

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: S2/19/13
A Bill

SENATE BILL 214

By: Senator Maloch
By: Representative Carnine

For An Act To Be Entitled

AN ACT CONCERNING THE RETIREMENT OPTIONS FOR
EMPLOYEES OF STATE-SUPPORTED INSTITUTIONS OF HIGHER
EDUCATION; AND FOR OTHER PURPOSES.

Subtitle

CONCERNING THE RETIREMENT OPTIONS FOR
EMPLOYEES OF STATE-SUPPORTED INSTITUTIONS
OF HIGHER EDUCATION.

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

SECTION 1. Arkansas Code § 24-7-1001(a), concerning membership in the Arkansas Public Employees' Retirement System for certain employees of state colleges, is amended to read as follows:

(a) The Board of Trustees of the Arkansas Public Employees' Retirement System is directed to include within the membership of the system, as created by § 24-4-103, all employees of ~~the University of Arkansas at Monticello, Arkansas State University—Jonesboro,~~ Arkansas Tech University, ~~Arkansas State University—Beebe,~~ Southern Arkansas University, University of Central Arkansas, and Henderson State University, ~~and the University of Arkansas—Pine Bluff~~ who are not otherwise covered by some other existing ~~state-supported retirement system~~ public employee retirement plan other than social security.

SECTION 2. Arkansas Code § 24-7-1002(a), concerning membership in the Arkansas Public Employees' Retirement System for certain employees of



colleges, universities, and community colleges, is amended to read as follows:

(a) All persons, except those who are eligible for membership in the Arkansas Teacher Retirement System as provided for under ~~the provisions of §§~~ § 24-7-201 et seq., and except those who are eligible for membership in an alternate system as provided for under ~~the provisions of~~ §§ 24-7-801 and 24-7-803 - 24-7-808, employed by ~~Arkansas State University, Arkansas State University-Beebe, the University of Central Arkansas, Henderson State University, Arkansas Tech University, Southern Arkansas University, Southern Arkansas University at El Dorado, SAU - Tech at Camden, or a state-supported community college~~ that is other than a campus, unit, or division of the University of Arkansas System or the Arkansas State University System after March 19, 1983, shall be members of the Arkansas Public Employees' Retirement System unless, at the time of employment, they are already members of the Arkansas Teacher Retirement System due to previous employment with an employer covered by the Arkansas Teacher Retirement System.

SECTION 3. Arkansas Code §§ 24-7-1003 - 1007 are repealed.

~~24-7-1003. Membership in Arkansas Public Employees' Retirement System for certain University of Arkansas employees.~~

~~(a) All employees of the University of Arkansas system who are not members of any state-supported retirement system or retirement system recognized by the university system on September 1, 1985, shall become members of the Arkansas Public Employees' Retirement System.~~

~~(b)(1) All persons employed by the University of Arkansas system after September 1, 1985, shall choose, at the time of employment, which state-supported retirement system or retirement system recognized by the university system they desire to be a member of.~~

~~(2) Any employee who fails to make the election at the time of employment shall become a member of the Arkansas Public Employees' Retirement System.~~

~~(c) All employees of the University of Arkansas system who were members of either the Arkansas Teacher Retirement System or the Arkansas Public Employees' Retirement System before July 4, 1983, shall continue to be members of the same system.~~

~~24-7-1004.—Continuation of participation in respective systems by employees of former Arkansas Agricultural and Mechanical College and University of Arkansas at Monticello.~~

~~(a)(1)—The employees of the Arkansas Agricultural and Mechanical College who were, on July 1, 1971, participants making regular contributions to the Arkansas Teacher Retirement System shall continue to participate therein.~~

~~(2)—The University of Arkansas is authorized to expend from its funds to match their contributions to that system as provided by law, and this shall be the retirement plan for those persons, excluding only social security.~~

~~(b)—Those employees of the Arkansas Agricultural and Mechanical College who were, on July 1, 1971, participating in the alternate retirement plan authorized by §§ 24-7-801 and 24-7-803—24-7-808 shall participate thereafter to the same extent, and in like manner, in the retirement plan in operation for University of Arkansas employees, and this shall be the retirement plan for those persons, excluding only social security.~~

