

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: H3/1/01

A Bill

Act 742 of 2001
HOUSE BILL 1078

5 By: Representatives Milum, *G. Jeffress, Shoffner*
6 By: *Senator Hunter*
7
8

For An Act To Be Entitled

10 AN ACT TO AMEND ARKANSAS CODE 24-7-501 TO AUTHORIZE
11 NONTEACHING SCHOOL DISTRICT EMPLOYEES WHO ARE MEMBERS
12 OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO HAVE
13 NONTEACHING SERVICE AFTER JULY 1, 2001 COVERED UNDER
14 THE TEACHER RETIREMENT SYSTEM; *TO AMEND ARKANSAS CODE*
15 *24-7-713 TO ADJUST THE ADDITIONAL MONTHLY BENEFIT; TO*
16 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
17

Subtitle

18
19 TO AUTHORIZE NONTEACHING SCHOOL DISTRICT
20 EMPLOYEES WHO ARE MEMBERS TO HAVE
21 SERVICE AFTER JULY 1, 2001 COVERED UNDER
22 THE TEACHER RETIREMENT SYSTEM.
23
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code 24-7-501(a), concerning membership in the
28 Teacher Retirement System, is amended to read as follows:

29 (a) The membership of the Arkansas Teacher Retirement System shall
30 include the following persons:

31 (1) All teachers who last began service before July 1, 1971, in
32 accordance with provisions in force before July 1, 1971;

33 (2) All teachers who last began service on or after July 1, 1971,
34 and whose service is not covered by another retirement plan similar in purpose
35 to the system, except social security; and

36 (3)(A) All nonteachers who begin nonteaching service on or after

1 July 1, 1989, and whose nonteaching service is not covered by another
2 retirement plan similar in purpose to the system, except social security.

3 (B) All nonteachers who began nonteaching service before
4 July 1, 1989, whose nonteaching service is covered or coverable by the
5 Arkansas Public Employees' Retirement System shall continue to be covered by
6 the Arkansas Public Employees' Retirement System for all nonteaching service,
7 both past and future, except if the nonteacher elects coverage under the
8 system in accordance with subdivision (a)(4) of this section.

9 (C) These nonteachers who began service before July 1,
10 1989, shall be considered members of a closed system to be administered by the
11 Arkansas Public Employees' Retirement System.

12 (D) The employer contribution rate for this closed system
13 shall be established at a rate necessary to fund all present and future
14 liabilities until such time as there are no longer members, retirants, or
15 deferred annuitants.

16 (4)(A) All nonteachers who began nonteaching service before July
17 1, 1989, whose nonteaching service is covered by the Arkansas Public
18 Employees' Retirement System, may elect to have the nonteaching service after
19 July 1, 2001 covered by the system.

20 (B) Beginning July 1, 2001, and each July 1, of each year
21 thereafter, nonteachers who participate in the Arkansas Public Employees'
22 Retirement System may elect to become members of the retirement system.

23 (C) Service credit while a member of the Arkansas Public
24 Employees' Retirement System cannot be established in the retirement system.

25 (D) The election to withdraw from the Arkansas Public
26 Employees' Retirement System and become a member of the retirement system
27 shall be made by May 31, 2001, or by May 31 of each year thereafter, and
28 notice of the election shall be made in writing and filed with the retirement
29 system.

30 (E) Nonteachers who elect coverage in the retirement system
31 under the provisions of this section and who accumulate five (5) or more years
32 of credited service in the retirement system will be eligible for benefits as
33 provided in § 24-7-713(b).

34 (F) The election to participate in the retirement system
35 shall be irrevocable.

36

1 SECTION 2. Arkansas Code 24-7-713(b)(2), concerning an additional
2 monthly benefit under the Arkansas Teacher Retirement System, is amended to
3 read as follows:

4 (2) Members retiring after July 1, 1999, with five (5) or more
5 years of credited service in the retirement system, shall receive an
6 additional benefit of not less than fifty dollars (\$50.00) per month over and
7 above their regular annuity. Provided, the board may elect and is granted
8 authority to increase the additional benefit to members retiring in an amount
9 determined by the board, except such additional benefit shall not exceed one
10 hundred twenty-five dollars (\$125) per month.

11
12 SECTION 3. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO
13 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall be
14 implemented if it would cause the publicly supported retirement system's
15 unfunded actuarial accrued liabilities to exceed a thirty (30) year
16 amortization. No benefit enhancement provided for by this act shall be
17 implemented by any publicly supported system which has unfunded actuarial
18 accrued liabilities being amortized over a period exceeding thirty (30) years
19 until the unfunded actuarial accrued liability is reduced to a level less than
20 the standards prescribed by Arkansas Code, Title 24.

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22 SECTION 4. Emergency Clause. It is found and determined by the Eighty-
23 third General Assembly of the State of Arkansas that nonteaching employees of
24 Arkansas school districts have more in common with fellow educational
25 employees than with public employees; that allowing the nonteaching employees
26 to earn service credit in the Teacher Retirement System will promote more
27 effective use of educational funds in Arkansas; and that in order to promote
28 the proper operation of the school districts these laws need to be effective
29 at the beginning of the state's fiscal year. Therefore an emergency is
30 declared to exist and this act being immediately necessary for the
31 preservation of the public peace, health and safety shall become effective
32 beginning July 1, 2001.

33 /s/ Milum, et al.

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36 APPROVED: 3/13/2001