

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

As Engrossed: H3/3/97 H3/6/97

A Bill

HOUSE BILL 1383

4
5 By: Representative Purdom

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE §§ 24-7-807 AND 24-7-907 TO
10 EXTEND THE TIME PERIOD FOR STAFF MEMBERS OF TECHNICAL AND
11 COMMUNITY COLLEGES, VOCATIONAL SCHOOLS, AND THE DIVISION
12 OF VOCATIONAL-TECHNICAL EDUCATION TO BECOME MEMBERS OF THE
13 *TEACHER RETIREMENT SYSTEM (TRS)*; TO DECLARE AN EMERGENCY;
14 AND FOR OTHER PURPOSES."

Subtitle

16
17 "TO EXTEND THE TIME FOR STAFF MEMBERS OF
18 TECHNICAL COLLEGES, VO-TECH SCHOOLS AND
19 VO-TECH DIVISION TO ENTER THE TEACHER
20 *RETIREMENT SYSTEM.*"

21
22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

23
24 SECTION 1. Subdivision (5) of Arkansas Code § 24-7-807, regarding the
25 participation in an alternate retirement plan by TRS members at technical and
26 community colleges, is amended to read as follows:

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

30 (ii) Such employee shall file written notice of his
31 election with the Director of the Department of Higher Education.

32 (B)(i) Any department employee with ten (10) or more years of
33 credited service who elects to participate only in the alternate retirement
34 plan and who has left his contributions in the retirement system shall be
35 eligible to receive an annuity on or after attaining the normal retirement age
36 and on his retirement from covered employment.

1 (ii) The amount of the annuity shall be determined by the
2 benefit formula of the retirement system at the time of his retirement.

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

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

11 (D)(i) Effective July 1, ~~1995~~ 1997, staff members who elect to
12 participate in an alternate retirement plan may elect to become members of the
13 retirement system.

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

16 (iii) The election to withdraw from the alternate
17 retirement plan and become a member of the retirement system shall be made by
18 December 31, ~~1995~~ 1997, and notice of the election shall be made in writing
19 and filed with the retirement system and the disbursing officer of the
20 employing *college or university by December 31, ~~1995~~ 1997.*"

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22 SECTION 2. Arkansas Code § 24-7-907 is amended to read as follows:

23 "24-7-907. Participation in plan.

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

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

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

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

33 (B) Discontinue contributing to the retirement system, thus
34 becoming an inactive member of the retirement system, and participate instead
35 in an alternate retirement plan. Under those circumstances, the staff member
36 would be both an inactive member of the retirement system and an active member

1 of the alternate retirement plan; or

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

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

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

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

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

18 (4)(A) No staff member may participate in an alternate retirement plan
19 without giving prior written notice of his election to participate in the
20 alternate retirement plan.

21 (B) The notice of election shall be in writing on a form
22 established by the division and filed with both the director and the
23 retirement system.

24 (C) New staff members shall make the election within ninety (90)
25 days after the date of their employment;

26 (5)(A) Effective July 1, ~~1995~~ 1997, staff members who elect to
27 participate in an alternate retirement plan may elect to become members of the
28 retirement system.

29 (B) Service credit forfeited while a member of an alternate
30 *retirement plan cannot be established in the retirement system.*

31 (C) The election to withdraw from the alternate retirement plan
32 and become a member of the retirement system shall be made by December 31,
33 ~~1995~~ 1997, and notice of the election shall be made in writing to the director
34 and *the retirement system by December 31, ~~1995~~ 1997.*"

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36 SECTION 3. All provisions of this act of general and permanent nature

1 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
2 Revision Commission shall incorporate the same in the Code.

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4 SECTION 4. If any provisions of this act or the application thereof to
5 any person or circumstance is held invalid, the invalidity shall not affect
6 other provisions or applications of the act which can be given effect without
7 the invalid provisions or application, and to this end the provisions of this
8 act are declared to be severable.

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10 SECTION 5. All laws and parts of laws in conflict with this act are
11 hereby repealed.

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13 SECTION 6. Emergency. It is hereby found and determined by the Eighty-
14 First General Assembly of the State of Arkansas that certain staff members of
15 the technical colleges, post-secondary vocational-technical schools and the
16 Division of Vocational-Technical Education are unable to achieve an equitable
17 retirement under the current provisions of Arkansas law for an alternate
18 retirement plan; that the retirement laws regarding alternate retirement plans
19 in Arkansas need to be changed to solve this inequitable situation; and that
20 those laws need to be amended and this act needs to become effective at the
21 beginning of the State's fiscal year to promote the proper operation of the
22 vocational-technical colleges and schools in Arkansas. Therefore, in order to
23 promote the effective financial administration of state government, an
24 emergency is hereby declared to exist, and this act being necessary for the
25 immediate preservation of the public peace, health, and safety shall be in
26 full force and effect from and after July 1, 1997.

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/s/Rep. Purdom, et al

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