

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

HOUSE BILL 1319

By: Representative Maddox

For An Act To Be Entitled

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

Subtitle

TO AMEND THE LAW CONCERNING THE FINAL
AVERAGE SALARY AND CREDITED SERVICE 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)-(6), concerning credited service and the calculation of the final average salary under the Arkansas Teacher Retirement System, are amended to read as follows:

(4) The final average salary used shall be that of the Arkansas Teacher Retirement System or any reciprocal system that in which the member has at least two (2) years of service credit, whichever furnishes the highest final average salary at the time of retirement.

~~(5) Beginning July 1, 2014, if the reciprocal system in which a member has service credit has fewer than the number of years of service credit required in the Arkansas Teacher Retirement System's formula for the calculation of final average salary for a member, then the Arkansas Teacher Retirement System shall obtain the salary and service credit information from the reciprocal system and use the combined salary and service credit information to calculate the member's final average salary as if the salary~~



~~and service credit have all been earned in the Arkansas Teacher Retirement System.~~

~~(6)~~(5) When the Arkansas Teacher Retirement System provides a benefit amount that is not dependent on length of credited service, the benefit amount shall be reduced to the proportion that actual system service bears to total reciprocal system-credited service.

SECTION 2. Arkansas Code § 24-7-601(g)(3), concerning credited service generally and concurrent credit service under the Arkansas Teacher Retirement System, is amended to read as follows:

(3)(A) A member may elect to waive all or part of the concurrent service credited to the member in the system and retire under a reciprocal system if:

~~(A)~~ ~~The~~ the member acknowledges that the waiver is a voluntary surrender of the member's concurrent service credit in the system and cancels the member's concurrent service credit in the system; ~~and.~~

(B) ~~The member's employer-accrued contributions and employee-accrued contributions in the system remain with the system~~ The employer-and-employee accrued contributions attributable to the concurrent service may be refunded to the employer and member.

SECTION 3. 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; that the Arkansas Teacher Retirement 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, § 24-7-201 et seq., are in need of immediate revision and updating to conform with sound public pension policy and actuarial requirements; that there are conflicts in the law applicable to the various retirement systems concerning concurrent service; that member benefits will be at risk if the conflicts in the law concerning concurrent service remain unresolved; that this act resolves the conflicts in the law concerning concurrent service; that such revision and updating 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 necessary in order to maintain an orderly system of benefits for the members of the Arkansas Teacher Retirement

System and reciprocal systems. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its 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.

APPROVED: 3/2/21