

State of Arkansas  
91st General Assembly  
Regular Session, 2017

# A Bill

SENATE BILL 194

By: Senator E. Cheatham

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE DETERMINATION OF SURVIVOR BENEFIT ELIGIBILITY UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM; TO PRORATE CERTAIN SURVIVOR BENEFITS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

TO AMEND THE LAW CONCERNING THE DETERMINATION OF SURVIVOR BENEFIT ELIGIBILITY UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM; TO PRORATE CERTAIN SURVIVOR BENEFITS; AND TO DECLARE AN EMERGENCY.

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

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

(a)(1) If an active member with five (5) or more years of actual and reciprocal service, including credited service for the year immediately preceding his or her death, dies before the receipt of retirement benefits from the Arkansas Teacher Retirement System, then the benefits provided in this section shall be paid to eligible survivors.

(2)(A) An immediately eligible survivor is entitled to receive monthly benefits beginning the month after the death of the member if the survivor application is filed with the system within three (3) months of the



death of the member, otherwise the monthly benefits shall begin the month that the survivor application is filed with the system.

(B) If an immediately eligible survivor or the minor survivor's guardian or legal representative fails to complete the application process within six (6) calendar months after the application required under subdivision (a)(2)(A) of this section is filed, including the submission of any additional documentation required by the system, the application shall be void unless an extension is granted by the system.

SECTION 2. Arkansas Code § 24-7-710(b)(1)(B), concerning immediately eligible surviving spouse annuity benefits under the Arkansas Teacher Retirement System, is amended to read as follows:

(B)(i) If a surviving spouse is immediately eligible to receive a monthly benefit immediately after the death of a member, the immediately eligible surviving spouse is entitled to receive monthly benefits beginning the month after the death of the member if the survivor application is filed with the system within three (3) months of the death of the member, otherwise the monthly benefits shall begin the month that the survivor application is filed with the system if at the time of the member's death the member had:

~~(i)(a)~~ Accumulated twenty-five (25) years or more of credited service and qualified as eligible to receive a retirement annuity under §§ 24-7-701 and 24-7-702; or

~~(i)(b)~~ Reached sixty (60) years of age and qualified as eligible to receive a retirement annuity under § 24-7-707.

(ii) If an immediately eligible spouse fails to complete the application process within six (6) calendar months after the application required under subdivision (b)(1)(B)(i) is filed, including the submission of all additional documentation required by the system, the application shall be void unless an extension is granted by the system.

SECTION 3. Arkansas Code § 24-7-710(b)(1)(C), concerning annuity benefits under the Arkansas Teacher Retirement System for a surviving spouse who is not immediately eligible, is amended to read as follows:

(C)(i) If the surviving spouse is not immediately eligible to receive monthly benefits under subdivision (b)(1)(B) of this section, the

surviving spouse's benefits shall begin the later of either the month following the date the member would have been eligible to receive benefits had the member survived or the date that an application for a surviving spouse's benefits is filed with the system.

(ii) If a surviving spouse becomes eligible for surviving spouse benefits and fails to complete the application process within six (6) calendar months after the application required under subdivision (b)(1)(B)(i) is filed, including the submission of any additional documentation required by the system, the application shall be void unless an extension is granted by the system.

SECTION 4. Arkansas Code § 24-7-710(c)(1), concerning surviving dependent child annuity benefits under the Arkansas Teacher Retirement System, is amended to read as follows:

(c)(1)(A)(i) A surviving dependent child of the member shall receive an annuity in an amount equal to ~~twenty percent (20%) of the member's highest salary year received in covered employment~~ one percent (1%) of the member's highest salary year for each quarter of a year credited as actual service in the system but not to exceed twenty (20) quarters of a year that are credited as actual service in the system for up to a maximum of twenty-thousand dollars (\$20,000).

(ii) If the member's highest salary year occurs in the year that the member died, the system shall calculate the surviving dependent child's annuity on the basis of a full year of salary by the member.

(B) If a member has more than three (3) surviving dependent children, the aggregate amount of the surviving dependent children's annuity shall not exceed the lesser of sixty percent (60%) of the member's highest salary year or sixty thousand dollars (\$60,000) per year and shall be divided equally among the surviving dependent children.

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: 03/15/2017**