

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

SENATE BILL 170

4
5 By: Senators Faris, Hunter
6 By: Representative R. Smith

For An Act To Be Entitled

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9
10 AN ACT TO AMEND VARIOUS SECTIONS OF ARKANSAS CODE
11 TITLE 24, CHAPTER 7, CONCERNING THE ARKANSAS TEACHER
12 RETIREMENT SYSTEM, TO DEFINE THE NORMAL RETIREMENT AGE
13 FOR THE SYSTEM AND TO ADD PROVISIONS CONCERNING THE
14 NORMAL RETIREMENT AGE TO RETIREMENT BENEFITS; TO
15 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

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18 TO AMEND THE TEACHER RETIREMENT SYSTEM
19 LAW TO DEFINE THE NORMAL RETIREMENT AGE
20 FOR THE SYSTEM AND TO ADD PROVISIONS
21 CONCERNING THE NORMAL RETIREMENT AGE.

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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 24-7-202, concerning the definitions for the
27 Arkansas Teacher Retirement System, is amended to add an additional
28 subdivision to read as follows:

29 (31) "Normal retirement age" means sixty-five (65) years of age.

30
31 SECTION 2. Arkansas Code 24-7-701(a), concerning voluntary retirement
32 under the Arkansas Teacher Retirement System, is amended to read as follows:

33 (a)(1) ~~Except as provided under subdivision (a)(2) of this section,~~
34 an active member who either attains age sixty (60) and has five (5) or more
35 years of actual service or who has twenty-eight (28) or more years of credited
36 service regardless of age may voluntarily retire upon his written application

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1 filed with the Board of Trustees of the Arkansas Teacher Retirement System.

2 (2)(A) A member shall terminate covered employment to be eligible
 3 for retirement except if the member has attained normal retirement age.

4 (B) A member shall not be terminated from employment for
 5 retirement purposes if the person returns to a position that would otherwise
 6 be covered by the Arkansas Teacher Retirement System within thirty (30) days
 7 of the person's effective date of retirement.

8 (C) A person failing to meet the termination of employment
 9 requirements of this subsection shall forfeit retirement benefits until the
 10 requirements are met.

11
 12 SECTION 3. Arkansas Code 24-7-702(a), concerning early retirement under
 13 the Arkansas Teacher Retirement System, is amended to read as follows:

14 24-7-702. Early voluntary retirement.

15 (a)(1) ~~Any~~ Except as provided under subdivision (a)(2) of this section,
 16 an active or inactive member who has twenty-five (25) or more years of
 17 credited service but has not attained age sixty (60) and is not eligible for
 18 retirement under the provisions of § 24-7-701 may voluntarily retire early
 19 upon his written application filed with the Board of Trustees of the Arkansas
 20 Teacher Retirement System.

21 (2)(A) A member shall terminate covered employment to be eligible
 22 for retirement except if the member has attained normal retirement age.

23 (B) A member shall not be terminated from employment for
 24 retirement purposes if the person returns to a position that would otherwise
 25 be covered by the Arkansas Teacher Retirement System within thirty (30) days
 26 of the person's effective date of retirement.

27 (C) A person failing to meet the termination of employment
 28 requirements of this subsection shall forfeit retirement benefits until the
 29 requirements are met.

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 31 SECTION 4. Arkansas Code 24-7-704(a), concerning disability retirement
 32 under the Arkansas Teacher Retirement System, is amended to read as follows:

33 (a)(1)(A) ~~Any~~ Except as provided under subdivision (a)(1)(B) of this
 34 section, any member in employer service with five (5) or more years of actual
 35 service who becomes, totally and permanently, physically or mentally
 36 incapacitated for his duty as a teacher, as the result of a personal injury or

1 disease, may be retired by the Board of Trustees of the Arkansas Teacher
2 Retirement System upon written application filed with the board by or on
3 behalf of the member.

4 (B)(i) An active member who has met the age and service
5 requirement of subdivision (a)(1)(A) of this section shall terminate covered
6 employment to be eligible for retirement benefits.

7 (ii) If a member shall return to work in a position
8 covered by the Arkansas Teacher Retirement System within thirty (30) days of
9 the person's effective date of retirement, then the member shall not be
10 considered terminated from employment for retirement purposes and shall
11 forfeit retirement benefits until the termination requirements are met.

12 ~~(B)(C)~~ He may be retired only if, after a medical
13 examination of the member made by or under the direction of the medical
14 committee, the medical committee reports to the board, by majority opinion in
15 writing, that the member is physically or mentally totally incapacitated for
16 the further performance of duty, that the incapacity will probably be
17 permanent, and that the member should be retired.

18 (2) The disability retirement shall be effective the first day of
19 the calendar month next following the later of:

20 (A) His termination of active membership; or

21 (B) Six (6) months before the date the written application
22 is filed with the board.

23
24 SECTION 5. Arkansas Code 24-7-1306(a)(2), concerning the amount of
25 contributions made under the Teacher Deferred Retirement Option Plan, is
26 amended to read as follows:

27 (2)(A) The percentage is one hundred percent (100%) reduced by
28 the product of one percent (1%) multiplied by the number of years of
29 contributory service credit and fractions thereof, and further reduced by the
30 product of six-tenths percent (0.6%) multiplied by the number of years of
31 noncontributory service credit and fractions thereof.

32 (B) When a participant in the teacher deferred retirement
33 option plan reaches normal retirement age, the plan contributions shall be one
34 hundred percent (100%) with no reduction.

35
36 SECTION 6. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO

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

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 10 SECTION 7. Emergency Clause. It is found and determined by the General
 11 Assembly of the State of Arkansas that it is a necessity to set a normal
 12 retirement age for eligibility for retirement benefits in order to maintain
 13 the integrity of the Arkansas Teacher Retirement System; and that changes in
 14 legal provisions of the retirement system can most effectively be managed at
 15 the beginning of the state's fiscal year; and therefore this act should take
 16 effect with the beginning of the state's fiscal year. Therefore an emergency
 17 is declared to exist and this act being immediately necessary for the
 18 preservation of the public peace, health and safety shall become effective on
 19 July 1, 2001.

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