

Hall of the House of Representatives

85th General Assembly - Regular Session, 2005

Amendment Form

Subtitle of House Bill No. 1207

"AN ACT CONCERNING THE TEACHER DEFERRED RETIREMENT OPTION PLAN."

Amendment No. 1 to House Bill No. 1207.

Amend House Bill No. 1207 as originally introduced:

Page 1, delete lines 19 through 31 and substitute the following:

"SECTION 1. Arkansas Code § 24-7-1306 is amended to read as follows:

24-7-1306. Amount of ~~contributions~~ deposits.

(a)(1) Teacher Deferred Retirement Option Plan ~~contributions~~ deposits shall be a percentage of the plan benefit.

(2)(A) The percentage is one hundred percent (100%) reduced by the product of one percent (1%) multiplied by the number of years of contributory service credit and fractions thereof, and further reduced by the product of six-tenths percent (0.6%) multiplied by the number of years of noncontributory service credit and fractions thereof.

(B)(i) When a participant whose effective date in the plan is before September 1, 2003, reaches normal retirement age, the plan contributions shall be one hundred percent (100%) with no reduction.

(ii) For any member whose effective date in the plan is September 1, 2003, or after, the plan contributions for a participant who reaches normal retirement age shall continue as reduced under subdivision (a)(2)(A) of this section.

(3)(A) In the event a member whose effective date in the plan is before September 1, 2003, has more than thirty (30) years of service, the years of service above thirty (30) years shall be reduced by one-half percent (0.5%) for contributory years and three-tenths percent (0.3%) for noncontributory years.

(B) For any member whose effective date in the plan is September 1, 2003, or after and who has more than thirty (30) years of service, the plan contributions for the years of service above thirty (30) years shall be reduced under subdivision (a)(2)(A) of this section.

(4) Furthermore, the Board of Trustees of the Arkansas Teacher Retirement System is authorized to make further adjustments on the plan to make it cost-neutral to the Arkansas Teacher Retirement System.

(5) As used in this section, "effective date" means the date determined to be the member's plan date under the policies, rules, and regulations of the board.

(b) For the purpose of § 24-7-709 related to disposition of residue, ~~plan contributions shall be considered to be annuity payments~~ any amounts



received from the Teacher Deferred Retirement Option Plan account either in the form of a lump sum or annuity payments shall be considered to be annuity payments received by the member or his or her designated beneficiary and shall act to reduce or eliminate the disposition of residue that, except for the provisions of this subsection, would have been paid under § 24-7-709.”

AND

Page 1, delete lines 33 through 36 and substitute the following:

“SECTION 2. Arkansas Code § 24-7-1307 is amended to read as follows:

(a) The member’s Teacher Deferred Retirement Option Plan account shall be the account in which shall be accumulated ~~at plan interest~~ the member’s plan contributions Teacher Deferred Retirement Option Plan deposits made on behalf of the member and plan interest.

(b) At the end of each fiscal year, the Board of Trustees of the Arkansas Teacher Retirement System shall credit each plan participant’s plan account with plan interest on the mean balance in the account for the fiscal year.

(c) For the purposes of this section, “plan interest” shall be at the rate determined by the Board from time to time.

SECTION 3. Arkansas Code § 24-7-1310 is amended to read as follows:
24-7-1310. Death of participant.

In the event that a Teacher Deferred Retirement Option Plan participant dies, the benefits payable from the plan shall be determined according to § 24-7-710 ~~(b)(1)(A) and (B)~~, provided, however, the plan participant’s surviving spouse may choose to receive the plan benefit in a lump sum without affecting ~~options on~~ the monthly retirement benefit payable from the Arkansas Teacher Retirement System.”

AND

Page 2, delete line 1.

The Amendment was read _____
By: Representative Mahony
MBM/JGH - 02-08-2005 11:03
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Chief Clerk