

Stricken language would be deleted from and underlined language would be added to present law.
Act 595 of the Regular Session

State of Arkansas
92nd General Assembly
Regular Session, 2019

As Engrossed: H3/6/19 H3/14/19
A Bill

HOUSE BILL 1335

By: Representative Maddox

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING CREDITED SERVICE AND VOLUNTARY RETIREMENT UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING CREDITED SERVICE AND VOLUNTARY RETIREMENT UNDER 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 § 24-7-601(e)(4), concerning credited service under the Arkansas Teacher Retirement System, is amended to read as follows:

(4) The final average ~~compensation~~ salary used shall be that of the reciprocal system that furnishes the highest final average salary at the time of retirement.

SECTION 2. Arkansas Code § 24-7-701(d) and (e), concerning voluntary retirement under the Arkansas Teacher Retirement System, are amended to read as follows:

(d) ~~A member retiring with an effective date other than July 1 or the first day of a calendar quarter within the fiscal year may receive service credit for the current year and use the salary for the current year in the calculation of the member's final average salary with the following restrictions:~~ If a member has accrued a full year of service credit for a



fiscal year, the annuity shall not begin earlier than on the July 1 after the fiscal year.

~~(1) Credited service for service within the fiscal year shall not exceed one quarter ($\frac{1}{4}$) year for each full calendar quarter elapsed since the beginning of the fiscal year; and~~

~~(2) Service credit to be used in the computation of benefits shall be computed only on the full calendar quarter completed and shall not include service credit for a partial calendar quarter worked.~~

~~(e)(1) If a member has signed an employment contract for a fiscal school year and been paid in full for that fiscal school year, in no event shall the annuity begin earlier than the July 1 next following that fiscal school year.~~

~~(2) If a member has signed an employment contract for a fiscal school year and if that contract is not completed, the member shall receive credit for service within the current fiscal year as provided in this section.~~

SECTION 3. Arkansas Code § 24-7-702(e) and (f), concerning early voluntary retirement, are amended to read as follows:

~~(e) A member retiring with an effective date other than July 1 or the first day of a calendar quarter within the fiscal year may receive service credit for the current year and use the salary for the current year in the calculation of the member's final average salary with the following restrictions: If a member has accrued a full year of service credit for a fiscal year, the annuity shall not begin earlier than on the July 1 after the fiscal year.~~

~~(1) Credited service for service within the fiscal year shall not exceed one fourth ($\frac{1}{4}$) of a year for each full calendar quarter elapsed since the beginning of the fiscal year; and~~

~~(2) Service credit to be used in the computation of benefits shall be computed only on the full calendar quarter completed and shall not include service credit for a partial calendar quarter worked.~~

~~(f)(1) If a member has signed an employment contract for a fiscal school year and been paid in full for that fiscal year, in no event shall the annuity begin earlier than the July 1 next following that fiscal school year.~~

~~(2) If a member has signed an employment contract for a fiscal~~

~~school year and that contract is not completed, the member shall receive credit for service within the current fiscal year as provided in subsection (e) of this section.~~

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that certain provisions of the Arkansas Teacher Retirement System Act which created the Arkansas Teacher Retirement System as a state agency for the purpose of providing retirement benefits to school employees in Arkansas, are in need of revision and updating to maintain the teacher retirement laws in conformance with sound public pension policy; that the Arkansas Teacher Retirement System operates on a fiscal year of July 1 to June 30; that having a July 1, 2019 effective date is necessary to allow the provisions of this act to take effect on the first day of the fiscal year in order to facilitate the proper administration of the Arkansas Teacher Retirement System; that revisions and updates to the Arkansas Teacher Retirement System Act are of great importance for actuarial purposes and to protect member benefits; and that this act is necessary to maintain an orderly system of managing member benefits offered by 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 July 1, 2019.

/s/Maddox

APPROVED: 3/29/19