

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

As Engrossed: H3/6/19

# A Bill

HOUSE BILL 1335

5 By: Representative Maddox  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING CREDITED SERVICE  
9 AND VOLUNTARY RETIREMENT UNDER THE ARKANSAS TEACHER  
10 RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR  
11 OTHER PURPOSES.  
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### Subtitle

14 TO AMEND THE LAW CONCERNING CREDITED  
15 SERVICE AND VOLUNTARY RETIREMENT UNDER  
16 THE ARKANSAS TEACHER RETIREMENT SYSTEM;  
17 AND TO DECLARE AN EMERGENCY.  
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20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 *SECTION 1. Arkansas Code § 24-7-601(e)(4), concerning credited service*  
24 *under the Arkansas Teacher Retirement System, is amended to read as follows:*

25 *(4) The final average ~~compensation~~ salary used shall be that of*  
26 *the reciprocal system that furnishes the highest final average salary at the*  
27 *time of retirement.*  
28

29 *SECTION 2. Arkansas Code § 24-7-701(d) and (e), concerning voluntary*  
30 *retirement under the Arkansas Teacher Retirement System, are amended to read*  
31 *as follows:*

32 *(d) ~~A member retiring with an effective date other than July 1 or the~~*  
33 *~~first day of a calendar quarter within the fiscal year may receive service~~*  
34 *~~credit for the current year and use the salary for the current year in the~~*  
35 *~~calculation of the member's final average salary with the following~~*  
36 *~~restrictions:~~ If a member has accrued a full year of service credit for a*



1 fiscal year, the annuity shall not begin earlier than on the July 1 after the  
2 fiscal year.

3 ~~(1) Credited service for service within the fiscal year shall~~  
4 ~~not exceed one quarter ( $\frac{1}{4}$ ) year for each full calendar quarter elapsed since~~  
5 ~~the beginning of the fiscal year; and~~

6 ~~(2) Service credit to be used in the computation of benefits~~  
7 ~~shall be computed only on the full calendar quarter completed and shall not~~  
8 ~~include service credit for a partial calendar quarter worked.~~

9 ~~(e)(1) If a member has signed an employment contract for a fiscal~~  
10 ~~school year and been paid in full for that fiscal school year, in no event~~  
11 ~~shall the annuity begin earlier than the July 1 next following that fiscal~~  
12 ~~school year.~~

13 ~~(2) If a member has signed an employment contract for a fiscal~~  
14 ~~school year and if that contract is not completed, the member shall receive~~  
15 ~~credit for service within the current fiscal year as provided in this~~  
16 ~~section.~~

17  
18 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
19 General Assembly of the State of Arkansas that certain provisions of the  
20 Arkansas Teacher Retirement System Act, which created the Arkansas Teacher  
21 Retirement System as a state agency for the purpose of providing retirement  
22 benefits to school employees in Arkansas, are in need of revision and  
23 updating to maintain the teacher retirement laws in conformance with sound  
24 public pension policy; that the Arkansas Teacher Retirement System operates  
25 on a fiscal year of July 1 to June 30; that having a July 1, 2019 effective  
26 date is necessary to allow the provisions of this act to take effect on the  
27 first day of the fiscal year in order to facilitate the proper administration  
28 of the Arkansas Teacher Retirement System; that revisions and updates to the  
29 Arkansas Teacher Retirement System Act are of great importance for actuarial  
30 purposes and to protect member benefits; and that this act is necessary to  
31 maintain an orderly system of managing member benefits offered by the  
32 Arkansas Teacher Retirement System. Therefore, an emergency is declared to  
33 exist, and this act being necessary for the preservation of the public peace,  
34 health, and safety shall become effective on July 1, 2019.

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36 /s/Maddox