

1 State of Arkansas  
2 88th General Assembly  
3 Regular Session, 2011  
4

# A Bill

HOUSE BILL 1135

5 By: Representative Stewart  
6

## For An Act To Be Entitled

8 AN ACT TO REPEAL THE CHOICE TO RESCIND RETIREMENT; TO  
9 MAKE THE ARKANSAS TEACHER RETIREMENT SYSTEM STATUTES  
10 CONSISTENT WITH OTHER STATE PENSION PLANS; TO DECLARE  
11 AN EMERGENCY; AND FOR OTHER PURPOSES.  
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## Subtitle

14 TO REPEAL THE CHOICE TO RESCIND  
15 RETIREMENT UNDER THE ARKANSAS TEACHER  
16 RETIREMENT SYSTEM; TO DECLARE AN  
17 EMERGENCY.  
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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 Arkansas Code § 24-7-717 is repealed.

24 ~~24-7-717. Rescission of retirement.~~

25 ~~(a) A retirant under this chapter who is not required to receive~~  
26 ~~mandatory distributions may rescind the decision to retire and may become an~~  
27 ~~active member upon employment by a covered employer.~~

28 ~~(b) A retirant who rescinds his or her decision to terminate his or~~  
29 ~~her retirement shall file a written election to rescind on the form furnished~~  
30 ~~by the Arkansas Teacher Retirement System.~~

31 ~~(c) The rescission under subsection (b) of this section is effective~~  
32 ~~the first day of the calendar month next following the date the written~~  
33 ~~election to rescind is received by the system.~~

34 ~~(d)(1) Upon rescission, a retirant shall be considered an active~~  
35 ~~member and shall accrue additional credited service subject to the provisions~~  
36 ~~of subsection (c) of this section.~~



1           ~~(2) Any retirement annuity previously due from the system shall~~  
2 ~~be terminated upon the effective date of the rescission.~~

3           ~~(e)(1)(A) If a retirant who has elected to rescind his or her~~  
4 ~~retirement terminates covered employment before he or she has accumulated at~~  
5 ~~least one (1) year of additional credited service, the member's retirement~~  
6 ~~benefits shall resume at the same benefit amount prior to the rescission.~~

7           ~~(B) If the member retires again before serving the~~  
8 ~~required additional one (1) year of service under subdivision (e)(1)(A) of~~  
9 ~~this section, the system shall refund without interest.~~

10           ~~(i) A member contribution that is credited to the~~  
11 ~~system after the election to rescind retirement; and~~

12           ~~(ii) A member contribution that is not included in~~  
13 ~~the member's retirement benefits.~~

14           ~~(2) If reemployment terminates after the end of the fiscal year~~  
15 ~~in which the former retirant has accumulated at least one (1) year of~~  
16 ~~additional credited service, the rescinded member shall receive an annuity~~  
17 ~~that has been recalculated according to the benefit formula in effect at the~~  
18 ~~time of the termination of reemployment.~~

19           ~~(f)(1) A retirant under § 24-7-702 may rescind the decision to retire~~  
20 ~~and may elect to participate in the Teacher Deferred Retirement Option Plan~~  
21 ~~beginning in the next fiscal year after the date the member meets the~~  
22 ~~eligibility requirements.~~

23           ~~(2) If a rescinded member terminates covered employment before~~  
24 ~~he or she is entitled to at least one (1) year of additional credited~~  
25 ~~service, then the member shall forfeit any additional benefit accruals~~  
26 ~~credited after the effective date of rescission.~~

27           ~~(g) The election to rescind under this section may be exercised only~~  
28 ~~once by the member or retirant.~~

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30           SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
31 General Assembly of the State of Arkansas that certain provisions of the  
32 Arkansas Teacher Retirement System Act are badly in need of revision and  
33 updating to bring them into conformance with sound public pension policy;  
34 that such revision and updating is of great importance to members of the  
35 Arkansas Teacher Retirement System and to other citizens of the State of  
36 Arkansas; that the Arkansas Teacher Retirement System operates on a July 1 to

1 June 30 fiscal year, so most changes to the Arkansas Teacher Retirement  
2 System plan work best if the changes are made at the beginning of a fiscal  
3 year; and that this act is necessary in order to maintain an orderly system  
4 of benefits for the members of the Arkansas Teacher Retirement System.  
5 Therefore, an emergency is declared to exist and this act being necessary for  
6 the preservation of the public peace, health, and safety shall become  
7 effective on July 1, 2011.

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