

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

As Engrossed: S3/15/99

A Bill

SENATE BILL 304

4
5 By: Senator Ross
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For An Act To Be Entitled

8
9 "AN ACT TO AMEND ARKANSAS CODE SECTION 24-7-406 (f) TO
10 ALLOW ACTIVE MEMBERS OF THE TEACHER RETIREMENT SYSTEM
11 TO CHANGE FROM NONCONTRIBUTORY TO CONTRIBUTORY
12 CREDITED SERVICE AND PAY FOR THE ADDITIONAL
13 CONTRIBUTORY CREDITED SERVICE; TO DECLARE AND
14 EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

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17 "TO ALLOW MEMBERS OF THE TEACHER
18 RETIREMENT SYSTEM TO CHANGE FROM
19 NONCONTRIBUTORY TO CONTRIBUTORY CREDITED
20 SERVICE AND PAY THE CONTRIBUTIONS FOR
21 SERVICES."

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

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26 SECTION 1. Arkansas Code Section 24-7-406 (f), regarding the election
27 by members of the Teacher Retirement system to convert from noncontributory to
28 contributory service, is amended to read as follows:

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

32 (2) For a new member, the election shall become a binding
33 agreement upon its effective date, if the election is so filed before
34 preparation of the payroll containing his first salary payment, but in no
35 event before July 1, 1986.

36 (3) Beginning July 1, 1993, any member may change his election

1 concerning member contributions once each fiscal year. Beginning July 1, 1997,
2 the election shall be effective the July 1 immediately preceding its filing
3 provided it is received by the system before October 1 of the current fiscal
4 year.

5 (4)(A) If the election is to eliminate member contributions, then
6 the election shall apply only to future member salaries and shall not change
7 the status of any member contributions made before the election. Beginning
8 July 1, 1999, an active member who has previously elected to eliminate member
9 contributions, may, by paying the additional member contributions due, plus
10 interest from the dates the contributions would have been received by the
11 system to the date of the payment in full, change credited service on which no
12 member contributions have been paid to member contributions credited service.

13 (B)(i) If the effect of the election is to require member
14 contributions, then the election shall apply only to future member salaries
15 and shall not change any member contribution requirements existing before the
16 election.

17 (ii) However, if a member has previously contributed
18 on only the first seven thousand eight hundred dollars (\$7,800) of his annual
19 salary, he cannot contribute on full future salaries until he has made added
20 contributions on past full salaries as provided in subsection (b) of this
21 section.

22 (5)(A) All new members, including any former active members,
23 shall not make the member contributions otherwise provided for in this
24 section.

25 (B)(i) Such members may elect, by written election filed
26 with the system in accordance with rules and regulations adopted by the board,
27 to make contributions as provided for in this section.

28 (ii)(a) Such election shall become a binding
29 agreement upon its effective date, if the election is so filed with the system
30 before the preparation of the payroll containing his first salary payment.

31 (b) In all other circumstances, the election
32 shall be effective the July 1 immediately following the filing of the
33 election.

34 (6)(A) For a new member who files in compliance with subdivisions
35 (f)(1) or (f)(5) of this section, the effective date shall be the date the
36 first paycheck is received.

1 (B) In all other circumstances, the effective date shall be
2 July 1."

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4 SECTION 2. No benefit enhancement provided for by this act shall be
5 implemented if it would cause the publicly supported retirement system's
6 unfunded actuarial accrued liabilities to exceed a thirty (30) year
7 amortization. No benefit enhancement provided for by this act shall be
8 implemented by any publicly supported system which has unfunded actuarial
9 accrued liabilities being amortized over a period exceeding thirty (30) years
10 until the unfunded actuarial accrued liability is reduced to a level less than
11 the standards prescribed by Arkansas Code, Title 24.

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13 SECTION 3. All provisions of this act of a general and permanent nature
14 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
15 Revision Commission shall incorporate the same in the Code.

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17 SECTION 4. If any provision of this act or the application thereof to
18 any person or circumstance is held invalid, such invalidity shall not affect
19 other provisions or applications of the act which can be given effect without
20 the invalid provision or application, and to this end the provisions of this
21 act are declared to be severable.

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

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26 SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the
27 Eighty-second General Assembly that the Teacher Retirement System currently
28 provides members with noncontributory retirement service credit; that some
29 members need to have contributory service credit to provide for an adequate
30 retirement; and that providing for a change to contributory credited service
31 will improve the motivation and effectiveness of the active teachers in
32 Arkansas public schools. Therefore, an emergency is declared to exist and this
33 act being immediately necessary for the preservation of the public peace,
34 health and safety shall become effective on the date of its approval by the
35 Governor. If the bill is neither approved nor vetoed by the Governor, it shall
36 become effective on the expiration of the period of time during which the

1 Governor may veto the bill. If the bill is vetoed by the Governor and the
2 veto is overridden, it shall become effective on the date the last house
3 overrides the veto.

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/s/ Ross