

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas *As Engrossed: H3/6/19 H3/14/19*

2 92nd General Assembly

A Bill

3 Regular Session, 2019

HOUSE BILL 1335

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5 By: Representative Maddox

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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

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

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

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*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:*

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*(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.*

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*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:*

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*(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.~~

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18 SECTION 3. Arkansas Code § 24-7-702(e) and (f), concerning early
19 voluntary retirement, are amended to read as follows:

20 ~~(e) A member retiring with an effective date other than July 1 or the~~
21 ~~first day of a calendar quarter within the fiscal year may receive service~~
22 ~~credit for the current year and use the salary for the current year in the~~
23 ~~calculation of the member's final average salary with the following~~
24 ~~restrictions: If a member has accrued a full year of service credit for a~~
25 ~~fiscal year, the annuity shall not begin earlier than on the July 1 after the~~
26 ~~fiscal year.~~

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

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

33 ~~(f)(1) If a member has signed an employment contract for a fiscal~~
34 ~~school year and been paid in full for that fiscal year, in no event shall the~~
35 ~~annuity begin earlier than the July 1 next following that fiscal school year.~~

36 ~~(2) If a member has signed an employment contract for a fiscal~~

1 ~~school year and that contract is not completed, the member shall receive~~
2 ~~credit for service within the current fiscal year as provided in subsection~~
3 ~~(e) of this section.~~

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5 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
6 General Assembly of the State of Arkansas that certain provisions of the
7 Arkansas Teacher Retirement System Act which created the Arkansas Teacher
8 Retirement System as a state agency for the purpose of providing retirement
9 benefits to school employees in Arkansas, are in need of revision and
10 updating to maintain the teacher retirement laws in conformance with sound
11 public pension policy; that the Arkansas Teacher Retirement System operates
12 on a fiscal year of July 1 to June 30; that having a July 1, 2019 effective
13 date is necessary to allow the provisions of this act to take effect on the
14 first day of the fiscal year in order to facilitate the proper administration
15 of the Arkansas Teacher Retirement System; that revisions and updates to the
16 Arkansas Teacher Retirement System Act are of great importance for actuarial
17 purposes and to protect member benefits; and that this act is necessary to
18 maintain an orderly system of managing member benefits offered by the
19 Arkansas Teacher Retirement System. Therefore, an emergency is declared to
20 exist, and this act being necessary for the preservation of the public peace,
21 health, and safety shall become effective on July 1, 2019.

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23 /s/Maddox
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