

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.

INTERIM STUDY PROPOSAL 2007-025

State of Arkansas
86th General Assembly
Regular Session, 2007

A Bill

HOUSE BILL 1204

By: Representative D. Johnson

Referred to
Public Retirement & Social Security Programs-joint
by the House of Representatives
on 03/27/2007

For An Act To Be Entitled

AN ACT TO ALLOW A MEMBER OF AN ALTERNATE
RETIREMENT PLAN TO ELECT TO TRANSFER TO THE
ARKANSAS TEACHER RETIREMENT SYSTEM; CONCERNING
THE MEMBERSHIP OF THE ARKANSAS TEACHER RETIREMENT
SYSTEM; AND FOR OTHER PURPOSES.

Subtitle

AN ACT TO ALLOW A MEMBER OF AN ALTERNATE
RETIREMENT PLAN TO ELECT TO TRANSFER TO
THE ARKANSAS TEACHER RETIREMENT SYSTEM
AND CONCERNING THE MEMBERSHIP OF THE
ARKANSAS TEACHER RETIREMENT SYSTEM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 24-7-807 is amended to read as follows:
24-7-807. Participation in plan.

Participation in an alternate retirement plan established pursuant to
this subchapter shall be as follows:

(1) Any staff member employed or appointed by a college or
university on or after the establishment of its alternate retirement plan
shall participate in the plan or in the Arkansas Teacher Retirement System;

1 (2) Any staff member employed or appointed by a college or
 2 university prior to July 1, 1969, who is a member of the retirement system
 3 shall continue in such membership or shall participate in the alternate
 4 retirement plan, as provided in this subchapter;

5 (3)(A) Any staff member employed or appointed by a college or
 6 university with fewer than ten (10) years of member service in the retirement
 7 system may elect to terminate his or her membership in the retirement system
 8 and participate in the alternate retirement plan established by the employing
 9 college or university.

10 (B) The election shall be in writing and filed with the
 11 retirement system and the disbursing officer of the employing college or
 12 university within one (1) year after he or she becomes eligible to
 13 participate in the alternate retirement plan, except that, on or after July
 14 1, 1993, until December 31, 1993, any staff member employed or appointed by a
 15 college or university who has fewer than ten (10) years of member service in
 16 the retirement system and who has not already so elected may elect to
 17 terminate his or her membership in the retirement system and participate in
 18 the alternate retirement plan established by the employing college or
 19 university. The election shall be in writing and filed with the retirement
 20 system and the disbursing officer of the employing college or university.

21 (C) All accumulated contributions to the credit of the
 22 staff member in the members' deposit account which is maintained pursuant to
 23 the provisions of § 24-7-406 shall be returned to the staff member, and all
 24 of his or her credited service under the retirement system shall be
 25 cancelled;

26 (4)(A)(i) Any staff member employed or appointed by a college or
 27 university with five (5) or more years of actual service who elects to
 28 participate only in the alternate retirement plan and who has left his or her
 29 contributions in the retirement system shall be eligible to receive an
 30 annuity on or after attaining sixty (60) years of age and on his or her
 31 retirement from covered employment.

32 (ii) The amount of the annuity shall be determined
 33 by the benefit formula of the retirement system at the time of his or her
 34 retirement.

35 (B) The election authorized under subdivision (4)(A) of
 36 this section shall be made in writing and filed with the retirement system

1 and with the disbursing officer of the employing college or university on or
 2 before July 1 of the year in which the person makes the election to
 3 participate in the alternate retirement plan.

4 (C) The person's annuity shall begin on the first day of
 5 the month following the date his or her application for retirement is filed
 6 with the board of trustees on or after his or her attainment of age sixty
 7 (60);

8 (5)(A)(i) Any Department of Higher Education employee who
 9 transferred from another state department covered by a state-supported
 10 retirement system may elect to participate in an alternate retirement plan.

11 (ii) The employee shall file written notice of his
 12 or her election with the Director of the Department of Higher Education.

13 (B)(i) Any department employee with five (5) or more years
 14 of actual service who elects to participate only in the alternate retirement
 15 plan and who has left his or her contributions in the retirement system shall
 16 be eligible to receive an annuity on or after attaining the normal retirement
 17 age and on his or her retirement from covered employment.

18 (ii) The amount of the annuity shall be determined
 19 by the benefit formula of the retirement system at the time of his or her
 20 retirement.

21 (C)(i) The election authorized under this subdivision (5)
 22 shall be made in writing and filed with the retirement system and with the
 23 director on or before July 1 of the year in which the person makes the
 24 election to participate in the alternate retirement plan.

25 (ii) The person's annuity shall begin on the first
 26 day of the month following the date his or her application for retirement is
 27 filed with the board of trustees on or after his or her attainment of normal
 28 retirement age and on his or her retirement from covered employment.

29 (D)(i) Effective July 1, 2001, staff members who elect to
 30 participate in an alternate retirement plan may elect to become members of
 31 the retirement system.

32 (ii) Service credit forfeited while a member of an
 33 alternate retirement plan cannot be established in the retirement system.

34 (iii) The election to withdraw from the alternate
 35 retirement plan and become a member of the retirement system shall be made by
 36 December 31, 2001, and notice of the election shall be made in writing and

1 filed with the retirement system and the disbursing officer of the employing
2 college or university by December 31, 2001; and

3 (6)(A) Any faculty or classified employee employed or appointed
4 by a college or university before July 1, 2007, who is a member of the
5 alternate retirement plan as provided in this subchapter, may elect to become
6 a member of the Arkansas Teacher Retirement System.

7 (B) Service credit forfeited while the employee is a
8 member of the alternative retirement plan shall not be established in the
9 retirement system.

10 (C)(i) The election to withdraw from the alternate
11 retirement plan and become a member of the retirement system shall be made by
12 December 31, 2007, and notice of the election shall be made in writing and
13 filed with the retirement system and the disbursing officer of the employing
14 college or university by December 31, 2007.

15 (ii) The employing college or university shall
16 notify all participants in the alternate retirement plan of this option by
17 October 1, 2007.

18 (D) A classified employee employed or appointed by a
19 college or university beginning July 1, 2007, shall be a member of the
20 Arkansas Teacher Retirement System.

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