

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

A Bill

HOUSE BILL 1111

5 By: Representative Stewart
6

For An Act To Be Entitled

8 AN ACT TO ALLOW MEMBERS OF THE ARKANSAS TEACHER
9 RETIREMENT SYSTEM TO PURCHASE ARMED FORCES RESERVE
10 SERVICE CREDIT; TO ALLOW THE PURCHASE OF ONE YEAR OF
11 CREDIT IN THE ARKANSAS TEACHER RETIREMENT SYSTEM FOR
12 ONE YEAR OF SERVICE IN THE NATIONAL GUARD AND ARMED
13 FORCES RESERVE UP TO A MAXIMUM OF FIVE YEARS; AND FOR
14 OTHER PURPOSES.
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Subtitle

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17 TO ALLOW FOR THE PURCHASE OF SERVICE
18 CREDIT FOR MEMBERS OF THE NATIONAL GUARD
19 AND THE ARMED FORCES RESERVE INTO THE
20 ARKANSAS TEACHER RETIREMENT SYSTEM.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 24-7-610 is amended to read as follows:

27 24-7-610. ~~Arkansas National Guard service credit~~ Credit for service in
28 national guard and armed forces reserve.

29 (a) As used in this section, "armed forces reserve" means one (1) of
30 the reserve components of the armed forces of the United States.

31 ~~(a)(b)(1) Any~~ A member of the Arkansas Teacher Retirement System shall
32 be entitled to purchase credited service in the system for a period not to
33 exceed five (5) years for service rendered by the member in the ~~Arkansas~~
34 National Guard or the armed forces reserve if the member:

35 (A) Makes an application to the Board of Trustees of the
36 Arkansas Teacher Retirement System;



1 (B) Provides proof satisfactory to the board of that
 2 person's service in the ~~Arkansas National Guard~~ national guard or the armed
 3 forces reserve; and

4 (C) Pays to the system for each year of service credit
 5 being granted:

6 (i) The product of the sum of the employee and
 7 employer contribution rates in effect at the time of purchase multiplied by
 8 the greater of:

9 (a) The annual salary received by the member
 10 for his or her first full year of credited service that precedes the fiscal
 11 year in which the service is purchased; or

12 (b) The average of the three (3) highest
 13 salaries earned at the time of purchase; plus

14 (ii) Interest from the end of that year of credited
 15 service to the date of payment in full.

16 (2) If the payment for service under this section is not made in
 17 a single lump-sum payment, interest shall accrue from the date of the initial
 18 payment to the date of the payment in full.

19 (3) The payment shall be credited to the member's account in the
 20 members' deposit account and shall be in addition to regular member
 21 contributions.

22 ~~(b)(c)~~ Members shall receive one (1) year of purchased service credit
 23 for each ~~five (5) years~~ one (1) year of service in the Arkansas National
 24 Guard national guard or the armed forces reserve service.

25 ~~(e)(d)~~ The ~~Arkansas National Guard~~ national guard or armed forces
 26 reserve service shall not become credited service under this system until:

27 (1) The member payments specified in subdivision ~~(a)(b)~~(1)(C) of
 28 this section have been paid in full; and

29 (2) The member has established five (5) or more years of actual
 30 service in the system.

31 ~~(d)(e)~~ If a member ceases to be an active member before the service in
 32 the Arkansas National Guard national guard or the armed forces reserve
 33 service has been established as system-credited service, the member payments
 34 contributed as specified in subdivision ~~(a)(b)~~(1)(C) of this section shall be
 35 refundable.

36 ~~(e)(f)~~(1) This section ~~shall be~~ is supplemental to § 24-7-602, and

1 ~~nothing in this section shall be construed to~~ this section does not diminish
 2 the right of any member of the system to obtain credited service in the
 3 system for active duty military service within the limits permitted by § 24-
 4 7-602.

5 (2) However, ~~no member shall~~ a member shall not be entitled to
 6 or receive in excess of five (5) years of credited service rendered by the
 7 member under this section.

8 ~~(f) Except for service credit under § 24-7-602(e), service credit in~~
 9 ~~the Arkansas National Guard shall not be given if the service is credited~~
 10 ~~under any other retirement plan, including a federal military retirement.~~
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12 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 13 General Assembly of the State of Arkansas that certain provisions of the
 14 Arkansas Teacher Retirement System Act are badly in need of revision and
 15 updating to bring them into conformance with sound public pension policy;
 16 that such revision and updating is of great importance to members of the
 17 Arkansas Teacher Retirement System and to other citizens of the State of
 18 Arkansas; that members with service in the national guard from other states
 19 and the armed forces reserve are currently excluded from purchasing this
 20 important service; the ability to purchase this important service should be
 21 allowed immediately to give these members the ability to purchased this
 22 service without delay; and that this act is immediately necessary in order to
 23 maintain an orderly system of benefits for the members of the Arkansas
 24 Teacher Retirement System. Therefore, an emergency is declared to exist and
 25 this act being necessary for the preservation of the public peace, health,
 26 and safety shall become effective on:

27 (1) The date of its approval by the Governor;

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

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