

1 State of Arkansas  
2 80th General Assembly  
3 Regular Session, 1995  
4 By: Representative Choate

# A Bill

HOUSE BILL 1463

## For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 24-7-406 TO ALLOW AFTER  
9 JULY 1, 1995 ACTIVE MEMBERS OF THE TEACHER RETIREMENT  
10 SYSTEM TO CHANGE FROM NON-CONTRIBUTORY TO CONTRIBUTORY  
11 CREDITED SERVICE AND PAY FOR THE ADDITIONAL CONTRIBUTORY  
12 CREDITED SERVICE; TO DECLARE AN EMERGENCY; AND FOR OTHER  
13 PURPOSES."

## Subtitle

16 "TO ALLOW MEMBERS OF THE TEACHER  
17 RETIREMENT SYSTEM TO CHANGE FROM  
18 NON-CONTRIBUTORY TO CONTRIBUTORY  
19 CREDITED SERVICE AND PAY THE  
20 CONTRIBUTIONS FOR SERVICE."

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

24 SECTION 1. Arkansas Code § 24-7-406(f) is amended to read as follows:

25 "(f)(1) Each member may elect, by written election filed with the  
26 system in accordance with rules and regulations adopted by the board, to  
27 eliminate future member contributions otherwise provided for in this section.

28 (2) For a new member, the election shall become a binding  
29 agreement upon its effective date, if the election is so filed before  
30 preparation of the payroll containing his first salary payment, but in no  
31 event before July 1, 1986. In all other circumstances, the election shall be  
32 effective the July 1 immediately following the filing of the election, but in  
33 no event before July 1, 1986.

34 (3) Beginning July 1, 1993, any member may change his election  
35 concerning member contributions once each fiscal year, to be effective the

1 July 1 immediately following the filing of the election.

2           (4) If the election is to eliminate member contributions, then  
3 the election shall apply only to future member salaries and shall not change  
4 the status of any member contributions made before the election. If the  
5 effect of the election is to require member contributions, then the election  
6 shall apply only to future member salaries and shall not change any member  
7 contribution requirements existing before the election. However, beginning  
8 July 1, 1995, an active member who has previously elected to eliminate member  
9 contributions, may, by paying the additional employee contributions due, plus  
10 regular interest from the dates the contributions would have been received by  
11 the system to the date of the payment in full, change *up to ten (10) years of*  
12 *credited service on which no member contributions have been paid to an*  
13 *equivalent number of years of* member contributions credited service. And,  
14 provided further, if a member has previously contributed on only the first  
15 seven thousand eight hundred dollars (\$7,800) of his annual salary, he cannot  
16 contribute on full future salaries until he has made added contributions on  
17 past full salaries as provided in subsection (b) of this section.

18           (5) All new members, including any former active members, shall  
19 not make the member contributions otherwise provided for in this section.  
20 Such members may elect, by written election filed with the system in  
21 accordance with rules and regulations adopted by the board, to make  
22 contributions as provided for in this section. Such election shall become a  
23 binding agreement upon its effective date, if the election is so filed with  
24 the system before the preparation of the payroll containing his first salary  
25 payment. In all other circumstances, the election shall be effective the  
26 July 1 immediately following the filing of the election.

27           (6) For a new member who files in compliance with subdivisions  
28 (f)(1) or (f)(5), the effective date shall be the date the first paycheck is  
29 received. In all other circumstances, the effective date shall be July 1."  
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31           SECTION 2. All provisions of this act of general and permanent nature  
32 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
33 Revision Commission shall incorporate the same in the Code.  
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35           SECTION 3. If any provisions of this act or the application thereof to

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

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6 SECTION 4. All laws and parts of laws in conflict with this act are  
7 hereby repealed.

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9 SECTION 5. Emergency. It is hereby found and determined by the  
10 Eightieth General Assembly of the State of Arkansas that the Teacher  
11 Retirement System currently provides members with non-contributory retirement  
12 service credit; that some members need to have contributory service credit to  
13 provide for an adequate retirement; and that providing for a change to  
14 contributory credited service will improve the motivation and effectiveness  
15 of the active teachers in Arkansas public schools. Therefore, in order to  
16 provide members of the Teacher Retirement System with adequate options for  
17 retirement, an emergency is hereby declared to exist, and this act being  
18 necessary for the immediate preservation of the public peace, health, and  
19 safety, shall be in full force and effect from and after July 1, 1995.

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*/s/Rep. Choate*

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