

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

HOUSE BILL 1137

By: Representative Lenderman

For An Act To Be Entitled

AN ACT TO ALLOW ARKANSAS TEACHER RETIREMENT SERVICE CREDIT AND CURRENT SALARY TO BE USED IN THE CALCULATION OF FINAL AVERAGE SALARY FOR MEMBERS RETIRING OTHER THAN THE FIRST DAY OF A CALENDAR QUARTER WITHIN A FISCAL YEAR; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO ALLOW SERVICE CREDIT AND CURRENT SALARY TO BE USED IN THE CALCULATION OF FINAL AVERAGE SALARY FOR MEMBERS RETIRING OTHER THAN THE FIRST DAY OF A CALENDAR QUARTER WITHIN A FISCAL YEAR AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-7-701(d), concerning voluntary retirement, is amended to read as follows:

(d) ~~If a~~ A member ~~is~~ retiring with an effective date other than July 1 or the first day of a calendar quarter within the fiscal year, ~~the following limitations shall apply~~ 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:

(1) ~~No salary for service within the fiscal year shall be considered in determining final average salary;~~

~~(2)~~ 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

~~(3)~~(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.

SECTION 2. Arkansas Code § 24-7-702(e), concerning the calculation of life annuity for early voluntary retirement, is amended to read as follows:

(e) ~~If a~~ A member ~~is~~ retiring with an effective date other than July 1 or the first day of a calendar quarter within the fiscal year, ~~the following limitations shall apply~~ 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:

(1) ~~No salary for service within the fiscal year shall be considered in determining final average salary;~~

~~(2)~~ 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

~~(3)~~(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.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that provisions of the Arkansas Teacher Retirement System Act 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 July 1 to June 30 fiscal year; that having a July 1, 2013, effective date is necessary to allow the provisions of this act to being on the first day of the fiscal year and provide proper administration of the system; and that this act is necessary 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 July 1, 2013.