

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: S4/2/13
A Bill

SENATE BILL 127

By: Senator B. King

For An Act To Be Entitled

AN ACT TO MODIFY PROVISIONS OF THE ARKANSAS CODE
CONCERNING TEACHER RETIREMENT; AND FOR OTHER
PURPOSES.

Subtitle

*TO AMEND THE TERMINATION OF SERVICE
REQUIREMENTS UNDER THE ARKANSAS TEACHER
RETIREMENT SYSTEM.*

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

SECTION 1. Arkansas Code § 24-7-502(a), concerning the termination of active membership, is amended to read as follows:

(a)(1) A member of the Arkansas Teacher Retirement System shall terminate covered employment and remain terminated during the member's applicable termination separation period to become and remain eligible for retirement.

(2)(A) Effective July 1, 2011, a member shall not be terminated from employment for purposes of retirement eligibility if within six (6) calendar months of the member's effective date of retirement the member:

(i) Meets ~~both~~ of the following requirements:

(a) Becomes employed with an employer covered by the system;

(1) During the thirty (30) days of the member's effective date of retirement; or

(2) And earns more than five thousand dollars (\$5,000) during the first six (6) months after the member's effective



date of retirement providing substitute teaching services; and

(b) Has not attained the system's normal retirement age; or

(ii) Does not have a total or a combined total of thirty-eight (38) years or more of credited service in the system, T-DROP, or reciprocal service in another eligible state retirement system.

(B) If a member has a combined total of thirty-eight (38) years or more of credited service in the system, T-DROP, or reciprocal credited service in another eligible state retirement system, then the member shall not be terminated from employment for purposes of retirement eligibility if within one (1) calendar month of the member's effective date of retirement the member:

(i) Becomes employed with an employer covered by the system; and

(ii) Has not attained the system's normal retirement age.

(C) A member who provides substitute teaching services to an employer covered by the system shall earn no more than five thousand dollars (\$5,000) during the first six (6) months after the member's effective date of retirement.

(3) A member who fails to meet both the termination requirement and the termination separation period requirement of this subsection shall+

~~(A) Repay retirement benefits paid during the period the member did not meet the requirements; and~~

~~(B) Forfeit~~ forfeit all future retirement benefits until the member files a new completed retirement application using the standard system process.

(4)(A) The system shall request the repayment of retirement benefits paid during the period the member did not meet the termination requirement and the termination separation period requirement.

(B) The system may require the repayment of retirement benefits, interest, and distributions from the member directly or indirectly by using the system's standard withholding rule.

(5) If a member fails to meet the termination requirement or to complete the termination separation period, then the member is not eligible to receive retirement benefits until the member files a new completed

retirement application using the standard system process. The member shall be subject to a new termination separation period.

(6) During the termination separation period, the member shall remain terminated and shall not:

(A) Form an employment relationship with any system-covered employer;

(B) Render any compensable services, except as provided under subdivision (a)(2)(C) of this section, to or on behalf of any system-covered employer, except that a member may provide volunteer activities at a system-covered employer that does not have the effect of holding a position open for the member during a termination separation period; and

(C) Exercise any authority to act as a representative of any system-covered employer or exercise any authority over employees of any system-covered employer.

SECTION 2. Arkansas Code § 24-7-502(d)(2)(A)(iii), concerning the termination of active membership, is amended to read as follows:

(iii) The member has ceased performing any employment services for any system-covered employer, except for uncompensated functions related to the transfer of the duties or the transfer of the position of the member and those provided for under subdivision (a)(2)(C) of this section;

/s/B. King