

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 83rd General Assembly  
3 Regular Session, 2001  
4

As Engrossed: H2/28/01

## A Bill

Act 1146 of 2001  
HOUSE BILL 1272

5 By: Representatives Cook, French, Dangeau  
6  
7

### For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE 24-7-502 TO ALLOW  
10 MEMBERS OF THE ARKANSAS TEACHER RETIREMENT SYSTEM TO  
11 TERMINATE EMPLOYMENT AS A RETIRANT AND RETURN TO  
12 COVERED EMPLOYMENT WITHIN THIRTY (30) DAYS; TO *AMEND*  
13 ARKANSAS CODE 24-7-708 CONCERNING THE TEACHER  
14 RETIREMENT SYSTEM'S EARNINGS LIMITATION AFTER  
15 RETIREMENT; TO DECLARE AN EMERGENCY; AND FOR OTHER  
16 PURPOSES.  
17

### Subtitle

18 TO ALLOW MEMBERS OF THE TEACHER  
19 RETIREMENT SYSTEM TO RETIRE AND RETURN  
20 TO WORK WITHIN 30 DAYS AND TO *AMEND* THE  
21 EARNINGS LIMITATIONS AFTER RETIREMENT.  
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24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
26

27 SECTION 1. Arkansas Code 24-7-502 is amended to read as follows:  
28 24-7-502. Termination of active membership.

29 (a)(1) A member of the Arkansas Teacher Retirement System must  
30 terminate covered employment to be eligible for retirement.

31 (2) A member shall not be terminated from employment for  
32 retirement purposes if the person returns to a position that would otherwise  
33 be covered by the system within thirty (30) days of the person's effective  
34 date of retirement.

35 (3) A person failing to meet the termination requirement of this  
36 subsection shall forfeit the person's benefits until the requirement is met.

1           ~~(a)(1)~~(b)(1) When a member is no longer employed by an employer in a  
2 position covered by the Arkansas Teacher Retirement System, he shall thereupon  
3 cease to be an active member of the system. Unless he becomes a retirant or an  
4 inactive member as provided in this act, his credited service shall be  
5 forfeited by him upon termination of his active membership.

6           (2) If a former active member has not become a retirant and later  
7 becomes reemployed by an employer in a position covered by the system, he  
8 shall again become an active member upon reemployment.

9           (3) If he becomes reemployed from inactive member status, he  
10 shall immediately begin adding to his previous credited service; but if his  
11 service during his last such reemployment is for fewer than thirty (30) days,  
12 he shall be considered to be an inactive member at the termination of such  
13 reemployed service, and the only monthly benefits payable shall be those  
14 provided by § 24-7-707.

15           (4) If he becomes reemployed from neither retirant nor inactive  
16 member status, after completing thirty (30) days of service during his last  
17 such reemployment, the active member shall receive the indicated credited  
18 service for the credited service forfeited by him if he returns to the system  
19 the indicated amount, as follows:

20           (A) He shall receive his total forfeited credited service  
21 if he returns the amount he received therefrom, together with regular interest  
22 from the date of withdrawal to the date of repayment; or

23           (B) If a portion of his forfeited credited service has been  
24 credited him under the provisions of a publicly supported teacher retirement  
25 system of another state, he shall receive the portion of his forfeited  
26 credited service not so credited by the other system if he returns the amount  
27 he received from this system for that portion of his credited service not so  
28 credited by the other system, together with regular interest from the date of  
29 withdrawal to the date of repayment.

30           (5)(A) In addition to the forfeited credited service, the active  
31 member shall receive credit for his other previous service after July 1, 1937,  
32 upon his paying to the system the member contributions in effect during the  
33 previous service, together with regular interest from the dates of the service  
34 to the date of payment. For previous service rendered before July 1, 1971,  
35 service credit shall be permitted for service in a fiscal school year only if  
36 at least one hundred twenty (120) days of service were rendered in the fiscal

1 school year.

2 (B) To establish credit for previous service, a member must  
3 pay to the system both member and employer contributions, plus regular  
4 interest from the dates the contributions would normally have been received by  
5 the system to the date of actual payment.

6 ~~(b)(c)(1)~~ Upon a member's retirement, he shall cease to be a member  
7 and, except as otherwise provided in this act, he shall not again become a  
8 member of the system.

9 (2) During any period of employment in a position covered by the  
10 system, a retirant shall not accrue additional credited service nor shall he  
11 or she contribute to the system.

12

13 SECTION 2. Arkansas Code 24-7-708(f), concerning limitations on  
14 annuities in the Arkansas Teacher Retirement System, is amended to read as  
15 follows:

16 (f)(1) In accordance with rules and regulations adopted by the State  
17 Board of Education, the Department of Education may request of the board of  
18 trustees, or its designee, a waiver of the conditions subjecting annuities to  
19 limitations. If approved by the board of trustees, or its designee, the waiver  
20 shall be effective for a one-year period, with the option to review annually  
21 as requested by the Department of Education.

22 (2) A waiver of the conditions subjecting annuities to  
23 limitations shall be given automatically if the following conditions are met:

24 (A) The retirant is hired by the appropriate entity due to  
25 a shortage of certified teachers in a critical academic area in which the  
26 retirant is certified; or

27 (B) The retirant is hired by a school district which  
28 qualifies as a school district in academic distress as defined in § 6-20-1602.

29 (3)(A) The critical academic areas in which there is a shortage  
30 of certified teachers shall be determined annually by the State Board of  
31 Education.

32 (B) The automatic waiver of subdivision (f)(2) of this  
33 section shall be effective for a one-year period, with the option to renew  
34 annually if the same conditions for granting the automatic waiver still exist.

35 (C) School districts shall maintain audit files identifying  
36 personnel granted an automatic waiver and documenting the reasons for the

1 automatic waiver.

2

3 SECTION 3. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO

4 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall

5 be implemented if it would cause the publicly supported retirement system's

6 unfunded actuarial accrued liabilities to exceed a thirty (30) year

7 amortization. No benefit enhancement provided for by this act shall be

8 implemented by any publicly supported system which has unfunded actuarial

9 accrued liabilities being amortized over a period exceeding thirty (30) years

10 until the unfunded actuarial accrued liability is reduced to a level less than

11 the standards prescribed by Arkansas Code, Title 24.

12

13 SECTION 4. Emergency Clause. It is found and determined by the General

14 Assembly of the State of Arkansas that retirants of the Teacher Retirement

15 System are sometimes needed by the public schools of Arkansas to fill vital

16 positions within the educational system of Arkansas; that the current

17 retirement law limits the amount of salary which can be paid to a retiree and

18 the law needs to provide that a teacher may return to active employment after

19 retirement; and that the most effective time to make changes to the retirement

20 system is at the beginning of the state's fiscal year. Therefore an emergency

21 is declared to exist and this act being immediately necessary for the

22 preservation of the public peace, health and safety shall become effective on

23 July 1, 2001.

24 /s/ Cook, et al.

27 APPROVED: 3/28/2001