

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

# A Bill

HOUSE BILL 1320

By: Representative Maddox

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE COMPELLING OF PAYMENTS FROM A DELINQUENT EMPLOYER UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND THE LAW CONCERNING THE COMPELLING OF PAYMENTS FROM A DELINQUENT EMPLOYER UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM.

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

SECTION 1. Arkansas Code § 24-7-411(a) and (b), concerning the compelling of payments from a delinquent employer under the Arkansas Teacher Retirement System, are amended to read as follows:

~~(a)(1) If any participating employer fails to remit to the Arkansas Teacher Retirement System contributions that are required by law, rule, or regulation by the fifteenth day of the month in which the moneys are due, then the system shall impose an interest penalty of eight percent (8%) per annum with a daily interest accrual.~~

~~(2) For purposes of this subsection, an employer's remittance is not delinquent if the employer's remittance is:~~

~~(A) Received by the system by the fifteenth day of the month in which the payment is due; or~~

~~(B) Postmarked by the fourteenth day of the month in which the payment is due.~~



(a)(1) If an employer fails to remit moneys that are required by law or rule to the Arkansas Teacher Retirement System by the date and at the frequency established by the Board of Trustees of the Arkansas Teacher Retirement System, the system shall impose an interest penalty equal to the actuarially assumed rate of return on investments of the Arkansas Teacher Retirement System Fund in the form of interest applied on an annual basis to the moneys due.

~~(3)(2)~~ The interest penalty shall be determined by the system on the date the delinquent funds are received, and a statement of the interest penalty shall be sent to the ~~participating public~~ employer.

~~(4)(3)~~ If the interest penalty or delinquent moneys are not received by the system by the last business day of the month in which the moneys were originally due, then the system ~~shall cause the sums of moneys, including the interest penalty, to be transferred~~ may transfer the sums of moneys, including the interest penalty, from any moneys due the ~~participating~~ employer from the Treasurer of State and the Department of Education as provided in § 19-5-106(a)(5).

~~(5)(4)~~ ~~This~~ The interest penalty shall be computed on the actual days of delinquency and shall be paid to the system to reimburse the trust fund for the money that would have been earned on the moneys had they been paid when due.

(b)(1) If a ~~participating~~ an employer fails to file with the system a report required by the Board of Trustees of the Arkansas Teacher Retirement System by the ~~fifteenth day of the month in which the report is due~~ date established by the board, then the system shall impose a penalty of one hundred fifty dollars (\$150) for each late report.

~~(2) For purposes of this subsection, a report is not late if the report is:~~

~~(A) Received by the system by the fifteenth day of the month in which the report is due; or~~

~~(B) Postmarked by the fourteenth day of the month in which the report is due.~~

~~(3)(2)~~ A statement of the penalty shall be sent to the ~~participating~~ employer.

~~(4)(3)~~ If the penalty is not received by the last business day of the month in which the report was due, then the system ~~shall cause the~~

~~penalty amount to be transferred~~ may transfer the penalty amount from any moneys due the ~~participating~~ employer from the Treasurer of State and the Department of Education as provided in § 19-5-106(a)(5).

~~(5)(4)~~ The penalty amounts collected shall be deposited to the credit of the administrative funds of the system to help defray the cost of additional expenses incurred due to the additional work required to process late reports.

~~(6)(5)~~ In addition to the late report penalty under subdivision (b)(1) of this section, the system may impose an additional penalty of five hundred dollars (\$500) for a report that is filed with the system over one (1) month late.

SECTION 2. Arkansas Code § 24-7-411, concerning the compelling of payments from a delinquent employer under the Arkansas Teacher Retirement System, is amended to add additional subsections to read as follows:

(e)(1) Beginning on July 1, 2022, the member and employer contributions made by an employer as provided in § 24-7-401 and § 24-7-406 shall be:

(A) Reported electronically by the employer through the Arkansas Teacher Retirement System portal; and

(B) Paid by the employer through electronic transfer.

(2) An employer contribution shall be:

(A) Paid to the Arkansas Teacher Retirement System at the time and at the frequency established by the board; and

(B) Paid concurrently with contributions made by the employees of the employer to the Arkansas Teacher Retirement System.

(f)(1) An employer shall submit a written request for a temporary waiver to the board by July 1, 2022, when the employer is unable to:

(A) Report contributions electronically through the Arkansas Teacher Retirement System; or

(B) Pay contributions to the Arkansas Teacher Retirement System by electronic transfer.

(2) A request for a temporary waiver submitted under subdivision (f)(1) of this section shall include a timeline for when the employer will be able to comply with the payment and reporting requirements under this section.

APPROVED: 3/2/21