~~(c)(1)—Those employees of the Arkansas Agricultural and Mechanical College who were, on July 1, 1971, participating in the Arkansas Public Employees' Retirement System and currently making regular contributions thereto shall continue to participate therein.~~

~~(2)—The University of Arkansas is authorized to expend from its funds to match their contributions to that system as provided by law, and this shall be the retirement plan for those persons, excluding only social security.~~

~~(d)—All persons first employed by the University of Arkansas at Monticello on or after July 1, 1971, and any employees of the Arkansas Agricultural and Mechanical College who were not participating in either the Arkansas Teacher Retirement System, the Arkansas Public Employees' Retirement System, or the alternate retirement plan on July 1, 1971, and who become employees of the University of Arkansas, shall be eligible to participate in the retirement plan in operation for University of Arkansas employees on the same basis that University of Arkansas employees on other campuses may participate, and this shall be the retirement plan for those persons, excluding only social security.~~

~~24-7-1005.—Option of employees of former Arkansas Agricultural and Mechanical College and former Arkansas Agricultural, Mechanical, and Normal College to participate in University of Arkansas retirement plan.~~

~~(a)(1)—Any staff member of the former Arkansas Agricultural and Mechanical College, which is now the University of Arkansas at Monticello, or of the former Arkansas Agricultural, Mechanical, and Normal College, which is now the University of Arkansas at Pine Bluff, who elects to terminate his membership in the Arkansas Teacher Retirement System or the Arkansas Public Employees' Retirement System and to participate in the retirement plan in operation for University of Arkansas employees may do so on the same basis that University of Arkansas employees on its other campuses may participate.~~

~~(2)—The election shall be in writing and filed with the chief fiscal officer of the University of Arkansas campus where the member is employed.~~

~~(3)—The University of Arkansas shall forward to each of the former retirement plans described in this subsection the written applications of those employees on these campuses who elect to terminate their participation in the former retirement plan according to the provisions of this section.~~

~~(b)(1)—All accumulated contributions to the credit of the staff member in the members' deposit account which is maintained pursuant to the provisions of Acts 1973, No. 427 or Acts 1957, No. 177 shall be returned to the staff member, and all of his credited service under the retirement system shall be cancelled.~~

~~(2)(A)—Any staff member with five (5) or more years of actual service or upon reaching five (5) years of actual service who elects to participate in the plan in operation for the University of Arkansas and who leaves his contributions in the Arkansas Teacher Retirement System or the Arkansas Public Employees' Retirement System shall be eligible to receive an annuity upon reaching the age for normal age and service retirement benefits, as determined by the benefit formula of the Arkansas Teacher Retirement System or the Arkansas Public Employees' Retirement System, and on his retirement from covered employment.~~

~~(B)—The amount of the annuity shall be determined by the benefit formula of the Arkansas Teacher Retirement System or the Arkansas Public Employees' Retirement System at the time of retirement.~~

~~24-7-1006. Retirement system for employees of University of Arkansas agricultural experiment stations.~~

~~(a) In order to provide for the retirement on annuity or otherwise of the employees of the cooperative work in agriculture and home economics and employees of the branch agricultural experiment stations of the University of Arkansas, who are on regular full-time appointment, the Board of Trustees of the University of Arkansas is authorized to use agricultural extension service funds and branch agricultural experiment station funds under its control as employer contributions to a retirement system to be established by the board.~~

~~(b) The contribution of the employer to an annuity or other retirement income plan for any employee shall not exceed five percent (5%) of the employee's salary and shall be matched by an equal contribution from the employee.~~

~~(c) The business manager of the University of Arkansas is designated as trustee and shall hold and disburse these funds according to the rules promulgated by the board.~~

~~24-7-1007. Pine Bluff Employee retirement systems.~~

~~All persons first employed by the University of Arkansas for the Pine Bluff campus at dates on and after July 1, 1972, and including any former employees of Arkansas Agricultural, Mechanical, and Normal College who were not participating in either the Arkansas Teacher Retirement System, the Arkansas Public Employees' Retirement System, or the alternate retirement plan on July 1, 1972, and who may become employees of the University of Arkansas shall be eligible to participate in the retirement plan in operation for the University of Arkansas employees on the same basis that University of Arkansas employees on its other campuses may participate, and this shall be the retirement plan for such persons, excluding only social security.~~

SECTION 4. Arkansas Code Title 24, Chapter 7, Subchapter 10, is amended to add an additional section to read as follows:

24-7-1009. Retirement plan options for employees of the campuses, units, and divisions of the University of Arkansas System.

