

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

SENATE BILL 137

By: Senator Rapert
By: Representative L. Fite

For An Act To Be Entitled

AN ACT TO ENSURE ALL ARKANSAS TEACHER RETIREMENT SYSTEM MEMBER ANNUITIES ARE PAID AS A LIFETIME BENEFIT BY REPEALING LUMP-SUM PAYMENTS OF RESERVE VALUE OF SMALL ANNUITIES IN THE ARKANSAS TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO REPEAL LUMP-SUM PAYMENTS OF RESERVE VALUE OF SMALL ANNUITIES IN 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 Arkansas Code § 24-7-716 is repealed.

~~24-7-716. Lump sum payment of reserve value of small annuity.~~

~~(a) The Arkansas Teacher Retirement System may pay the reserve value of any annuity benefit to a retirant or beneficiary when the annuity amount is less than twenty dollars (\$20.00) per month, except that the consent of the payee shall be required if the payment exceeds one thousand seven hundred fifty dollars (\$1,750).~~

~~(b) The reserve value shall be the actuarial equivalent of the annuity otherwise payable.~~

~~(c) Any lump sum payment so made shall be a complete discharge of all liability under the system with respect to the annuity.~~



SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that certain 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, a state agency created by the General Assembly for the purpose of providing retirement benefits to school employees of the state, operates on a fiscal year of July 1 to June 30; that having a July 1, 2015, effective date is necessary to allow the provisions within this act to begin on the first day of the fiscal year to provide proper administration of the procedures herein; that such revisions and updating are of great importance for actuarial purposes and to protect the benefits to members of the Arkansas Teacher Retirement System; 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 or before July 1, 2015.

APPROVED: 02/27/2015