

State of Arkansas
85th General Assembly
Regular Session, 2005

A Bill

HOUSE BILL 1208

By: Representative Mahony

For An Act To Be Entitled

AN ACT TO AMEND THE CONDITIONS REQUIRED FOR
GRANTING A WAIVER OF THE EARNINGS LIMITATION TO A
MEMBER OF THE ARKANSAS TEACHER RETIREMENT SYSTEM;
AND FOR OTHER PURPOSES.

Subtitle

AN ACT TO AMEND THE CONDITIONS REQUIRED
FOR GRANTING A WAIVER OF THE EARNINGS
LIMITATION TO A MEMBER OF THE ARKANSAS
TEACHER RETIREMENT SYSTEM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 24-7-708 is amended to read as follows:
24-7-708. Conditions subjecting annuities to limitations.

(a) Except for a waiver as provided for in subsection (f) of this section, if a retirant is an employee of a public employer whose employees are covered by the Arkansas Teacher Retirement System, then, for each twelve-month period ending June 30, the amount of his or her system annuity shall be subject to the limitations equivalent to twice the limitations imposed by the social security retirement test.

(b) For each year ending June 30, the social security retirement test to be considered shall be the test in effect for the calendar year beginning the January 1 immediately preceding June 30. The retirant's earnings shall be his or her remuneration for the employment for the year ending June 30.

(c) The Board of Trustees of the Arkansas Teacher Retirement System shall establish equivalent limitations by appropriate rules and regulations.



1 (d) Receiving remuneration as an employee from any private employer or
2 as a member of the General Assembly shall not affect payment of an annuity.

3 (e) During any period of employment in a position covered by the
4 system, a retirant shall not accrue additional credited service ~~nor shall he~~
5 ~~or she contribute to the system.~~

6 (f)(1) In accordance with rules and regulations adopted by the State
7 Board of Education, the Department of Education may request of the board of
8 trustees or its designee a waiver of the conditions subjecting annuities to
9 limitations. If approved by the board of trustees or its designee, the waiver
10 shall be effective for a one-year period, with the option to ~~review~~ renew
11 annually for up to a total of three (3) years as requested by the department.

12 (2) A waiver of the conditions subjecting annuities to
13 limitations ~~shall be given automatically~~ may be requested if the following
14 ~~conditions are met:~~

15 ~~(A) The retirant is hired by the appropriate entity~~ a
16 public school district due to a shortage of certified teachers in a critical
17 academic area in which the retirant is certified; ~~or~~

18 ~~(B) The retirant is hired by a school district that~~
19 ~~qualifies as a school district in academic distress as defined in § 6-20-~~
20 ~~1602.~~

21 ~~(3)(A)~~ The critical academic areas in which there is a shortage
22 of certified teachers shall be determined annually by the State Board of
23 Education.

24 ~~(B) The automatic waiver of subdivision (f)(2) of this~~
25 ~~section shall be effective for a one year period, with the option to renew~~
26 ~~annually if the same conditions for granting the automatic waiver still~~
27 ~~exist.~~

28 ~~(C)(4)~~ School districts shall maintain audit files identifying
29 personnel granted ~~an automatic~~ a waiver and documenting the reasons for the
30 ~~automatic~~ waiver.

31 (5) Beginning July 1, 2005, for any retired member employed in a
32 position covered by the system pursuant to a waiver, the employer and
33 employee contribution rate to the system on behalf of the member shall
34 recommence at the rate in effect at the time of the employment and shall be
35 remitted by the employer.

1 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General
2 Assembly of the State of Arkansas that the earnings limitation as currently
3 provided to members of the Arkansas Teacher Retirement System threatens the
4 financial stability of the system; that the current earnings limitation
5 jeopardizes the system's ability to meet the current and long-term needs of
6 its members; and that the most effective time to make changes to the system
7 is at the beginning of the state's fiscal year. Therefore, an emergency is
8 declared to exist and this act being necessary for the preservation of the
9 public peace, health, and safety shall become effective on July 1, 2005.