(a)(1) An employee of a campus, unit, or division of the University of

Arkansas System, whose appointment is half-time or greater and the employment is not seasonal, extra help, temporary, or incidental to his or her education, may participate in a retirement plan sponsored by the University of Arkansas System or the Arkansas Public Employees' Retirement System as permitted by the policy adopted by the Board of Trustees of the University of Arkansas.

(2) Once an employee makes an election as provided in subdivision (a)(1) of this section, the election is irrevocable during the employee's tenure of employment with the University of Arkansas System.

(b)(1) If an employee who is not eligible to participate under subsection (a) of this section becomes eligible under policies adopted by the Board of Trustees of the University of Arkansas to participate in a retirement plan sponsored by the University of Arkansas System or the Arkansas Public Employees' Retirement System, the employee shall participate in a retirement plan sponsored by the University of Arkansas System or the Arkansas Public Employees' Retirement System as permitted by policies adopted by the Board of Trustees of the University of Arkansas beginning on the date the employee becomes eligible.

(2) If an employee under subdivision (b)(1) of this section elects to participate in the Arkansas Public Employees' Retirement System as permitted by the Board of Trustees of the University of Arkansas policy, the employee shall receive credit for service for the period of time in which the employee was ineligible to participate if the employee buys service credit by paying in one (1) lump sum:

(A) All the employee contributions at the rate and based on the compensation that would have been paid to the employee during the ineligible period of time;

(B) All the employer contributions based on the Arkansas Public Employees' Retirement System employer normal cost from the most recently completed Arkansas Public Employees' Retirement System regular annual actuarial valuation and the compensation that would have been paid to the employee during the ineligible period of time; and

(C) The regular interest on the employee and employer contributions computed from the date of service that was rendered to the date the payment is received by the Arkansas Public Employees' Retirement System.

(c)(1) The University of Arkansas System shall comply with the

Arkansas Public Employees' Retirement System rules for an employee of a campus, unit, or division of the University of Arkansas System who is eligible under policies adopted by the Board of Trustees of the University of Arkansas and elects to participate in the Arkansas Public Employees' Retirement System.

(2) Notwithstanding any other provision of this section, no employee of a campus, unit, or division of the University of Arkansas System may be permitted to enroll in the Arkansas Public Employees' Retirement System who would not be eligible to enroll under Arkansas Public Employees' Retirement System Rules.

(d) Beginning July 1, 2011, a new employee of the University of Arkansas System shall not participate in the Arkansas Teacher Retirement System.

SECTION 5. Arkansas Code § 24-4-724(a)(1)(A), concerning members joining after employer, is amended to read as follows:

(a)(1)(A) Any member of the Arkansas Public Employees' Retirement System who became, or becomes, a member after the date that his employer became, or becomes, a public employer in the system shall receive current service for employment with a public employer in the system, ~~with the University of Arkansas system,~~ or with a municipality in the State of Arkansas if the employee was not eligible for coverage or does not participate in or is not eligible to receive a benefit from a retirement plan authorized by ~~the University of Arkansas~~ or a municipality in the State of Arkansas and by the laws of the State of Arkansas during employment.

SECTION 6. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that statutes concerning the Arkansas public retirement plans are in need of revision to maintain the public retirement laws in conformance with sound public pension policy; that the state operates on a July 1 to June 30 fiscal year; and that this act is necessary to ensure provisions of this act are effective at the beginning of the fiscal year for ease of administration and operation. 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.

/s/Maloch