

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

SENATE BILL 75

5 By: Senator U. Lindsey
6

For An Act To Be Entitled

8 AN ACT TO AMEND HOW PRIVATE SCHOOL SERVICE IS
9 RECORDED FOR PURPOSES OF RETIREMENT BENEFITS; TO
10 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
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Subtitle

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14 TO AMEND HOW PRIVATE SCHOOL SERVICE IS
15 RECORDED FOR PURPOSES OF RETIREMENT
16 BENEFITS; AND TO DECLARE AN EMERGENCY.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 24-7-607 is amended to read as follows:
22 24-7-607. Private school service.

23 (a) As used in this section, "private school service" means service
24 rendered in a private school or agency that would have been covered by the
25 Arkansas Teacher Retirement System if the service had been:

26 (1) Rendered in a public school; and

27 (2) The private school or agency:

28 (A) Has positions ~~recognized by the Department of~~
29 ~~Education for the issuance of teaching licenses~~ that would require the
30 issuance of a teaching license in a public school based upon a determination
31 by the Arkansas Teacher Retirement System; or

32 (B)(i) Is recognized as a private educationally-related
33 entity by resolution adopted by the Board of Trustees of the Arkansas Teacher
34 Retirement System.

35 (ii) Private educationally-related entity service
36 purchased for employment at a private educationally-related entity to obtain



1 system-credited service is limited to five (5) years or less.

2 (b) ~~From and after January 1, 1990, an~~ An active member purchasing
3 certified private school service shall be eligible, upon application, to
4 purchase private school service for a period not to exceed fifteen (15)
5 years, to be credited as certified service under this subchapter under the
6 following conditions:

7 (1) The private school service credit to be ~~granted~~ purchased
8 shall be limited to service for which no benefit could be paid by another
9 system similar in purpose to the Arkansas Teacher Retirement System, except
10 Social Security, if the member left on deposit his or her contributions to
11 the other system;

12 (2)(A) The member shall pay the actuarial equivalent of benefits
13 as set forth under § 24-7-202 to the ~~system~~ Arkansas Teacher Retirement
14 System for each year of private school service credit being ~~granted~~
15 purchased.

16 (B) The payment shall be credited to the member's account
17 in the members' deposit account and shall be in addition to regular member
18 contributions thereto;

19 (3) The private school service shall not become credited service
20 under the Arkansas Teacher Retirement System until:

21 (A) The member payment under this section has been paid in
22 full; and

23 (B)(i) The member has established five (5) or more years
24 of actual service, exclusive of private school service.

25 (ii) If a member ceases to be an active member
26 before the private school service has been established as system-credited
27 service, the member payments contributed under this section shall be refunded
28 to the member;

29 (4) The benefit program to be applied to each year of private
30 school service credit and private educationally-related entity service credit
31 being ~~granted~~ purchased shall be the benefit program in effect at the time of
32 retirement; and

33 (5) Such other rules and regulations consistent with this
34 subchapter as the Board of Trustees of the Arkansas Teacher Retirement System
35 may from time to time adopt.

36 (c)(1) An active member is eligible to purchase noncertified private

1 school service or private educationally-related entity private school service
2 for a period of five (5) years or less that will be credited as noncertified
3 service under this subchapter when:

4 (A) The member properly submits an application to purchase
5 noncertified private school service or private educationally-related entity
6 private school service;

7 (B) The noncertified service credit to be purchased is
8 limited to service for which no benefit could be paid by another state-
9 supported pension system or a system with a similar purpose when the
10 contributions of the member were left on deposit with the other system; and

11 (C)(i) The member pays the actuarial equivalent of
12 benefits as set forth under § 24-7-202 to the Arkansas Teacher Retirement
13 System for each year of service credit being purchased.

14 (ii) The payment shall be credited to the member's
15 account in the members' deposit account and shall be in addition to regular
16 member contributions thereto.

17 (2) The noncertified service shall not become credited service
18 under the Arkansas Teacher Retirement System until:

19 (A) The member payment under this section has been paid in
20 full; and

21 (B)(i) The member has established five (5) or more years
22 of actual service in the Arkansas Teacher Retirement System.

23 (ii) If a member ceases to be an active member
24 before the noncertified service has been established as system-credited
25 service, the member payments contributed under this section shall be refunded
26 to the member upon request.

27 (3) The benefit program applied to each year of private school
28 service or private educationally-related entity private school service credit
29 being purchased shall be the benefit program in effect at the time of
30 retirement.

31 (4) The purchase and application of the non-certified service
32 credit shall be subject to the rules and regulations consistent with this
33 subchapter as the Arkansas Teacher Retirement System may from time to time
34 adopt.

35 (e)(d) An active member may purchase a fraction of a year of private
36 school service to be credited as service under this subchapter in the same

1 manner as provided for private school service under subsection (b) of this
2 section if the service meets the following requirements:

3 (1) The member has not less than one-fourth (1/4) year of
4 private school service in a fiscal year under § 24-7-601; and

5 (2) The fraction of a year of private school service may be
6 credited in keeping with policies as provided by § 24-7-601.

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8 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
9 General Assembly of the State of Arkansas that the operations of a state
10 public retirement system are complex and the system must be able to meet the
11 needs of its members as anticipated by the General Assembly; that certain
12 provisions of the Arkansas Teacher Retirement System Act are imminently in
13 need of revision and updating to operate the system efficiently and
14 effectively; that until this act become effective, members will be unable to
15 purchase additional certified private school service; that such revision and
16 updating is of great importance to members of the Arkansas Teacher Retirement
17 System and to other citizens of the State of Arkansas; and that this act is
18 immediately necessary in order to maintain an orderly system of benefits for
19 the members of the Arkansas Teacher Retirement System. Therefore, an
20 emergency is declared to exist and this act being necessary for the
21 preservation of the public peace, health, and safety shall become effective
22 on:

23 (1) The date of approval by the Governor;

24 (2) If the bill is neither approved nor vetoed by the Governor,
25 the expiration of the period of time during which the Governor may veto the
26 bill; or

27 (3) If the bill is vetoed by the Governor and the veto is
28 overridden, the date the last house overrides the veto.

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31 **APPROVED: 02/13/2015**
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