

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

A Bill

HOUSE BILL 1497

5 By: Representative R. Smith
6 By: Senator Canada
7

For An Act To Be Entitled

10 "AN ACT TO AMEND ARKANSAS CODE 24-7-807 AND 24-7-907
11 TO EXTEND THE TIME PERIOD FOR STAFF MEMBERS OF
12 TECHNICAL AND COMMUNITY COLLEGES, VOCATIONAL SCHOOLS,
13 AND THE DEPARTMENT OF WORKFORCE EDUCATION TO BECOME
14 MEMBERS OF THE TEACHER RETIREMENT SYSTEM (TRS); TO
15 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

17 "TO EXTEND THE TIME FOR STAFF MEMBERS OF
18 TECHNICAL COLLEGES, VO-TECH SCHOOLS AND
19 DEPARTMENT OF WORKFORCE EDUCATION TO
20 ENTER THE TEACHER RETIREMENT SYSTEM."
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code 24-7-807(5), regarding the participation in an
27 alternate retirement plan by Teacher Retirement System members at technical
28 and community colleges, is amended to read as follows:

29 "(5)(A)(i) Any Department of Higher Education employee who transferred
30 from another state department covered by a state-supported retirement system
31 may elect to participate in an alternate retirement plan.

32 (ii) Such employee shall file written notice of his
33 election with the Director of the Department of Higher Education.

34 (B)(i) Any department employee with five (5) or more years of
35 actual service who elects to participate only in the alternate retirement plan
36 and who has left his contributions in the retirement system shall be eligible

1 to receive an annuity on or after attaining the normal retirement age and on
2 his retirement from covered employment.

3 (ii) The amount of the annuity shall be determined by the
4 benefit formula of the retirement system at the time of his retirement.

5 (C)(i) The election authorized under this subdivision (5) shall
6 be made in writing and filed with the retirement system and with the director
7 on or before July 1 of the year in which the person makes the election to
8 participate in the alternate retirement plan.

9 (ii) The person's annuity shall begin on the first day of
10 the month following the date his application for retirement is filed with the
11 board of trustees on or after his attainment of normal retirement age and on
12 his retirement from covered employment.

13 (D)(i) Effective July 1, ~~1997~~ 1999, staff members who elect to
14 participate in an alternate retirement plan may elect to become members of the
15 retirement system.

16 (ii) Service credit forfeited while a member of an
17 alternate retirement plan cannot be established in the retirement system.

18 (iii) The election to withdraw from the alternate
19 retirement plan and become a member of the retirement system shall be made by
20 December 31, ~~1997~~ 1999, and notice of the election shall be made in writing
21 and filed with the retirement system and the disbursing officer of the
22 employing college or university by December 31, ~~1997~~ 1999."

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24 SECTION 2. Arkansas Code 24-7-907 is amended to read as follows:

25 "24-7-907. Participation in plan.

26 Participation in an alternate retirement plan established pursuant to
27 this subchapter shall be as follows:

28 (1) All staff members shall participate in either the retirement system
29 or an alternate retirement plan, or may participate in both, but participation
30 in both shall be limited to the circumstances described in subdivision (2) of
31 this section;

32 (2) Any staff member who has become fully vested in the retirement
33 system may:

34 (A) Continue as an active member of the retirement system;

35 (B) Discontinue contributing to the retirement system, thus
36 becoming an inactive member of the retirement system, and participate instead

1 in an alternate retirement plan. Under those circumstances, the staff member
2 would be both an inactive member of the retirement system and an active member
3 of the alternate retirement plan; or

4 (C) Participate in an alternate retirement plan and receive all
5 accumulated contributions to the credit of the staff member in the members'
6 deposit account which is maintained pursuant to the provisions of § 24-7-406
7 and have the member's credited service under the retirement system cancelled;

8 (3) Any staff member who has participated in the retirement system for
9 a period which is insufficient to allow for full vesting of that staff
10 member's retirement system benefits may:

11 (A) Continue as an active member of the retirement system;

12 (B) Discontinue membership in the retirement system and transfer
13 from the retirement system into his account with the alternate retirement
14 plan, i.e., roll over all contributions which the staff member has previously
15 made to the retirement system; or

16 (C) Participate in the alternate retirement plan and receive all
17 accumulated contributions to the credit of the staff member in the members'
18 deposit account which is maintained pursuant to the provisions of § 24-7-406
19 and have the member's credited service under the retirement system cancelled;

20 (4)(A) No staff member may participate in an alternate retirement plan
21 without giving prior written notice of his election to participate in the
22 alternate retirement plan.

23 (B) The notice of election shall be in writing on a form
24 established by the division and filed with both the director and the
25 retirement system.

26 (C) New staff members shall make the election within ninety (90)
27 days after the date of their employment;

28 (5)(A) Effective July 1, ~~1997~~ 1999, staff members who elect to
29 participate in an alternate retirement plan may elect to become members of the
30 retirement system.

31 (B) Service credit forfeited while a member of an alternate
32 retirement plan cannot be established in the retirement system.

33 (C) The election to withdraw from the alternate retirement plan
34 and become a member of the retirement system shall be made by December 31,
35 ~~1997~~ 1999, and notice of the election shall be made in writing to the director
36 and the retirement system by December 31, ~~1997~~ 1999."

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SECTION 3. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 5. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the Eighty-second General Assembly that certain staff members of the technical colleges, post-secondary vocational-technical schools and the Department of Workforce Education are unable to achieve an equitable retirement under the current provisions of Arkansas law for an alternate retirement plan; that the retirement laws regarding alternate retirement plans in Arkansas need to be changed to solve this inequitable situation; and that those laws need to be amended and this act needs to become effective at the beginning of the state's fiscal year to promote the proper operation of the vocational-technical colleges and schools in Arkansas. Therefore, in order to promote the effective financial administration of state government, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1999.