

State of Arkansas  
90th General Assembly  
Regular Session, 2015

As Engrossed: S2/18/15  
**A Bill**

SENATE BILL 171

By: Senator B. Sample

### For An Act To Be Entitled

*AN ACT CONCERNING THE ARKANSAS TEACHER RETIREMENT  
SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER  
PURPOSES.*

### Subtitle

*CONCERNING THE ARKANSAS TEACHER  
RETIREMENT SYSTEM; AND TO DECLARE AN  
EMERGENCY.*

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

*SECTION 1. Arkansas Code § 24-7-602 is amended to read as follows:  
24-7-602. Military service credit.*

*(a)(1) If an active member of the Arkansas Teacher Retirement System enters the United States Armed Forces during any a period of compulsory military service, after receiving that a federal military draft was in effect and obtains a refund of member contributions from the system, the compulsory military service required of the member may be established as free credited service under this subchapter, if after an honorable discharge from the United States Armed Forces and before retirement the member repays to the system the actuarial equivalent of the member's ~~benefits~~ refunded service.*

*(2) In addition, an active member who entered the United States Armed Forces during any period ~~of compulsory military service~~ that a federal military draft was in effect and who becomes an active member ~~within one (1) year of his or her~~ after an honorable discharge from the armed forces is eligible to receive free military service credit under this section, whether or not the member has five (5) or more years of credited service at the time*



of the reemployment.

~~(b)(3) An active or inactive When a member who entered is first employed after serving in the armed forces United States Armed Forces shall have the period of armed forces service credited as service in the system without cost to the member during a period of time that the military draft was in effect, he or she is eligible to receive free military service credit under this section if the member satisfies the following conditions:~~

~~(1)(A) He or she completes Completes five (5) or more years of actual service in the system; and~~

~~(2)(A) The armed forces service is not credited as service under any other retirement plan except Social Security.~~

~~(B) Receipt of a pension from the federal military retirement system paid solely for disability shall not be considered as having service credit with another retirement plan Receives an honorable discharge.~~

~~(e)(b) If mandated by federal law before December 12, 1994, armed service All United States Armed Forces service not otherwise creditable under this section shall be creditable, provided the member pays to the system the actuarial equivalent of for the member's benefits service credit.~~

~~(d)(1)(c)(1) Effective December 12, 1994, a member who leaves employment with a school to serve, on a voluntary or involuntary basis, in the uniformed services of the United States and returns to employment with a school shall be treated as not having incurred a break in service with the employer. The employer shall certify to the system that reemployment was in accordance with the requirements set forth in section 4312 of Pub. L. No. 103-353, the Uniformed Services Employment and Reemployment Rights Act of 1994, Pub. L. No. 103-353.~~

~~(2) Under this subsection, uniformed services of the United States is limited to the United States Armed Forces; the United States Army and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty; the commissioned corps of the Public Health Service; and any other category of persons designated by the President of the United States in time of war or emergency.~~

~~(3) The cumulative length of the absence from a position of employment with the employer by reason of service in the uniformed services shall not exceed five (5) years.~~

(4) A member reemployed under this subsection shall be entitled to accrue benefits for the time he or she served in the uniformed services by paying the employee contributions set forth in § 24-7-406.

(5) An employer reemploying a member under this subsection shall pay to the system the employer contributions due for the time the member served in the uniformed services and shall be those required by § 24-3-103 [repealed]. However, should a member not pay the employee contributions due, then no employer contributions shall be due.

(6) For the purposes of determining the employee and employer contributions due, the member's compensation during the period of service in the uniformed services shall be computed at:

(A) The rate the member would have received had he or she not served in the uniformed services; or

(B) The member's average compensation level during the twelve-month period, or shorter, if applicable, immediately preceding the service.

(7) If both employee and employer contributions are not paid, the member shall not be entitled to any accrued benefits for the time served in the uniformed services.

~~(e)~~(d) In no event shall a person be credited with a total of more than five (5) years of armed service, except that service credited under subsection ~~(d)~~ (c) of this section shall be in addition to that amount.

~~(f)~~(e) In any case of doubt as to the period of the armed service to be credited a member, the Board of Trustees of the Arkansas Teacher Retirement System shall have the power to determine the period.

~~(g)(1)~~(f)(1) In the case of a death occurring on or after January 1, 2007, if a member dies while performing qualified military service as defined in section 414(u) of the Internal Revenue Code, as it existed on January 1, 2011, the survivors of the member are entitled to any additional benefits, including determining a member's vesting, provided under the Arkansas Teacher Retirement System as if the member had resumed and then terminated employment on account of death.

(2) Additional benefits under subdivision ~~(g)(1)~~ (f)(1) of this section do not include benefit accruals relating to the period of qualified military service.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the operations of a state public retirement system are complex and the system must be able to meet the needs of its members as anticipated by the General Assembly; that certain provisions of the Arkansas Teacher Retirement System Act are imminently in need of clarification to operate the system efficiently and effectively; that such clarification is of great importance to members of the Arkansas Teacher Retirement System and to other citizens of the State of Arkansas; and that this act is immediately necessary in order to maintain an orderly system of benefits for the members of the Arkansas Teacher Retirement System. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/B. Sample

**APPROVED: 03/20/2015**