

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 86th General Assembly
3 Regular Session, 2007
4

A Bill

HOUSE BILL 2555

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

9 AN ACT REQUIRING INSTITUTIONS OF HIGHER EDUCATION
10 TO NOTIFY NEW EMPLOYEES CONCERNING THEIR
11 RETIREMENT PLAN OPTIONS; AND FOR OTHER PURPOSES.
12

Subtitle

14 AN ACT REQUIRING INSTITUTIONS OF HIGHER
15 EDUCATION TO NOTIFY NEW EMPLOYEES
16 CONCERNING THEIR RETIREMENT PLAN
17 OPTIONS.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 24-7-807 is amended to read as follows:
23 24-7-807. Participation in plan.

24 Participation in an alternate retirement plan established pursuant to
25 this subchapter shall be as follows:

26 (1) Any staff member employed or appointed by a college or
27 university on or after the establishment of its alternate retirement plan
28 shall participate in the plan or in the Arkansas Teacher Retirement System;

29 (2) Any staff member employed or appointed by a college or
30 university prior to July 1, 1969, who is a member of the retirement system
31 shall continue in such membership or shall participate in the alternate
32 retirement plan, as provided in this subchapter;

33 (3)(A) Any staff member employed or appointed by a college or
34 university with fewer than ten (10) years of member service in the retirement
35 system may elect to terminate his or her membership in the retirement system
36 and participate in the alternate retirement plan established by the employing



1 college or university.

2 (B) The election shall be in writing and filed with the
 3 retirement system and the disbursing officer of the employing college or
 4 university within one (1) year after he or she becomes eligible to
 5 participate in the alternate retirement plan, except that, on or after July
 6 1, 1993, until December 31, 1993, any staff member employed or appointed by a
 7 college or university who has fewer than ten (10) years of member service in
 8 the retirement system and who has not already so elected may elect to
 9 terminate his or her membership in the retirement system and participate in
 10 the alternate retirement plan established by the employing college or
 11 university. The election shall be in writing and filed with the retirement
 12 system and the disbursing officer of the employing college or university.

13 (C) All accumulated contributions to the credit of the
 14 staff member in the members' deposit account which is maintained pursuant to
 15 the provisions of § 24-7-406 shall be returned to the staff member, and all
 16 of his or her credited service under the retirement system shall be
 17 cancelled;

18 (4)(A)(i) Any staff member employed or appointed by a college or
 19 university with five (5) or more years of actual service who elects to
 20 participate only in the alternate retirement plan and who has left his or her
 21 contributions in the retirement system shall be eligible to receive an
 22 annuity on or after attaining sixty (60) years of age and on his or her
 23 retirement from covered employment.

24 (ii) The amount of the annuity shall be determined
 25 by the benefit formula of the retirement system at the time of his or her
 26 retirement.

27 (B) The election authorized under subdivision (4)(A) of
 28 this section shall be made in writing and filed with the retirement system
 29 and with the disbursing officer of the employing college or university on or
 30 before July 1 of the year in which the person makes the election to
 31 participate in the alternate retirement plan.

32 (C) The person's annuity shall begin on the first day of
 33 the month following the date his or her application for retirement is filed
 34 with the board of trustees on or after his or her attainment of age sixty
 35 (60);

36 (5)(A)(i) Any Department of Higher Education employee who

1 transferred from another state department covered by a state-supported
 2 retirement system may elect to participate in an alternate retirement plan.

3 (ii) The employee shall file written notice of his
 4 or her election with the Director of the Department of Higher Education.

5 (B)(i) Any department employee with five (5) or more years
 6 of actual service who elects to participate only in the alternate retirement
 7 plan and who has left his or her contributions in the retirement system shall
 8 be eligible to receive an annuity on or after attaining the normal retirement
 9 age and on his or her retirement from covered employment.

10 (ii) The amount of the annuity shall be determined
 11 by the benefit formula of the retirement system at the time of his or her
 12 retirement.

13 (C)(i) The election authorized under this subdivision (5)
 14 shall be made in writing and filed with the retirement system and with the
 15 director on or before July 1 of the year in which the person makes the
 16 election to participate in the alternate retirement plan.

17 (ii) The person's annuity shall begin on the first
 18 day of the month following the date his or her application for retirement is
 19 filed with the board of trustees on or after his or her attainment of normal
 20 retirement age and on his or her retirement from covered employment.

21 (D)(i) Effective July 1, 2001, staff members who elect to
 22 participate in an alternate retirement plan may elect to become members of
 23 the retirement system.

24 (ii) Service credit forfeited while a member of an
 25 alternate retirement plan cannot be established in the retirement system.

26 (iii) The election to withdraw from the alternate
 27 retirement plan and become a member of the retirement system shall be made by
 28 December 31, 2001, and notice of the election shall be made in writing and
 29 filed with the retirement system and the disbursing officer of the employing
 30 college or university by December 31, 2001.

31 (6)(A) Each college or university shall provide to each new
 32 employee of the college or university a written document explaining to the
 33 employee each of his or her retirement plan options.

34 (B) The written document shall contain a line for the
 35 employee's signature verifying that he or she understands his or her
 36 retirement plan options.

1 (C) The signed document shall be added to the employee's
2 personnel file.

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