

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

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

SENATE BILL 75

By: Senator U. Lindsey

For An Act To Be Entitled

AN ACT TO AMEND HOW PRIVATE SCHOOL SERVICE IS
RECORDED FOR PURPOSES OF RETIREMENT BENEFITS; TO
DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND HOW PRIVATE SCHOOL SERVICE IS
RECORDED FOR PURPOSES OF RETIREMENT
BENEFITS; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-7-607 is amended to read as follows:
24-7-607. Private school service.

(a) As used in this section, "private school service" means service rendered in a private school or agency that would have been covered by the Arkansas Teacher Retirement System if the service had been:

- (1) Rendered in a public school; and
- (2) The private school or agency:

(A) Has positions ~~recognized by the Department of Education for the issuance of teaching licenses~~ that would require the issuance of a teaching license in a public school based upon a determination by the Arkansas Teacher Retirement System; or

(B)(i) Is recognized as a private educationally-related entity by resolution adopted by the Board of Trustees of the Arkansas Teacher Retirement System.

(ii) Private educationally-related entity service purchased for employment at a private educationally-related entity to obtain



system-credited service is limited to five (5) years or less.

(b) ~~From and after January 1, 1990, an~~ An active member purchasing certified private school service shall be eligible, upon application, to purchase private school service for a period not to exceed fifteen (15) years, to be credited as certified service under this subchapter under the following conditions:

(1) The private school service credit to be ~~granted~~ purchased shall be limited to service for which no benefit could be paid by another system similar in purpose to the Arkansas Teacher Retirement System, except Social Security, if the member left on deposit his or her contributions to the other system;

(2)(A) The member shall pay the actuarial equivalent of benefits as set forth under § 24-7-202 to the ~~system~~ Arkansas Teacher Retirement System for each year of private school service credit being ~~granted~~ purchased.

(B) The payment shall be credited to the member's account in the members' deposit account and shall be in addition to regular member contributions thereto;

(3) The private school service shall not become credited service under the Arkansas Teacher Retirement System until:

(A) The member payment under this section has been paid in full; and

(B)(i) The member has established five (5) or more years of actual service, exclusive of private school service.

(ii) If a member ceases to be an active member before the private school service has been established as system-credited service, the member payments contributed under this section shall be refunded to the member;

(4) The benefit program to be applied to each year of private school service credit and private educationally-related entity service credit being ~~granted~~ purchased shall be the benefit program in effect at the time of retirement; and

(5) Such other rules and regulations consistent with this subchapter as the Board of Trustees of the Arkansas Teacher Retirement System may from time to time adopt.

(c)(1) An active member is eligible to purchase noncertified private

school service or private educationally-related entity private school service for a period of five (5) years or less that will be credited as noncertified service under this subchapter when:

(A) The member properly submits an application to purchase noncertified private school service or private educationally-related entity private school service;

(B) The noncertified service credit to be purchased is limited to service for which no benefit could be paid by another state-supported pension system or a system with a similar purpose when the contributions of the member were left on deposit with the other system; and

(C)(i) The member pays the actuarial equivalent of benefits as set forth under § 24-7-202 to the Arkansas Teacher Retirement System for each year of service credit being purchased.

(ii) The payment shall be credited to the member's account in the members' deposit account and shall be in addition to regular member contributions thereto.

(2) The noncertified service shall not become credited service under the Arkansas Teacher Retirement System until:

(A) The member payment under this section has been paid in full; and

(B)(i) The member has established five (5) or more years of actual service in the Arkansas Teacher Retirement System.

(ii) If a member ceases to be an active member before the noncertified service has been established as system-credited service, the member payments contributed under this section shall be refunded to the member upon request.

(3) The benefit program applied to each year of private school service or private educationally-related entity private school service credit being purchased shall be the benefit program in effect at the time of retirement.

(4) The purchase and application of the non-certified service credit shall be subject to the rules and regulations consistent with this subchapter as the Arkansas Teacher Retirement System may from time to time adopt.

~~(e)~~(d) An active member may purchase a fraction of a year of private school service to be credited as service under this subchapter in the same

manner as provided for private school service under subsection (b) of this section if the service meets the following requirements:

- (1) The member has not less than one-fourth (1/4) year of private school service in a fiscal year under § 24-7-601; and
- (2) The fraction of a year of private school service may be credited in keeping with policies as provided by § 24-7-601.

SECTION 2. 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 and the 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 are imminently in need of revision and updating to operate the system efficiently and effectively; that until this act become effective, members will be unable to purchase additional certified private school 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 immediately necessary in order 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:

- (1) The date of 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.