

State of Arkansas

A Bill

Regular Session, 2025

HOUSE BILL 1154

By: Representative Warren

By: Senator K. Hammer

For An Act To Be Entitled

AN ACT TO ENACT THE ARKANSAS TEACHER RETIREMENT SYSTEM'S GENERAL OMNIBUS; TO AMEND THE LAW CONCERNING RECOGNITION OF FEDERAL RETIREMENT PROGRAMS, CONTRIBUTORY AND NONCONTRIBUTORY MEMBERSHIP STATUS, TEMPORARY WAIVERS FOR ELECTRONICALLY REPORTING AND PAYING CONTRIBUTIONS TO THE ARKANSAS TEACHER RETIREMENT SYSTEM, OPTION A AND OPTION B ANNUITY ELECTIONS AND DISTRIBUTIONS UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM, THE EFFECTIVE DATE OF SURVIVOR BENEFITS UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM, RESIDUE DISPOSITIONS UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM, ELIGIBILITY TO PARTICIPATE IN A PSHE PLAN, AND OTHER VARIOUS PROVISIONS APPLICABLE TO THE ARKANSAS TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO ENACT THE ARKANSAS TEACHER RETIREMENT SYSTEM'S GENERAL OMNIBUS; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-1-107(b)(1)(B)(i), concerning the recognition of federal retirement programs, is amended to read as follows:

(B)(i) A member of the Arkansas Teacher Retirement System



shall receive credit for the member's federal service upon the payment of the ~~cost of service under § 24-7-502(b) and as~~ actuarial equivalent of the member's benefits to the Arkansas Teacher Retirement System and the fulfillment of all other requirements as may be prescribed by the Board of Trustees of the Arkansas Teacher Retirement System.

SECTION 2. Arkansas Code § 24-7-406(e)(1)(C)(iii), concerning contributory and noncontributory status under the Arkansas Teacher Retirement System, is amended to read as follows:

(iii) ~~Effective July 1, 2021,~~ From July 1, 2021, to June 30, 2025, regardless of an earlier election to be a noncontributory member of the system, an active member whose status later changes from nonteacher status to administrator or teacher status under a contract for one hundred eighty-five (185) days or more shall become a contributory member of the system otherwise provided for in this section.

SECTION 3. Arkansas Code § 24-7-411(f), concerning temporary waivers for electronically reporting and paying contributions to the Arkansas Teacher Retirement System, is repealed.

~~(f)(1) An employer shall submit a written request for a temporary waiver to the board by July 1, 2022, when the employer is unable to:~~

~~(A) Report contributions electronically through the system; or~~

~~(B) Pay contributions to the system by electronic transfer.~~

~~(2) A request for a temporary waiver submitted under subdivision (f)(1) of this section shall include a timeline for when the employer will be able to comply with the payment and reporting requirements under this section.~~

SECTION 4. Arkansas Code § 24-7-706(a)(4)(B)(iii), concerning the distribution of an Option B annuity under the Arkansas Teacher Retirement System, is amended to read as follows:

(iii) Upon the death of a retiree, if more than one (1) dependent child is designated as the retiree's Option B beneficiary and a spouse is not designated as the retiree's Option B beneficiary, ~~the retiree's~~

~~reduced annuity~~ one-half (1/2) of the retiree's reduced annuity shall be paid in equal shares to each dependent child designated as the retiree's Option B beneficiary.

SECTION 5. Arkansas Code § 24-7-706(d)(3), concerning a residue beneficiary's eligibility to elect an Option A annuity under the Arkansas Teacher Retirement System, is amended to read as follows:

(3) The election form must be received by the system ~~within one hundred twenty (120) days of the death of the retiree~~ by the end of the fourth full calendar month following the retiree's death.

SECTION 6. Arkansas Code § 24-7-706(g), concerning the effective date of survivor benefits under the Arkansas Teacher Retirement System, is repealed.

~~(g) A retiree's effective retirement date and the date when survivor benefits under this section are payable shall be determined by the law in effect at the time of the retiree's death.~~

SECTION 7. Arkansas Code § 24-7-709(a)(4), concerning the disposition of retiree residue under the Arkansas Teacher Retirement System, is repealed.

~~(4) If all designated beneficiaries predecease the retiree, the residue shall be paid to the estate of the most recently deceased designated beneficiary.~~

SECTION 8. Arkansas Code § 24-7-710(b)(1)(B)(i)(a), concerning the effective benefit date of a surviving spouse annuity under the Arkansas Teacher Retirement System, is amended to read as follows:

(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~~ § 24-7-701 or § 24-7-702; or

SECTION 9. Arkansas Code § 24-7-1605(a)(2), concerning the eligibility of a new employee of a PSHE employer to participate in a PSHE plan, is amended to read as follows:

(2) A new employee of a PSHE employer may participate in the PSHE plan if the employee:

- (A) Is benefits-eligible as determined by the PSHE employer;
- (B) ~~Is a vested member of the Arkansas Teacher Retirement System at the time of initial employment; Is either:~~
- (i) A vested member of the Arkansas Teacher Retirement System at the time of initial employment; or
- (ii) A non-vested member of the system who meets the requirements of a less restrictive PSHE plan adopted by the specific PSHE employer.
- ~~(C) Is not a vested member of the system but meets the requirements of a less restrictive PSHE plan adopted by the specific PSHE employer; and~~
- ~~(D)~~(C) Signs an irrevocable PSHE plan participation form provided by the system.

SECTION 10. 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, § 24-7-201 et seq., need immediate revision and updating to bring them into conformance with sound public pension policy and actuarial requirements; that the revisions and updates are of great importance to members of the Arkansas Teacher Retirement System and to other citizens of the State of Arkansas; that as the Arkansas Teacher Retirement System operates on a fiscal year of July 1 to June 30, an effective date of July 1, 2025, is necessary in order to allow the provisions within this act to begin on the first day of the fiscal year and to allow for a structured and proper administration of the procedures referenced in this act; that the updates and revisions to the Arkansas Teacher Retirement System Act are of great importance for actuarial purposes and for the improvement and protection of member benefits under the Arkansas Teacher Retirement System; and that this act is 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 July 1, 2025.

APPROVED: 2/27/25