

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: S2/7/01 S2/15/01 S3/22/01

A Bill

Act 1296 of 2001
SENATE BILL 25

5 By: Senator J. Jeffress
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE TITLE 24, CHAPTER
10 7, SUBCHAPTER 6 TO ADD AN ADDITIONAL SECTION TO
11 PROVIDE MEMBERS OF THE ARKANSAS TEACHER
12 RETIREMENT SYSTEM WITH AN OPTION TO PURCHASE
13 SERVICE CREDIT FOR NATIONAL GUARD SERVICE; AND
14 FOR OTHER PURPOSES.
15

Subtitle

16 TO PROVIDE MEMBERS OF THE TEACHER
17 RETIREMENT SYSTEM WITH AN OPTION TO
18 PURCHASE SERVICE CREDIT FOR NATIONAL
19 GUARD SERVICE.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code Title 24, Chapter 7, Subchapter 6 is amended to
26 add an additional section to read as follows:

27 24-7-610. National Guard service credit.

28 (a)(1) Any member of the Arkansas Teacher Retirement System shall be
29 entitled to purchase credited service in the system for a period not to exceed
30 five (5) years for service rendered by the member in the Arkansas National
31 Guard if the member:

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

34 (B) Provides proof satisfactory to the board of that
35 person's service in the Arkansas National Guard; and

36 (C) Pays to the system for each year of service credit

1 being granted the employee and employer contribution rate in effect at the
2 time of the purchase the greater of the annual salary receive by him for his
3 first full year of credited service that precedes the fiscal year in which the
4 service is purchased, or the average of the three (3) highest salaries earned
5 at the time of purchase, plus interest from the end of that year of credited
6 service to the date of payment in full, for each year of service credit.

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

10 (3) The payment shall be credited to the member's account in the
11 members' deposit account and shall be in addition to regular member
12 contributions.

13 (b) Members shall receive one (1) year of purchased service credit for
14 each five (5) years of Arkansas National Guard service.

15 (c) The National Guard service shall not become credited service under
16 this system until:

17 (1) The member payments specified in subdivision (a)(1)(C) of
18 this section have been paid in full; and

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

21 (d) If a member ceases to be an active member before the National Guard
22 service has been established as system-credited service, the member payments
23 contributed as specified in subdivision (a)(1)(C) of this section shall be
24 refundable, together with regular interest.

25 (e)(1) This section shall be supplemental to § 24-7-602 and nothing in
26 this section shall be construed to diminish the right of any member of the
27 system to obtain credited service in the system for active duty military
28 service within the limits permitted by § 24-7-602.

29 (2) However, no member shall be entitled to or receive in excess
30 of five (5) years of credited service rendered by the member under this
31 section.

32 (f) Except for service credit under § 24-7-602(e), service credit in
33 the Arkansas National Guard shall not be given if the service is credited
34 under any other retirement plan, including a federal military retirement.

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36 SECTION 2. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO

1 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall be
 2 implemented if it would cause the publicly-supported retirement system's
 3 unfunded actuarial accrued liabilities to exceed a thirty (30) year
 4 amortization. No benefit enhancement provided for by this act shall be
 5 implemented by any publicly-supported system which has unfunded actuarial
 6 accrued liabilities being amortized over a period exceeding thirty (30) years
 7 until the unfunded actuarial accrued liability is reduced to a level less than
 8 the standards prescribed by Arkansas Code, Title 24.

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 10 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General
 11 Assembly that that members of the Teacher Retirement System sometimes serve in
 12 the Arkansas National Guard, that current retirement laws do not permit those
 13 members to purchase that service, but active duty military service can be
 14 purchased; that Arkansas National Guard service by teachers is vital to and
 15 more directly benefits the citizens of Arkansas than does active duty military
 16 service; that it is inequitable to not provide for the purchase of National
 17 Guard service under the system; and that the most effective time to make
 18 changes to the retirement system is at the beginning of the state's fiscal
 19 year. Therefore an emergency is declared to exist and this act being
 20 immediately necessary for the preservation of the public peace, health and
 21 safety shall become effective on July 1, 2001.

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 23 /s/ J. Jeffress

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 26 APPROVED: 4/5/2001