2011, an active member shall receive
11 credit for any previous unreported service after July 1, 1937, ~~upon~~ by paying
12 ~~to the system the member~~ employee and employer contributions in effect during
13 the previous service, together with interest from the dates of the service to
14 the date of payment in full.

15 (ii) On or after July 1, 2011, previous unreported
16 service rendered after July 1, 1937, may be established by paying the
17 actuarial equivalent of the member's benefits to the system.

18 (B) For previous service rendered before July 1, 1971,
19 service credit shall be permitted for service in a fiscal ~~school~~ year only if
20 ~~at least one hundred twenty (120)~~ the minimum days of service ~~were~~ rendered
21 is sufficient for one (1) year of service credit under § 24-7-601 in the a
22 fiscal ~~school~~ year.

23
24 SECTION 3. Arkansas Code § 24-7-601(b), concerning the number of days
25 a member must be employed to receive service credit, is amended to read as
26 follows:

27 (b) ~~In no case, other than specifically provided otherwise in this~~
28 ~~subchapter, shall fewer than one hundred twenty (120) days of teaching~~
29 ~~service rendered in any fiscal school year be credited as one (1) year of~~
30 ~~service, nor shall more than one (1) year of service be credited any member~~
31 ~~for all teaching service rendered by him or her in any one (1) fiscal school~~
32 ~~year~~ (1) A member shall be employed by an employer covered by the Arkansas
33 Teacher Retirement System for a minimum of one hundred sixty (160) days per
34 fiscal year to earn one (1) year of credited service.

35 (2) Fractional years of service may be granted beginning July 1,
36 1971, as prescribed by the board.

1 (3) A member shall not receive more than one (1) year of service
2 in any one (1) fiscal year.

3 (4)(A) Beginning July 1, 2011, a contributory member who accrues
4 less than one-fourth (1/4) year of service credit in a fiscal year may
5 accumulate and carry forward days of service until the first fiscal year in
6 which the contributory member accrues the minimum days of service required to
7 credit one-fourth (1/4) year of service credit.

8 (B) Upon the contributing member's accruing of a minimum
9 of one-fourth (1/4) year of service credit, the:

10 (i) Service credit shall be applied to the latest
11 fiscal year; and

12 (ii) Carry-forward days shall be reset to zero (0).

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14 SECTION 4. Arkansas Code § 24-7-603(d), concerning the number of days
15 a member must be employed to receive service credit, is amended to read as
16 follows:

17 (d) An active member may purchase a fraction of a year of out-of-state
18 service to be credited as service under this subchapter in the same manner as
19 provided for out-of-state service under subsection (c) of this section if the
20 service meets the following requirements:

21 (1) The member has not less than ~~thirty (30) days~~ one-
22 fourth (1/4) year of out-of-state credited service in the fiscal year; and

23 (2) The fraction of a year of out-of-state service may be
24 credited in keeping with policies of the board ~~as provided by~~ under § 24-7-
25 601.

26
27 SECTION 5. Arkansas Code § 24-7-604(b)(3), concerning the number of
28 days a member must be employed to receive service credit, is amended to read
29 as follows:

30 (3)(A) To be eligible for a year of overseas service credit, a
31 member must have rendered at least one hundred twenty (120) the minimum
32 days of service required for a fiscal year of service credit under § 24-7-601.

33 (B) Fractions of years of service may be credited in
34 keeping with policies of the Board of Trustees of the Arkansas Teacher
35 Retirement System as provided by § 24-7-601;

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1 SECTION 6. Arkansas Code § 24-7-606(a)(2), concerning the number of
2 days a member must be employed to receive service credit, is amended to read
3 as follows:

4 (2) Evidence of ~~at least one hundred twenty (120) days~~
5 the minimum days of enrollment at an institution of higher education in a
6 fiscal year equivalent to the minimum days of service required for a fiscal
7 year of service credit under § 24-7-601 shall be presented with the
8 application.

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10 SECTION 7. Arkansas Code § 24-7-607(c)(1), concerning the number of
11 days a member must be employed to receive service credit, is amended to read
12 as follows:

13 (1) The member has not less than ~~thirty (30) days~~ one-fourth
14 (1/4) year of private school service in a fiscal year under § 24-7-601; and
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16 SECTION 8. Arkansas Code § 24-7-611(c)(1), concerning the number of
17 days a member must be employed to receive service credit, is amended to read
18 as follows:

19 (1) The member has not less than ~~thirty (30) days~~ one-fourth
20 (1/4) year of domestic federal service in a fiscal year under § 24-7-601; and
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22 SECTION 9. EMERGENCY CLAUSE. It is found and determined by the
23 General Assembly of the State of Arkansas that certain provisions of the
24 Arkansas Teacher Retirement System statutes are urgently in need of revision
25 and updating to bring them into conformance with sound public pension policy;
26 that revision and updating is of great importance to members of the Arkansas
27 Teacher Retirement System and to other citizens of the State of Arkansas;
28 that the school year calendar has historically been expanding with the
29 addition of teacher service requirements and other legislative initiatives
30 while the number of days of service has remained unchanged since the 1970s;
31 that this legislation is necessary to account for the changes in teacher
32 service requirements and to make the retirement system more reflective of the
33 actual number of days of service; and that this act is necessary to maintain
34 an orderly system of benefits for the members of the Arkansas Teacher
35 Retirement System. Therefore, an emergency is declared to exist and this act
36 being necessary for the preservation of the public peace, health, and safety

1 shall become effective on July 1, 2011.

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/s/J. Key

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APPROVED: 04/01/2011

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