

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1320

5 By: Representative Maddox
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For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE COMPELLING OF
9 PAYMENTS FROM A DELINQUENT EMPLOYER UNDER THE
10 ARKANSAS TEACHER RETIREMENT SYSTEM; AND FOR OTHER
11 PURPOSES.
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Subtitle

14 TO AMEND THE LAW CONCERNING THE
15 COMPELLING OF PAYMENTS FROM A DELINQUENT
16 EMPLOYER UNDER THE ARKANSAS TEACHER
17 RETIREMENT SYSTEM.
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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 § 24-7-411(a) and (b), concerning the
24 compelling of payments from a delinquent employer under the Arkansas Teacher
25 Retirement System, are amended to read as follows:

26 ~~(a)(1) If any participating employer fails to remit to the Arkansas~~
27 ~~Teacher Retirement System contributions that are required by law, rule, or~~
28 ~~regulation by the fifteenth day of the month in which the moneys are due,~~
29 ~~then the system shall impose an interest penalty of eight percent (8%) per~~
30 ~~annum with a daily interest accrual.~~

31 ~~(2) For purposes of this subsection, an employer's remittance is~~
32 ~~not delinquent if the employer's remittance is:~~

33 ~~(A) Received by the system by the fifteenth day of the~~
34 ~~month in which the payment is due; or~~

35 ~~(B) Postmarked by the fourteenth day of the month in which~~
36 ~~the payment is due.~~



1 (a)(1) If an employer fails to remit moneys that are required by law
 2 or rule to the Arkansas Teacher Retirement System by the date and at the
 3 frequency established by the Board of Trustees of the Arkansas Teacher
 4 Retirement System, the system shall impose an interest penalty equal to the
 5 actuarially assumed rate of return on investments of the Arkansas Teacher
 6 Retirement System Fund in the form of interest applied on an annual basis to
 7 the moneys due.

8 ~~(3)(2)~~ The interest penalty shall be determined by the system on
 9 the date the delinquent funds are received, and a statement of the interest
 10 penalty shall be sent to the ~~participating public~~ employer.

11 ~~(4)(3)~~ If the interest penalty or delinquent moneys are not
 12 received by the system by the last business day of the month in which the
 13 moneys were originally due, then the system ~~shall cause the sums of moneys,~~
 14 ~~including the interest penalty, to be transferred~~ may transfer the sums of
 15 moneys, including the interest penalty, from any moneys due the ~~participating~~
 16 employer from the Treasurer of State and the Department of Education as
 17 provided in § 19-5-106(a)(5).

18 ~~(5)(4)~~ ~~This~~ The interest penalty shall be computed on the actual
 19 days of delinquency and shall be paid to the system to reimburse the trust
 20 fund for the money that would have been earned on the moneys had they been
 21 paid when due.

22 (b)(1) If a ~~participating~~ an employer fails to file with the system a
 23 report required by the Board of Trustees of the Arkansas Teacher Retirement
 24 System by the ~~fifteenth day of the month in which the report is due~~ date
 25 established by the board, then the system shall impose a penalty of one
 26 hundred fifty dollars (\$150) for each late report.

27 ~~(2) For purposes of this subsection, a report is not late if the~~
 28 ~~report is:~~

29 ~~(A) Received by the system by the fifteenth day of the~~
 30 ~~month in which the report is due; or~~

31 ~~(B) Postmarked by the fourteenth day of the month in which~~
 32 ~~the report is due.~~

33 ~~(3)(2)~~ A statement of the penalty shall be sent to the
 34 ~~participating~~ employer.

35 ~~(4)(3)~~ If the penalty is not received by the last business day
 36 of the month in which the report was due, then the system ~~shall cause the~~

1 ~~penalty amount to be transferred~~ may transfer the penalty amount from any
 2 moneys due the ~~participating~~ employer from the Treasurer of State and the
 3 Department of Education as provided in § 19-5-106(a)(5).

4 ~~(5)(4)~~ (4) The penalty amounts collected shall be deposited to the
 5 credit of the administrative funds of the system to help defray the cost of
 6 additional expenses incurred due to the additional work required to process
 7 late reports.

8 ~~(6)(5)~~ (5) In addition to the late report penalty under subdivision
 9 (b)(1) of this section, the system may impose an additional penalty of five
 10 hundred dollars (\$500) for a report that is filed with the system over one
 11 (1) month late.

12
 13 SECTION 2. Arkansas Code § 24-7-411, concerning the compelling of
 14 payments from a delinquent employer under the Arkansas Teacher Retirement
 15 System, is amended to add additional subsections to read as follows:

16 (e)(1) Beginning on July 1, 2022, the member and employer
 17 contributions made by an employer as provided in § 24-7-401 and § 24-7-406
 18 shall be:

19 (A) Reported electronically by the employer through the
 20 Arkansas Teacher Retirement System portal; and

21 (B) Paid by the employer through electronic transfer.

22 (2) An employer contribution shall be:

23 (A) Paid to the Arkansas Teacher Retirement System at the
 24 time and at the frequency established by the board; and

25 (B) Paid concurrently with contributions made by the
 26 employees of the employer to the Arkansas Teacher Retirement System.

27 (f)(1) An employer shall submit a written request for a temporary
 28 waiver to the board by July 1, 2022, when the employer is unable to:

29 (A) Report contributions electronically through the
 30 Arkansas Teacher Retirement System; or

31 (B) Pay contributions to the Arkansas Teacher Retirement
 32 System by electronic transfer.

33 (2) A request for a temporary waiver submitted under subdivision
 34 (f)(1) of this section shall include a timeline for when the employer will be
 35 able to comply with the payment and reporting requirements under this
 36 section.

APPROVED: 3/2/21