

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

A Bill

SENATE BILL 63

5 By: Senator J. Hutchinson
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For An Act To Be Entitled

8 AN ACT TO EXPAND A MEMBER'S OPTIONS FOR DISTRIBUTION
9 OF A MEMBER'S TEACHER DEFERRED RETIREMENT OPTION PLAN
10 IN THE ARKANSAS TEACHER RETIREMENT SYSTEM TO INCLUDE
11 A PARTIAL DISTRIBUTION; TO INCLUDE RECIPROCAL SERVICE
12 WHEN CALCULATING PLAN DEPOSITS; TO DECLARE AN
13 EMERGENCY; AND FOR OTHER PURPOSES.
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Subtitle

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17 TO EXPAND OPTIONS FOR DISTRIBUTION OF A
18 MEMBER'S TEACHER DEFERRED RETIREMENT
19 OPTION PLAN IN THE ARKANSAS TEACHER
20 RETIREMENT SYSTEM; TO INCLUDE RECIPROCAL
21 SERVICE WHEN CALCULATING PLAN DEPOSITS;
22 TO DECLARE AN EMERGENCY.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code § 24-7-1301, concerning participation in the
28 Teacher Deferred Retirement Option Plan, is amended to add an additional
29 subsection to read as follows:

30 (c) The Board of Trustees of the Arkansas Teacher Retirement System
31 may promulgate rules necessary for the orderly administration of the plan,
32 including without limitation the rules for eligibility for continuance of
33 deposits for part-time employment.
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35 SECTION 2. Arkansas Code § 24-7-1306(b)(1), concerning the calculation
36 of plan deposits under the Teacher Deferred Retirement Option Plan, is



1 amended to read as follows:

2 (b)(1) The percentage is one hundred percent (100%) reduced by the
3 product of one percent (1%) multiplied by the number of years of contributory
4 and reciprocal service credit and fractions thereof in the Arkansas Teacher
5 Retirement System, and further reduced by the product of six-tenths percent
6 (0.6%) multiplied by the number of years of noncontributory service credit
7 and fractions thereof in the system.

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9 SECTION 3. Arkansas Code § 24-7-1308(b), concerning a member's
10 distribution options under the Teacher Deferred Retirement Option Plan, is
11 amended to read as follows:

12 (b)(1) When the member's participation in the plan ceases, the member
13 may elect to:

14 (A) ~~receive~~ Receive the balance in the plan account as a
15 lump sum;

16 (B) ~~or as~~ Annuitize the plan account as a monthly benefit
17 paid under the annuity option selected by the member ~~under this subchapter;~~
18 or

19 (C) Receive a part of the balance in the plan account as a
20 lump sum and annuitize the remaining balance.

21 (2) A member who selects the option under subdivision (b)(1)(C)
22 of this section may receive his or her account distribution as follows:

23 (A) Seventy-five percent (75%) in a lump-sum payment and
24 twenty-five percent (25%) annuitized;

25 (B) Fifty percent (50%) in a lump-sum payment and the
26 remaining fifty percent (50%) annuitized; or

27 (C) Twenty-five percent (25%) in a lump-sum payment and
28 seventy-five (75%) annuitized.

29 ~~(2)(3)~~ (3) The Board of Trustees of the Arkansas Teacher Retirement
30 System shall:

31 (A) ~~determine~~ Determine factors to be used for the
32 conversion of plan balances to monthly amounts;

33 (B) Set requirements for the member's election under this
34 subsection; and

35 (C) Modify the options under subdivision (b)(1) of this
36 section by rule as necessary.

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2 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
3 General Assembly of the State of Arkansas that some provisions of the
4 Arkansas Teacher Retirement System statutes are in urgent need of revision to
5 bring them into conformance with sound public pension policy; that this
6 revision is of great importance to members of the Arkansas Teacher Retirement
7 System and to other citizens of the State of Arkansas; that members should
8 have flexibility in electing how much of their plan they want to keep in the
9 system to enable them to make wise investment decisions for their retirement;
10 that plan deposits are made at the beginning of each fiscal year; and that
11 this act is necessary to prevent great difficulty in administering benefits
12 for the members of the system. Therefore, an emergency is declared to exist
13 and this act being necessary for the preservation of the public peace,
14 health, and safety shall become effective on July 1, 2011.

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