

ARKANSAS SENATE
93rd General Assembly - Regular Session, 2021
Amendment Form

Subtitle of Senate Bill No. 232

CONCERNING MANDATORY CONTRIBUTORY MEMBER DESIGNATION FOR EMPLOYEES UNDER
THE ARKANSAS TEACHER RETIREMENT SYSTEM.

Amendment No. 1 to Senate Bill 232

Amend Senate Bill No. 232 as originally introduced:

Delete the title in its entirety and substitute:

"AN ACT CONCERNING MANDATORY CONTRIBUTORY MEMBER DESIGNATION FOR EMPLOYEES UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

AND

Delete the subtitle in its entirety and substitute:

"CONCERNING MANDATORY CONTRIBUTORY MEMBER DESIGNATION FOR EMPLOYEES UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM; AND TO DECLARE AN EMERGENCY."

AND

Delete everything after the enacting clause and substitute the following:

"SECTION 1. Arkansas Code § 24-7-406(e)(1)(C), concerning retirement fund asset accounts, member deposit accounts, and contributions, is amended to read as follows:

(C)(i) ~~Effective From~~ July 1, 2005, to July 1, 2021, an active member whose status later changes from a nonteacher status to an administrator or teacher status under contract for one hundred eighty-one (181) days or more shall become a contributory member of the system otherwise provided for in this section regardless of an earlier election to be a noncontributory member of the system.

(ii)(a) From July 1, 2005, to June 30, 2007, an active member who has previously elected to be a noncontributory member of the system may make an irrevocable election to become a contributory member of the system.

(b) If the election is made before the preparation of the first salary payment to the member in the fiscal year, the election is effective immediately.



(c) If the election is made after the preparation of the first payroll containing the first salary payment to the member in the fiscal year, the election is effective July 1 of the next fiscal year.

(iii) Effective July 1, 2021, regardless of an earlier election to be a noncontributory member of the system, an active member whose status later changes from nonteacher status to administrator or teacher status under a contract for one hundred eighty-five (185) days or more shall become a contributory member of the system otherwise provided for in this section.

SECTION 2. Arkansas Code § 24-7-406(e)(3), concerning retirement fund asset accounts, member deposit accounts, and contributions, is amended to read as follows:

(3)(A) Effective July 1, 1999, a new member shall be a contributory member of the system.

(B) From July 1, 1999, to June 30, 2007, a new member who is under contract with a covered employer for one hundred eighty (180) days or less shall have one (1) year to make an irrevocable election to become a contributory member of the system.

(C) From July 1, 1999, to June 30, 2007, a new member who is not under contract with a covered employer shall not become a contributory member of the system.

(D)(i) ~~Effective From~~ Effective From July 1, 2007, to July 1, 2021, a new member under contract with a covered employer for one hundred eighty-one (181) days or more shall be a contributory member of the system.

(ii) ~~A new member under contract with a covered employer for one hundred eighty (180) days or less may make an irrevocable election to become a contributory member of the system.~~

~~(iii)~~ A new member not under contract with a covered employer may make an irrevocable election to become a contributory member of the system under this section.

(E)(i) Effective July 1, 2021, a member under contract with a covered employer for one hundred eighty-five (185) days or more shall be a contributory member of the system.

(ii) A member under contract with a covered employer for one hundred eighty-four (184) days or less may make an irrevocable election to become a contributory member of the system.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the operations of a state public retirement system are complex; that the Arkansas Teacher Retirement System must be able to meet the needs of its members as anticipated by the General Assembly; that certain provisions of the Arkansas Teacher Retirement System Act, § 24-7-201 et seq., are in need of immediate revision and updating to conform with sound public pension policy and actuarial requirements; that the Arkansas Teacher Retirement System operates on a fiscal year of July 1 to June 30; that a July 1, 2021 effective date is necessary to allow the provisions within this act to begin on the first day of the fiscal year to provide proper administration of the procedures referenced in this act; that such revision and updating is of great

importance to members of the Arkansas Teacher Retirement System and to other citizens of the State of Arkansas; and that this act is necessary in order to maintain an orderly system of benefits for the members of the Arkansas Teacher Retirement System and reciprocal systems. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2021."

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

By: Senator G. Leding

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Secretary