

# Hall of the House of Representatives

88th General Assembly - Regular Session, 2011

## Amendment Form

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### Subtitle of House Bill No. 1216

TO DEFINE "TERMINATE" AS THAT TERM APPLIES TO ELIGIBILITY FOR  
RETIREMENT UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM AND TO  
DECLARE AN EMERGENCY.

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### Amendment No. 1 to House Bill No. 1216

Amend House Bill No. 1216 as originally introduced:

Add Representatives Mayberry, Hobbs, English, Carnine, Lea as cosponsors of the bill

AND

Add Senators J. Hutchinson, Rapert as cosponsors of the bill

AND

Delete Section 1 in its entirety and substitute the following:

"SECTION 1. Arkansas Code § 24-7-502(a), concerning termination of active membership, is amended to read as follows:



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

(2)(A) Effective July 2, 2009, a member shall not be terminated from employment for purposes of retirement eligibility if within one hundred eighty (180) days of the member's effective date of retirement the member:

(i) Meets both of the following requirements:

(a) Becomes employed with an employer covered by the system; and

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

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

(B) If a member has a combined total of thirty-eight (38) years or more of credited service in the system, T-DROP, or reciprocal credited service in another eligible state retirement system, then the member shall not be terminated from employment for purposes of retirement eligibility if within thirty (30) days of the member's effective date of retirement the member:

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

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

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

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

(B) forfeit Forfeit all future retirement benefits until the termination requirement is met member files a new completed retirement application using the standard system process.

~~(4)(A) A member shall repay to the system any retirement benefits that are paid to the member by the system during the waiting period of one hundred eighty (180) days in subdivision (a)(2) of this section.~~

~~(B) (4) The system may require the repayment of retirement benefits, interest, and distributions from the member directly or indirectly under by using the system's standard withholding rule.~~

~~(5) For~~ If a member who fails to meet the termination requirement in subdivisions (a)(1) and (2) of this section, the member shall immediately become an active member of the system upon reemployment by a covered employer or to complete the termination separation period, then the member is not eligible to receive retirement benefits until the member files a new completed retirement application using the standard system process. The member shall be subject to a new termination separation period.

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

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

(B) Render any compensable services to or on behalf of any system-covered employer, except that a member may provide volunteer activities at a system-covered employer that does not have the effect of holding a position open for the member during a termination separation period; and

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

SECTION 2. Arkansas Code § 24-7-502, concerning termination requirements for retirement, is amended to add a new subsection to read as follows:

(d) As used in this section:

(1) "System-covered employer" means all employers as defined in § 24-7-202(13) and also includes all employers offering the Arkansas Teacher Retirement System as an optional retirement plan on or before January 1, 2011, to any employee;

(2)(A) "Terminate" means:

(i) The member's employment has ended at all system-covered employers;

(ii) A complete severance of the employer-employee relationship has occurred at all system-covered employers;

(iii) The member has ceased performing any employment services for any system-covered employer, except for uncompensated functions related to the transfer of the duties or the transfer of the position of the member;

(iv) The member has not formed any express or implied employment agreement or taken action that would obligate the member to render compensable services to a system-covered employer or entitle a system-covered employer to the services of the member after the termination separation period;

(v) The member has followed normal retirement procedures for resigning from the system-covered employer unless involuntarily terminated before the member's effective date of retirement; and

(vi) All system-covered employers have paid or have initiated the process to pay all accumulated benefits such as annual leave and sick leave to the member by the effective date of retirement.

(B) "Terminate" does not mean:

(i) Taking a leave of absence; or

(ii) Performing any job duties or services without remuneration, except for the functions related to the transfer of duties or the transfer of the position itself.

(C) Providing volunteer activities at a system-covered employer that does not have the effect of holding a position open for the member during a termination separation period does not mean that the member is not terminated; and

(3) "Termination separation period" means the time from a member's effective date of retirement until the date that the member is no longer prohibited by state law from returning to work at a system-covered employer."

AND

Appropriately renumber the sections of the bill.

The Amendment was read \_\_\_\_\_

By: Representative Kerr

MMC/MMC - 02/17/11 01:07

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Chief Clerk