

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: S2/18/03

A Bill

SENATE BILL 123

5 By: Senators Faris, J. Bookout
6 By: Representatives Mahony, R. Smith
7
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For An Act To Be Entitled

9
10 AN ACT TO CHANGE THE TEACHER DEFERRED RETIREMENT
11 OPTION PLAN TO REQUIRE EMPLOYER CONTRIBUTIONS TO
12 THE TEACHER RETIREMENT SYSTEM TO CONTINUE IF A
13 MEMBER PARTICIPATES IN THE *PLAN AFTER JULY 1,*
14 *2003; AND FOR OTHER PURPOSES.*
15

Subtitle

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17 TO CHANGE THE TEACHER DEFERRED
18 RETIREMENT OPTION PLAN TO REQUIRE
19 EMPLOYER CONTRIBUTIONS TO THE RETIRMENT
20 SYSTEM TO CONTINUE.
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22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 24-7-1303 is amended to read as follows:

26 *24-7-1303. Contributions to Arkansas Teacher Retirement System.*

27 *(a)(1) When a member begins participation in the Teacher Deferred*
28 *Retirement Option Plan before July 1, 2003, both member and employer*
29 *contributions to the Arkansas Teacher Retirement System on behalf of the*
30 *member shall cease.*

31 *(2) Beginning July 1, 2003, if a member begins participation in*
32 *the Teacher Deferred Retirement Option Plan:*

33 *(i) The member contributions to the Arkansas Teacher*
34 *Retirement System shall cease; and*

35 *(ii) Employer contributions to the system shall continue.*

36 *(b)(1) It is the intent of the General Assembly that the employer*



1 contribution to the system that has ceased for a person who became a
2 participant in the Teacher Deferred Retirement Option Plan before July 1,
3 2003 will become a part of the general operating fund of the school district
4 to be used for any purpose including employee salaries.

5 (2) The school district shall not make contributions to any tax-
6 qualified retirement plan on behalf of any employee ~~participating~~ who
7 participated in the Teacher Deferred Retirement Option Plan before July 1,
8 2003. However, this prohibition shall not be applicable to the extent
9 necessary to comply with contractual obligations incurred by a school
10 district prior to February 1, 1999.

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12 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
13 General Assembly of the State of Arkansas that recent economic conditions
14 have caused the Arkansas Teacher Retirement System to suffer losses in the
15 value of its financial assets; that the loss of asset value has created an
16 unfunded actuarial accrued liability exceeding the standard thirty (30) year
17 amortization period set by Arkansas law; that employer contributions to the
18 system that ceased for prior participants in the Teacher Deferred Retirement
19 Option Plan must now resume for all future participants to add to the asset
20 values for the system and eventually return the system to financial balance;
21 and that this act is immediately necessary because imposing changes on
22 employer contributions can best be implemented over the summer between school
23 years. Therefore, an emergency is declared to exist and this act being
24 necessary for the preservation of the public peace, health, and safety shall
25 become effective on July 1, 2003.

26 /s/ Faris

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