

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 1305

By: Representative Maddox

For An Act To Be Entitled

AN ACT TO ALLOW MEMBERS OF THE ARKANSAS TEACHER
RETIREMENT SYSTEM TO DESIGNATE ONE OR MORE RESIDUAL
BENEFICIARIES; TO DECLARE AN EMERGENCY; AND FOR OTHER
PURPOSES.

Subtitle

TO ALLOW MEMBERS OF THE ARKANSAS TEACHER
RETIREMENT SYSTEM TO DESIGNATE ONE OR
MORE RESIDUAL BENEFICIARIES; AND TO
DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-7-710(b)(1)(A)(i), concerning survivor annuity benefits under the Arkansas Teacher Retirement System, is amended to read as follows:

(b)(1)(A)(i) ~~The~~ Unless the member otherwise directs an alternative beneficiary by using a beneficiary form approved by the system, a member's surviving spouse, who was married to the member for at least the two (2) years immediately preceding the member's death, shall receive an annuity computed in the same manner in all respects as if the member had retired on the date of the member's death and elected Option A under § 24-7-706 to provide one hundred percent (100%) survivor annuity benefits, including benefits applicable under § 24-7-713, for his or her spouse.

SECTION 2. Arkansas Code § 24-7-710(b)(1), concerning survivor annuity benefits under the Arkansas Teacher Retirement System, is amended to add an



additional subdivision to read as follows:

(F) If the member directs an alternative beneficiary by using a beneficiary form approved by the system, the member may designate one or more residual beneficiaries to receive a lump sum payment of the member's residue amount under § 24-7-709 in lieu of the member's surviving spouse.

SECTION 3. Arkansas Code § 24-7-710(b), concerning survivor annuity benefits under the Arkansas Teacher Retirement System, is amended to add an additional subdivision to read as follows:

(3) The Board of Trustees of the Arkansas Teacher Retirement System may adopt rules to carry out the provisions of this section.

SECTION 4. Arkansas Code § 24-7-1310(b), concerning the death of Teacher Deferred Retirement Option Plan participants, is amended to read as follows:

(b)(1) However, the plan participant's eligible surviving spouse may choose to receive the plan benefit in a lump sum without affecting the payment of a monthly retirement benefit payable from the Arkansas Teacher Retirement System.

(2)(A) Subdivision (b)(1) of this section shall not apply if the member has directed one (1) or more residual beneficiaries under § 24-7-710.

(B) If a member has directed one (1) or more residual beneficiaries, the residual beneficiary shall receive the residual benefits payable, and the spousal benefit shall not be paid.

SECTION 5. 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; that the Arkansas Teacher Retirement 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 bring them into conformance with sound public pension policy and actuarial requirements; that such revision and updating is of great importance to members of the system and to other citizens of the State of Arkansas; that the system needs to have the ability to make immediate changes to maintain and improve its actuarial status; 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 immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its 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.

APPROVED: 02/21/2017