

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.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001

A Bill

HOUSE BILL 1052

4
5 By: Representative Milum
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For An Act To Be Entitled

9 AN ACT TO AMEND VARIOUS SECTIONS OF ARKANSAS CODE
10 TITLE 24, CHAPTER 7, SUBCHAPTER 13, CONCERNING THE
11 TEACHER DEFERRED RETIREMENT OPTION PLAN, TO REQUIRE
12 EMPLOYER CONTRIBUTIONS CONTINUE TO BE PAID ON BEHALF
13 OF PARTICIPATING MEMBERS TO THE MEMBER'S DROP ACCOUNT
14 OR TO THE MEMBER AS SALARY SUPPLEMENT FOR CONTINUED
15 EMPLOYMENT; AND FOR OTHER PURPOSES.
16

Subtitle

17 TO REQUIRE EMPLOYER CONTRIBUTIONS UNDER
18 T-DROP TO CONTINUE TO BE PAID TO THE
19 MEMBER'S DROP ACCOUNT OR TO THE MEMBER
20 AS SALARY SUPPLEMENT.
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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 24-7-1303 is amended to read as follows:

27 24-7-1303. Contributions to Arkansas Teacher Retirement System.

28 (a) (1) When a member begins participation in the Teacher Deferred
29 Retirement Option Plan, both member and employer contributions to the Arkansas
30 Teacher Retirement System on behalf of the member shall cease.

31 (2) However, employer contributions shall continue on behalf of
32 the member and, at the option of the member, shall be paid either:

33 (A) As a contribution to the member's Teacher Deferred
34 Retirement Option Plan account; or

35 (B) To the member as a salary supplement during the
36 continued employment.

1 (b)~~(1)~~ It is the intent of the General Assembly that the employer
2 contribution to the system that has ceased for a participant in the Teacher
3 Deferred Retirement Option Plan will become ~~a part of the general operating~~
4 ~~fund of the school district to be used for any purpose including employee~~
5 salaries a benefit to the member as a contribution to the member's plan
6 account or will go directly to the member as an additional salary payment.

7 ~~(2) The school district shall not make contributions to any tax-~~
8 ~~qualified retirement plan on behalf of any employee participating in the~~
9 ~~Teacher Deferred Retirement Option Plan. However, this prohibition shall not~~
10 ~~be applicable to the extent necessary to comply with contractual obligations~~
11 ~~incurred by a school district prior to February 1, 1999.~~

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13 SECTION 2. Arkansas Code 24-7-1304 is amended to read as follows:

14 24-7-1304. Election of annuity and employer contribution options.

15 (a) A member who elects participation in the Teacher Deferred
16 Retirement Option Plan may elect one (1) of the annuity options provided in §
17 24-7-706 and may elect to receive the funds paid as employer contributions as
18 either a contribution to the member's plan account or a salary supplement as
19 provided in § 24-7-1303.

20 (b) The annuity election will be made at the time the member separates
21 from service and is granted a monthly retirement benefit, and will be deemed
22 to apply to the member's plan benefit as well as to the member's monthly
23 retirement benefit from the Arkansas Teacher Retirement System at the time it
24 becomes payable.

25 (c) The member's contribution election shall be made at the time the
26 member separates from service and shall be valid for each school fiscal year
27 as the member elects.

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29 SECTION 3. Arkansas Code 24-7-1306(a)(1) is amended to read as follows:

30 (a)(1) Teacher Deferred Retirement Option Plan contributions shall be a
31 percentage of the plan benefit plus any employer contributions made on behalf
32 of the participating member, if the member so elects.

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34 SECTION 4. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO
35 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall be
36 implemented if it would cause the publicly supported retirement system's

1 unfunded actuarial accrued liabilities to exceed a thirty (30) year
2 amortization. No benefit enhancement provided for by this act shall be
3 implemented by any publicly supported system which has unfunded actuarial
4 accrued liabilities being amortized over a period exceeding thirty (30) years
5 until the unfunded actuarial accrued liability is reduced to a level less than
6 the standards prescribed by Arkansas Code, Title 24.

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