

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

*As Engrossed: S4/2/13*

# A Bill

SENATE BILL 127

5 By: Senator B. King  
6

## For An Act To Be Entitled

8 AN ACT TO MODIFY PROVISIONS OF THE ARKANSAS CODE  
9 CONCERNING TEACHER RETIREMENT; AND FOR OTHER  
10 PURPOSES.  
11

### Subtitle

12  
13 *TO AMEND THE TERMINATION OF SERVICE*  
14 *REQUIREMENTS UNDER THE ARKANSAS TEACHER*  
15 *RETIREMENT SYSTEM.*  
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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 § 24-7-502(a), concerning the termination of*  
22 *active membership, is amended to read as follows:*

23 *(a)(1) A member of the Arkansas Teacher Retirement System shall*  
24 *terminate covered employment and remain terminated during the member's*  
25 *applicable termination separation period to become and remain eligible for*  
26 *retirement.*

27 *(2)(A) Effective July 1, 2011, a member shall not be terminated*  
28 *from employment for purposes of retirement eligibility if within six (6)*  
29 *calendar months of the member's effective date of retirement the member:*

30 *(i) Meets ~~both~~ of the following requirements:*

31 *(a) Becomes employed with an employer covered*  
32 *by the system;*

33 *(1) During the thirty (30) days of the*  
34 *member's effective date of retirement; or*

35 *(2) And earns more than five thousand*  
36 *dollars (\$5,000) during the first six (6) months after the member's effective*



1 date of retirement providing substitute teaching services; and

2 (b) Has not attained the system's normal  
3 retirement age; or

4 (ii) Does not have a total or a combined total of  
5 thirty-eight (38) years or more of credited service in the system, T-DROP, or  
6 reciprocal service in another eligible state retirement system.

7 (B) If a member has a combined total of thirty-eight (38)  
8 years or more of credited service in the system, T-DROP, or reciprocal  
9 credited service in another eligible state retirement system, then the member  
10 shall not be terminated from employment for purposes of retirement  
11 eligibility if within one (1) calendar month of the member's effective date  
12 of retirement the member:

13 (i) Becomes employed with an employer covered by the  
14 system; and

15 (ii) Has not attained the system's normal retirement  
16 age.

17 (C) A member who provides substitute teaching services to  
18 an employer covered by the system shall earn no more than five thousand  
19 dollars (\$5,000) during the first six (6) months after the member's effective  
20 date of retirement.

21 (3) A member who fails to meet both the termination requirement  
22 and the termination separation period requirement of this subsection shall+

23 ~~(A) Repay retirement benefits paid during the period the~~  
24 ~~member did not meet the requirements; and~~

25 ~~(B) Forfeit~~ forfeit all future retirement benefits until  
26 the member files a new completed retirement application using the standard  
27 system process.

28 (4)(A) The system shall request the repayment of retirement  
29 benefits paid during the period the member did not meet the termination  
30 requirement and the termination separation period requirement.

31 (B) The system may require the repayment of retirement  
32 benefits, interest, and distributions from the member directly or indirectly  
33 by using the system's standard withholding rule.

34 (5) If a member fails to meet the termination requirement or to  
35 complete the termination separation period, then the member is not eligible  
36 to receive retirement benefits until the member files a new completed

1 retirement application using the standard system process. The member shall be  
2 subject to a new termination separation period.

3 (6) During the termination separation period, the member shall  
4 remain terminated and shall not:

5 (A) Form an employment relationship with any system-  
6 covered employer;

7 (B) Render any compensable services, except as provided  
8 under subdivision (a)(2)(C) of this section, to or on behalf of any system-  
9 covered employer, except that a member may provide volunteer activities at a  
10 system-covered employer that does not have the effect of holding a position  
11 open for the member during a termination separation period; and

12 (C) Exercise any authority to act as a representative of  
13 any system-covered employer or exercise any authority over employees of any  
14 system-covered employer.

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16 SECTION 2. Arkansas Code § 24-7-502(d)(2)(A)(iii), concerning the  
17 termination of active membership, is amended to read as follows:

18 (iii) The member has ceased performing any  
19 employment services for any system-covered employer, except for uncompensated  
20 functions related to the transfer of the duties or the transfer of the  
21 position of the member and those provided for under subdivision (a)(2)(C) of  
22 this section;

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24 /s/B. King

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