

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**

A Bill

HOUSE BILL 1643

4 **By: Representatives B. Wood and McGinnis**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 24-7-907 TO ALLOW STAFF
9 MEMBERS OF THE POST-SECONDARY VOCATIONAL-TECHNICAL SCHOOLS
10 AND THE DIVISION OF VOCATIONAL-TECHNICAL EDUCATION TO
11 BECOME MEMBERS OF THE TEACHER RETIREMENT SYSTEM AND
12 PURCHASE SERVICE IN THE SYSTEM AFTER BEING IN AN ALTERNATE
13 RETIREMENT PLAN; TO REPEAL ARKANSAS CODE § 24-70-902
14 REGARDING THE CONSTRUCTION OF THE ALTERNATE RETIREMENT
15 PLAN SUBCHAPTER; TO DECLARE AN EMERGENCY; AND FOR OTHER
16 PURPOSES."

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Subtitle

19 "AN ACT TO ALLOW EMPLOYEES OF THE VOCATIONAL-TECHNICAL
20 SCHOOLS AND THE DIVISION TO BECOME MEMBERS OF TEACHER
21 RETIREMENT AFTER BEING IN AN ALTERNATE PLAN."

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

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25 SECTION 1. Arkansas Code § 24-7-907 is hereby amended to read as
26 follows:

27 "24-7-907. Participation in plan. Participation in an alternate
28 retirement plan established pursuant to this subchapter shall be as follows:

29 (1) All staff members shall participate in either the retirement system
30 or an alternate retirement plan, or may participate in both, but participation
31 in both shall be limited to the circumstances described in subdivision (2) of
32 this section;

33 (2) Any staff member who has become fully vested in the retirement
34 system may:

35 (A) Continue as an active member of the retirement system;

1 (B) Discontinue contributing to the retirement system, thus
2 becoming an inactive member of the retirement system, and participate instead
3 in an alternate retirement plan. Under those circumstances, the staff member
4 would be both an inactive member of the retirement system and an active member
5 of the alternate retirement plan; or

6 (C) Participate in an alternate retirement plan and receive all
7 accumulated contributions to the credit of the staff member in the members'
8 deposit account which is maintained pursuant to the provisions of § 24-7-406
9 and have the member's credited service under the retirement system cancelled.

10 (3) Any staff member who has participated in the retirement system for
11 a period which is insufficient to allow for full vesting of that staff
12 member's retirement system benefits may:

13 (A) Continue as an active member of the retirement system;

14 (B) Discontinue membership in the retirement system and transfer
15 from the retirement system into his account with the alternate retirement
16 plan, i.e., roll over all contributions which the staff member has previously
17 made to the retirement system; or

18 (C) Participate in the alternate retirement plan and receive all
19 accumulated contributions to the credit of the staff member in the members'
20 deposit account which is maintained pursuant to the provisions of § 24-7-406
21 and have the member's credited service under the retirement system cancelled.

22 (4) No staff member may participate in an alternate retirement plan
23 without giving prior written notice of his election to participate in the
24 alternate retirement plan. The notice of election shall be in writing on a
25 form established by the division and filed with both the director and the
26 retirement system. New staff members shall make the election within ninety
27 (90) days after the date of their employment.

28 (5) *Effective July 1, 1993, staff members who elect to participate in*
29 *an alternate retirement plan may elect to become members of the retirement*
30 *system. Service credit forfeited while a member of an alternate retirement*
31 *plan cannot be established in the retirement system. The election to withdraw*
32 *from the alternate retirement plan and become a member of the retirement*
33 *system shall be made by December 31, 1993, and notice of the election shall be*
34 *made in writing to the Director and the retirement system by December 31,*
35 *1993."*

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SECTION 2. All provisions of this act of general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. If any provisions of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provisions or application, and to this end the provisions of this act are declared to be severable.

SECTION 4. (a) Arkansas Code § 24-7-902 is hereby repealed.

(b) All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 5. Emergency. It is hereby found and determined by the Seventy-Ninth General Assembly of the State of Arkansas that certain staff members of the post-secondary vocational-technical schools and the Division of Vocational-Technical Education are unable to achieve an equitable retirement under the current provisions of law, that the retirement laws regarding alternate retirement plans in Arkansas need to be changed to solve this inequitable situation, and that those laws need to be amended and this act needs to be effective at the beginning of the state fiscal biennium to continue the effective and efficient operation of the vocational-technical schools in Arkansas. Therefore, in order to promote effectiveness in state government, an emergency is hereby declared to exist, and this act being necessary for the immediate preservation of the public peace, health, and safety, shall be in full force and effect from and after July 1, 1993.

/s/B. Wood, et al

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