

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 86th General Assembly
3 Regular Session, 2007
4

A Bill

HOUSE BILL 1222

5 By: Representative Stewart
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For An Act To Be Entitled

9 AN ACT TO EXTEND TO MEMBERS OF THE ARMED FORCES
10 RESERVE AN EQUAL OPPORTUNITY TO PURCHASE SERVICE
11 CREDIT IN THE ARKANSAS TEACHER RETIREMENT SYSTEM
12 THAT IS PROVIDED FOR MEMBERS OF THE ARKANSAS
13 NATIONAL GUARD; TO ADDRESS DISPARITIES IN THE
14 ALLOWANCE OF PURCHASING SERVICE CREDIT IN STATE
15 RETIREMENT SYSTEMS FOR MEMBERS OF THE ARMED
16 FORCES RESERVES AND THE ARKANSAS NATIONAL GUARD;
17 AND FOR OTHER PURPOSES.

Subtitle

18
19 TO ADDRESS DISPARITIES IN THE ALLOWANCE
20 OF PURCHASING SERVICE CREDIT IN STATE
21 RETIREMENT SYSTEMS FOR MEMBERS OF THE
22 ARMED FORCES RESERVES AND THE ARKANSAS
23 NATIONAL GUARD.
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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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29 SECTION 1. Arkansas Code § 24-7-610 is amended to read as follows:
30 24-7-610. National guard and armed forces reserve service credit.

31 (a)(1) Any member of the Arkansas Teacher Retirement System shall be
32 entitled to purchase credited service in the system for a period not to
33 exceed five (5) years for service rendered by the member in the Arkansas
34 National Guard or in a reserve component of the armed forces of the United
35 States if the member:

36 (A) Makes an application to the Board of Trustees of the Arkansas



1 Teacher Retirement System;

2 (B) Provides proof satisfactory to the board of that
3 person's service in the Arkansas National Guard or in a reserve component of
4 the armed forces of the United States; and

5 (C) Pays to the system for each year of service credit
6 being granted:

7 (i) The product of the sum of the employee and
8 employer contribution rates in effect at the time of purchase multiplied by
9 the greater of:

10 (a) The annual salary received by the member
11 for his or her first full year of credited service that precedes the fiscal
12 year in which the service is purchased; or

13 (b) The average of the three (3) highest
14 salaries earned at the time of purchase; plus

15 (ii) Interest from the end of that year of credited
16 service to the date of payment in full.

17 (2) If the payment for service under this section is not made in
18 a single lump-sum payment, interest shall accrue from the date of the initial
19 payment to the date of the payment in full.

20 (3) The payment shall be credited to the member's account in the
21 members' deposit account and shall be in addition to regular member
22 contributions.

23 (b) Members shall receive one (1) year of purchased service credit for
24 each five (5) years of service in the Arkansas National Guard or in a reserve
25 component of the armed forces of the United States ~~service~~.

26 (c) ~~The~~ Service in the Arkansas National Guard ~~service~~ or in a reserve
27 component of the armed forces of the United States shall not become credited
28 service under this system until:

29 (1) The member payments specified in subdivision (a)(1)(C) of
30 this section have been paid in full; and

31 (2) The member has established five (5) or more years of actual
32 service in the system.

33 (d) If a member ceases to be an active member before the service in
34 the Arkansas National Guard ~~service~~ or in a reserve component of the armed
35 forces of the United States has been established as system-credited service,
36 the member payments contributed as specified in subdivision (a)(1)(C) of this

1 section shall be refundable, together with regular interest.

2 (e)(1) This section shall be supplemental to § 24-7-602, and nothing
3 in this section shall be construed to diminish the right of any member of the
4 system to obtain credited service in the system for active duty military
5 service within the limits permitted by § 24-7-602.

6 (2) However, no member shall be entitled to or receive in excess
7 of five (5) years of credited service rendered by the member under this
8 section.

9 (f) Except for service credit under § 24-7-602(e), service credit in
10 the Arkansas National Guard or in a reserve component of the armed forces of
11 the United States shall not be given if the service is credited under any
12 other retirement plan, including a federal military retirement.

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14 SECTION 2. The purpose of this act is to address disparities in the
15 allowance of purchasing service credit in state retirement systems for
16 members of the Armed Forces Reserves and the Arkansas National Guard.

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