

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 2007-027

State of Arkansas
86th General Assembly
Regular Session, 2007

A Bill

HOUSE BILL 1222

By: Representative Stewart

Referred to
Public Retirement & Social Security Programs-joint
by the House of Representatives
on 02/14/2007

For An Act To Be Entitled

AN ACT TO EXTEND TO MEMBERS OF THE ARMED FORCES
RESERVE AN EQUAL OPPORTUNITY TO PURCHASE SERVICE
CREDIT IN THE ARKANSAS TEACHER RETIREMENT SYSTEM
THAT IS PROVIDED FOR MEMBERS OF THE ARKANSAS
NATIONAL GUARD; TO ADDRESS DISPARITIES IN THE
ALLOWANCE OF PURCHASING SERVICE CREDIT IN STATE
RETIREMENT SYSTEMS FOR MEMBERS OF THE ARMED
FORCES RESERVES AND THE ARKANSAS NATIONAL GUARD;
AND FOR OTHER PURPOSES.

Subtitle

TO ADDRESS DISPARITIES IN THE ALLOWANCE
OF PURCHASING SERVICE CREDIT IN STATE
RETIREMENT SYSTEMS FOR MEMBERS OF THE
ARMED FORCES RESERVES AND THE ARKANSAS
NATIONAL GUARD.

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

SECTION 1. Arkansas Code § 24-7-610 is amended to read as follows:
24-7-610. National guard and armed forces reserve service credit.
(a)(1) Any member of the Arkansas Teacher Retirement System shall be

1 entitled to purchase credited service in the system for a period not to
2 exceed five (5) years for service rendered by the member in the Arkansas
3 National Guard or in a reserve component of the armed forces of the United
4 States if the member:

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

7 (B) Provides proof satisfactory to the board of that
8 person's service in the Arkansas National Guard or in a reserve component of
9 the armed forces of the United States; and

10 (C) Pays to the system for each year of service credit
11 being granted:

12 (i) The product of the sum of the employee and
13 employer contribution rates in effect at the time of purchase multiplied by
14 the greater of:

15 (a) The annual salary received by the member
16 for his or her first full year of credited service that precedes the fiscal
17 year in which the service is purchased; or

18 (b) The average of the three (3) highest
19 salaries earned at the time of purchase; plus

20 (ii) Interest from the end of that year of credited
21 service to the date of payment in full.

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

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

28 (b) Members shall receive one (1) year of purchased service credit for
29 each five (5) years of service in the Arkansas National Guard or in a reserve
30 component of the armed forces of the United States ~~service~~.

31 (c) ~~The~~ Service in the Arkansas National Guard ~~service~~ or in a reserve
32 component of the armed forces of the United States shall not become credited
33 service under this system until:

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

36 (2) The member has established five (5) or more years of actual

1 service in the system.

2 (d) If a member ceases to be an active member before the service in
3 the Arkansas National Guard ~~service~~ or in a reserve component of the armed
4 forces of the United States has been established as system-credited service,
5 the member payments contributed as specified in subdivision (a)(1)(C) of this
6 section shall be refundable, together with regular interest.

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

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

14 (f) Except for service credit under § 24-7-602(e), service credit in
15 the Arkansas National Guard or in a reserve component of the armed forces of
16 the United States shall not be given if the service is credited under any
17 other retirement plan, including a federal military retirement.

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19 SECTION 2. The purpose of this act is to address disparities in the
20 allowance of purchasing service credit in state retirement systems for
21 members of the Armed Forces Reserves and the Arkansas National Guard.

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