

ARKANSAS SENATE
83rd General Assembly - Regular Session, 2001
Amendment Form

Subtitle of Senate Bill No. 25

"TO PROVIDE MEMBERS OF THE TEACHER RETIREMENT SYSTEM WITH A FREE
SERVICE CREDIT FOR NATIONAL GUARD SERVICE."

Amendment No. 3 to Senate Bill No. 25.

Amend Senate Bill No. 25 as engrossed, S2/15/01:

Page 1, line 12, delete "A FREE" and substitute "AN OPTION TO PURCHASE"

AND

Page 1, line 17, delete "A FREE" and substitute "AN OPTION TO PURCHASE"

AND

Page 1, delete lines 27 through 36 and Page 2, delete lines 1 through 22 and substitute the following:

"entitled to purchase credited service in the system for a period not to exceed five (5) years for service rendered by the member in the Arkansas National Guard if the member:

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

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

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

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

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

(b) Members shall receive one (1) year of purchased service credit for

each five (5) years of Arkansas National Guard service.

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

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

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

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

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

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

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

AND

Page 3, line 34, add the following:

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

The Amendment was read the first time, rules suspended and read the second time and _____

**By: Senator J. Jeffress
EN/VJF - 032020011542
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Secretary