

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 2007-119

State of Arkansas

As Engrossed: S2/12/07, S2/28/07, S3/1/07

86th General Assembly

A Bill

Regular Session, 2007

SENATE BILL 115

By: Senator J. Jeffress

Referred to

Public Retirement & Social Security Programs-joint

by the Arkansas Senate

on 04/02/2007

For An Act To Be Entitled

AN ACT CONCERNING THE ARKANSAS TEACHER RETIREMENT SYSTEM EARNINGS LIMITATION; AND FOR OTHER PURPOSES.

Subtitle

AN ACT CONCERNING THE ARKANSAS TEACHER RETIREMENT SYSTEM EARNINGS LIMITATION.

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

SECTION 1. NOT TO BE CODIFIED. Legislative findings.

The General Assembly finds:

(1) The State of Arkansas suffers from a shortage of qualified classroom teachers;

(2) Many retired classroom teachers would return to the classroom but for an earnings limitation that makes their return cost prohibitive; and

(3) Adjustment to the earnings limitation is necessary to increase the pool of highly qualified teachers available to public school districts throughout the state.

SECTION 2. Arkansas Code § 24-7-708 is amended to read as follows:

1 24-7-708. Conditions subjecting annuities to limitations.

2 (a)(1) If a retirant with less than twenty-eight (28) years of service
3 is an employee of a public employer whose employees are covered by the
4 Arkansas Teacher Retirement System, then for each twelve-month period ending
5 June 30 the amount of his or her system annuity shall be subject to the
6 limitations equivalent to twice the limitations imposed by the social
7 security retirement test.

8 (2) For each year ending June 30, the social security retirement
9 test to be considered shall be the test in effect for the calendar year
10 beginning the January 1 immediately preceding June 30. The retirant's
11 earnings shall be his or her remuneration for the employment for the year
12 ending June 30.

13 ~~(a)(b)(1) Except for a waiver as provided for in subsection (f) of~~
14 ~~this section, if~~ If a retirant with at least twenty-eight (28) years of
15 service is an employee of a public employer whose employees are covered by
16 the Arkansas Teacher Retirement System, then, for each twelve-month period
17 ending June 30, the amount of his or her system annuity shall not be subject
18 to the limitations equivalent to twice the limitations imposed by the social
19 security retirement test.

20 (2) A retirant employed under subsection (b)(1) of this section
21 may be employed by the same public employer for two (2) or more successive
22 employment periods.

23 (3) The salary of any retirant employed under subsection (b)(1)
24 of this section shall not exceed that of the highest-paid certified classroom
25 teacher in the employing school district.

26 (4)(A) For any retired member employed under subsection (b)(1)
27 of this section, the employer and employee contribution rate to the system on
28 behalf of the member shall recommence at the rate in effect at the time of
29 the employment.

30 (B)(i) Except as provided in subdivision (b)(4)(B)(ii) of
31 this section, the employer contribution shall be remitted by the employer and
32 the employee contribution shall be remitted by the employee.

33 (ii) The employer may elect to remit both the
34 employer and employee contribution.

35 (C) Contributions to the system under this section shall
36 be nonrefundable.

1 (c)(1) A retirant employed by the following shall be exempt from the
 2 provisions of this section:

3 (A) The Department of Education; or

4 (B) Any one (1) of the state-supported universities, colleges,
 5 or junior colleges within the State of Arkansas if the employees of the
 6 state-supported university, college, or junior college are covered by the
 7 Arkansas Teacher Retirement System.

8 (2)(A) For any retired member employed in a position covered by
 9 the system pursuant to an exemption under subdivision (c)(1) of this section,
 10 the employer and employee contribution rate to the system on behalf of the
 11 member shall recommence at the rate in effect at the time of the employment.

12 (B)(i) Except as provided in subdivision (c)(2)(B)(ii) of
 13 this section, the employer contribution shall be remitted by the employer and
 14 the employee contribution shall be remitted by the employee.

15 (ii) The employer may elect to remit both the
 16 employer and employee contribution.

17 (C) Contributions to the system under this section shall
 18 be nonrefundable.

19 ~~(b) For each year ending June 30, the social security retirement test~~
 20 ~~to be considered shall be the test in effect for the calendar year beginning~~
 21 ~~the January 1 immediately preceding June 30. The retirant's earnings shall be~~
 22 ~~his or her remuneration for the employment for the year ending June 30.~~

23 ~~(e)(d) The Board of Trustees of the Arkansas Teacher Retirement System~~
 24 ~~shall establish equivalent limitations by appropriate rules and regulations.~~

25 ~~(d)(e) Receiving remuneration as an employee from any private employer~~
 26 ~~or as a member of the General Assembly shall not affect payment of an~~
 27 ~~annuity.~~

28 ~~(e)(f) During any period of employment in a position covered by the~~
 29 ~~system, a retirant shall not accrue additional credited service.~~

30 ~~(f)(1) In accordance with rules and regulations adopted by the State~~
 31 ~~Board of Education, the Department of Education may request of the board of~~
 32 ~~trustees or its designee a waiver of the conditions subjecting annuities to~~
 33 ~~limitations. If approved by the board of trustees or its designee, the waiver~~
 34 ~~shall be effective for a one-year period, with the option to renew annually~~
 35 ~~for up to a total of three (3) years as requested by the department.~~

36 ~~(2) A waiver of the conditions subjecting annuities to~~

1 ~~limitations may be requested if the retirant is hired by a public school~~
2 ~~district due to a shortage of certified teachers in a critical academic area~~
3 ~~in which the retirant is certified.~~

4 ~~(3) The critical academic areas in which there is a shortage of~~
5 ~~certified teachers shall be determined annually by the State Board of~~
6 ~~Education.~~

7 ~~(4) School districts shall maintain audit files identifying~~
8 ~~personnel granted a waiver and documenting the reasons for the waiver.~~

9 ~~(5) Beginning July 1, 2005, for any retired member employed in a~~
10 ~~position covered by the system pursuant to a waiver, the employer and~~
11 ~~employee contribution rate to the system on behalf of the member shall~~
12 ~~recommence at the rate in effect at the time of the employment and shall be~~
13 ~~remitted by the employer.~~

14 ~~(g) The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq., shall~~
15 ~~not apply to a retirant returning to work for a public employer under this~~
16 ~~section.~~

17
18 /s/ J. Jeffress
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

- 1
- 2
- 3
- 4
- 5