

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

As Engrossed: S3/9/21

A Bill

SENATE BILL 232

5 By: Senator G. Leding
6

For An Act To Be Entitled

8 AN ACT CONCERNING MANDATORY CONTRIBUTORY MEMBER
9 DESIGNATION FOR EMPLOYEES UNDER THE ARKANSAS TEACHER
10 RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR
11 OTHER PURPOSES.
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Subtitle

14 CONCERNING MANDATORY CONTRIBUTORY MEMBER
15 DESIGNATION FOR EMPLOYEES UNDER THE
16 ARKANSAS TEACHER RETIREMENT SYSTEM; AND
17 TO DECLARE AN 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 § 24-7-406(e)(1)(C), concerning retirement
24 fund asset accounts, member deposit accounts, and contributions, is amended
25 to read as follows:

26 (C)(i) ~~Effective From July 1, 2005, to July 1, 2021,~~ an
27 active member whose status later changes from a nonteacher status to an
28 administrator or teacher status under contract for one hundred eighty-one
29 (181) days or more shall become a contributory member of the system otherwise
30 provided for in this section regardless of an earlier election to be a
31 noncontributory member of the system.

32 (ii)(a) From July 1, 2005, to June 30, 2007, an
33 active member who has previously elected to be a noncontributory member of
34 the system may make an irrevocable election to become a contributory member
35 of the system.

36 (b) If the election is made before the



1 preparation of the first salary payment to the member in the fiscal year, the
2 election is effective immediately.

3 (c) If the election is made after the
4 preparation of the first payroll containing the first salary payment to the
5 member in the fiscal year, the election is effective July 1 of the next
6 fiscal year.

7 (iii) Effective July 1, 2021, regardless of an
8 earlier election to be a noncontributory member of the system, an active
9 member whose status later changes from nonteacher status to administrator or
10 teacher status under a contract for one hundred eighty-five (185) days or
11 more shall become a contributory member of the system otherwise provided for
12 in this section.

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14 SECTION 2. Arkansas Code § 24-7-406(e)(3), concerning retirement fund
15 asset accounts, member deposit accounts, and contributions, is amended to
16 read as follows:

17 (3)(A) Effective July 1, 1999, a new member shall be a
18 contributory member of the system.

19 (B) From July 1, 1999, to June 30, 2007, a new member who
20 is under contract with a covered employer for one hundred eighty (180) days
21 or less shall have one (1) year to make an irrevocable election to become a
22 contributory member of the system.

23 (C) From July 1, 1999, to June 30, 2007, a new member who
24 is not under contract with a covered employer shall not become a contributory
25 member of the system.

26 (D)(i) ~~Effective~~ From July 1, 2007, to July 1, 2021, a new
27 member under contract with a covered employer for one hundred eighty-one
28 (181) days or more shall be a contributory member of the system.

29 ~~(ii) A new member under contract with a covered~~
30 ~~employer for one hundred eighty (180) days or less may make an irrevocable~~
31 ~~election to become a contributory member of the system.~~

32 ~~(iii)~~ A new member not under contract with a covered
33 employer may make an irrevocable election to become a contributory member of
34 the system under this section.

35 (E)(i) Effective July 1, 2021, a member under contract
36 with a covered employer for one hundred eighty-five (185) days or more shall

1 be a contributory member of the system.

2 (ii) A member under contract with a covered employer
3 for one hundred eighty-four (184) days or less may make an irrevocable
4 election to become a contributory member of the system.

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6 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
7 General Assembly of the State of Arkansas that the operations of a state
8 public retirement system are complex; that the Arkansas Teacher Retirement
9 System must be able to meet the needs of its members as anticipated by the
10 General Assembly; that certain provisions of the Arkansas Teacher Retirement
11 System Act, § 24-7-201 et seq., are in need of immediate revision and
12 updating to conform with sound public pension policy and actuarial
13 requirements; that the Arkansas Teacher Retirement System operates on a
14 fiscal year of July 1 to June 30; that a July 1, 2021 effective date is
15 necessary to allow the provisions within this act to begin on the first day
16 of the fiscal year to provide proper administration of the procedures
17 referenced in this act; that such revision and updating is of great
18 importance to members of the Arkansas Teacher Retirement System and to other
19 citizens of the State of Arkansas; and that this act is necessary in order to
20 maintain an orderly system of benefits for the members of the Arkansas
21 Teacher Retirement System and reciprocal systems. Therefore, an emergency is
22 declared to exist, and this act being necessary for the preservation of the
23 public peace, health, and safety shall become effective on July 1, 2021.

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26 /s/G. Leding
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