

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
4

As Engrossed: H2/28/01

A Bill

HOUSE BILL 1272

5 By: Representatives Cook, French, Dangeau
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE 24-7-502 TO ALLOW
10 MEMBERS OF THE ARKANSAS TEACHER RETIREMENT SYSTEM TO
11 TERMINATE EMPLOYMENT AS A RETIRANT AND RETURN TO
12 COVERED EMPLOYMENT WITHIN THIRTY (30) DAYS; TO *AMEND*
13 ARKANSAS CODE 24-7-708 CONCERNING THE TEACHER
14 RETIREMENT SYSTEM'S EARNINGS LIMITATION AFTER
15 RETIREMENT; TO DECLARE AN EMERGENCY; AND FOR OTHER
16 PURPOSES.
17

Subtitle

18 TO ALLOW MEMBERS OF THE TEACHER
19 RETIREMENT SYSTEM TO RETIRE AND RETURN
20 TO WORK WITHIN 30 DAYS AND TO *AMEND* THE
21 EARNINGS LIMITATIONS AFTER RETIREMENT.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code 24-7-502 is amended to read as follows:
28 24-7-502. Termination of active membership.

29 (a)(1) A member of the Arkansas Teacher Retirement System must
30 terminate covered employment to be eligible for retirement.

31 (2) A member shall not be terminated from employment for
32 retirement purposes if the person returns to a position that would otherwise
33 be covered by the system within thirty (30) days of the person's effective
34 date of retirement.

35 (3) A person failing to meet the termination requirement of this
36 subsection shall forfeit the person's benefits until the requirement is met.

1 ~~(a)(1)~~(b)(1) When a member is no longer employed by an employer in a
2 position covered by the Arkansas Teacher Retirement System, he shall thereupon
3 cease to be an active member of the system. Unless he becomes a retirant or an
4 inactive member as provided in this act, his credited service shall be
5 forfeited by him upon termination of his active membership.

6 (2) If a former active member has not become a retirant and later
7 becomes reemployed by an employer in a position covered by the system, he
8 shall again become an active member upon reemployment.

9 (3) If he becomes reemployed from inactive member status, he
10 shall immediately begin adding to his previous credited service; but if his
11 service during his last such reemployment is for fewer than thirty (30) days,
12 he shall be considered to be an inactive member at the termination of such
13 reemployed service, and the only monthly benefits payable shall be those
14 provided by § 24-7-707.

15 (4) If he becomes reemployed from neither retirant nor inactive
16 member status, after completing thirty (30) days of service during his last
17 such reemployment, the active member shall receive the indicated credited
18 service for the credited service forfeited by him if he returns to the system
19 the indicated amount, as follows:

20 (A) He shall receive his total forfeited credited service
21 if he returns the amount he received therefrom, together with regular interest
22 from the date of withdrawal to the date of repayment; or

23 (B) If a portion of his forfeited credited service has been
24 credited him under the provisions of a publicly supported teacher retirement
25 system of another state, he shall receive the portion of his forfeited
26 credited service not so credited by the other system if he returns the amount
27 he received from this system for that portion of his credited service not so
28 credited by the other system, together with regular interest from the date of
29 withdrawal to the date of repayment.

30 (5)(A) In addition to the forfeited credited service, the active
31 member shall receive credit for his other previous service after July 1, 1937,
32 upon his paying to the system the member contributions in effect during the
33 previous service, together with regular interest from the dates of the service
34 to the date of payment. For previous service rendered before July 1, 1971,
35 service credit shall be permitted for service in a fiscal school year only if
36 at least one hundred twenty (120) days of service were rendered in the fiscal

1 school year.

2 (B) To establish credit for previous service, a member must
3 pay to the system both member and employer contributions, plus regular
4 interest from the dates the contributions would normally have been received by
5 the system to the date of actual payment.

6 ~~(b)(c)(1)~~ Upon a member's retirement, he shall cease to be a member
7 and, except as otherwise provided in this act, he shall not again become a
8 member of the system.

9 (2) During any period of employment in a position covered by the
10 system, a retirant shall not accrue additional credited service nor shall he
11 or she contribute to the system.

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13 SECTION 2. Arkansas Code 24-7-708(f), concerning limitations on
14 annuities in the Arkansas Teacher Retirement System, is amended to read as
15 follows:

16 (f)(1) In accordance with rules and regulations adopted by the State
17 Board of Education, the Department of Education may request of the board of
18 trustees, or its designee, a waiver of the conditions subjecting annuities to
19 limitations. If approved by the board of trustees, or its designee, the waiver
20 shall be effective for a one-year period, with the option to review annually
21 as requested by the Department of Education.

22 (2) A waiver of the conditions subjecting annuities to
23 limitations shall be given automatically if the following conditions are met:

24 (A) The retirant is hired by the appropriate entity due to
25 a shortage of certified teachers in a critical academic area in which the
26 retirant is certified; or

27 (B) The retirant is hired by a school district which
28 qualifies as a school district in academic distress as defined in § 6-20-1602.

29 (3)(A) The critical academic areas in which there is a shortage
30 of certified teachers shall be determined annually by the State Board of
31 Education.

32 (B) The automatic waiver of subdivision (f)(2) of this
33 section shall be effective for a one-year period, with the option to renew
34 annually if the same conditions for granting the automatic waiver still exist.

35 (C) School districts shall maintain audit files identifying
36 personnel granted an automatic waiver and documenting the reasons for the

1 automatic waiver.

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3 SECTION 3. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO
4 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall
5 be 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 4. Emergency Clause. It is found and determined by the General
14 Assembly of the State of Arkansas that retirants of the Teacher Retirement
15 System are sometimes needed by the public schools of Arkansas to fill vital
16 positions within the educational system of Arkansas; that the current
17 retirement law limits the amount of salary which can be paid to a retiree and
18 the law needs to provide that a teacher may return to active employment after
19 retirement; and that the most effective time to make changes to the retirement
20 system is at the beginning of the state's fiscal year. Therefore an emergency
21 is declared to exist and this act being immediately necessary for the
22 preservation of the public peace, health and safety shall become effective on
23 July 1, 2001.

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/s/ Cook, et al.

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