

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 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H2/25/03

A Bill

HOUSE BILL 1232

5 By: Representative J. Johnson
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For An Act To Be Entitled

9 AN ACT TO INCLUDE THE NATIONAL BOARD
10 CERTIFICATION BONUSES AS SALARY FOR THE PURPOSES
11 OF RETIREMENT BENEFITS UNDER THE ARKANSAS TEACHER
12 RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.
13

Subtitle

14 TO INCLUDE THE NATIONAL BOARD
15 CERTIFICATION BONUSES AS SALARY FOR THE
16 PURPOSES OF RETIREMENT BENEFITS UNDER
17 THE ARKANSAS TEACHER RETIREMENT SYSTEM.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 24-7-202(24)(A), concerning the definition
24 of "salary" under the Arkansas Teacher Retirement System, is amended to read
25 as follows:

26 (24)(A)(i) "Salary" means the remuneration paid an employee in a
27 position covered by the system and on which the employer withholds federal
28 *income tax, including the incentive bonuses paid to an employee for*
29 *certification by the National Board of Professional Teaching Standards under*
30 *§ 6-17-413.*

31 (ii) Provided, however, compensation in excess of
32 the limitations set forth in section 401(a)(17) of the Internal Revenue Code
33 shall be disregarded. The limitation on compensation for eligible employees
34 shall not be less than the amount which was allowed to be taken into account
35 under the system as in effect on July 1, 1993. For this purpose, an eligible
36 employee is an individual who was a member of the system before the first



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1 plan year beginning after December 31, 1995.

2 (iii) However, when a member retires, the current
3 year's salary used in the computation of retirement benefits shall not exceed
4 one hundred ten percent (110%) of the previous year's salary, unless the
5 increase is a direct result of a promotion, change in position, incremental
6 increase provided in the school district salary schedule, or an increase in
7 school revenues.

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9 SECTION 2. Arkansas Code § 6-17-413(c), concerning incentive bonuses
10 for certification by the National Board of Professional Teaching Standards,
11 is amended to read as follows:

12 (c)(1) Provisions of this section and § 6-17-412 shall apply only to
13 the extent that funds are appropriated to the department to pay for these
14 provisions.

15 (2)(A) For members of the Arkansas Teacher Retirement System,
16 the department shall withhold any employee contributions where necessary from
17 the incentive bonus and shall send the employee contributions to the system
18 for credit as a part of the member's salary.

19 (B) The employer contributions shall be provided from
20 funds that are appropriated to the department to pay for the bonuses and
21 shall be sent to the system for credit as employer contributions to match the
22 member's salary.

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24 /s/ J. Johnson
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