

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

Act 363 of the Regular Session

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State of Arkansas

As Engrossed: H2/24/25 S3/12/25

95th General Assembly

## A Bill

Regular Session, 2025

HOUSE BILL 1347

By: Representative Warren

By: Senator K. Hammer

### For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING ANNUITIES AND BENEFITS UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM; TO ALLOW THE ARKANSAS TEACHER RETIREMENT SYSTEM TO PAY AN ANNUITY OR BENEFIT OWED TO A PERSON TO A SPECIAL NEEDS TRUST ESTABLISHED FOR THE BENEFIT OF THE PERSON; AND FOR OTHER PURPOSES.

### Subtitle

TO ALLOW THE ARKANSAS TEACHER RETIREMENT SYSTEM TO PAY AN ANNUITY OR BENEFIT OWED TO A PERSON TO A SPECIAL NEEDS TRUST ESTABLISHED FOR THE BENEFIT OF THE PERSON.

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

*SECTION 1. Arkansas Code Title 24, Chapter 7, Subchapter 7, is amended to add an additional section to read as follows:*

*24-7-739. Annuity payments owed to beneficiary of a special needs trust.*

*(a) A member who designates a person or the parent or legal guardian of a person who is designated as a beneficiary of an annuity or benefit under § 24-7-706, § 24-7-709, § 24-7-711, or § 24-7-720 may elect to have the annuity or benefit paid to a special needs trust that is established for the benefit of the person under 42 U.S.C. § 1396p(d)(4)(A), as it existed on January 1, 2025, or 42 U.S.C. § 1396p(d)(4)(C), as it existed on January 1, 2025.*



(b) The parent or legal guardian of a person who is eligible to receive an annuity under § 24-7-710 may elect to have the annuity paid to a special needs trust that is established for the benefit of the person under 42 U.S.C. § 1396p(d)(4)(A), as it existed on January 1, 2025, or 42 U.S.C. § 1396p(d)(4)(C), as it existed on January 1, 2025.

(c)(1) The Arkansas Teacher Retirement System shall pay an annuity or benefit directly to a person if at the time that the person is entitled to receive an annuity or a benefit payment under § 24-7-706, § 24-7-709, § 24-7-710, § 24-7-711, or § 24-7-720:

(A) A special needs trust has not been established for the benefit of the person under 42 U.S.C. § 1396p(d)(4)(A), as it existed on January 1, 2025, or 42 U.S.C. § 1396p(d)(4)(C), as it existed on January 1, 2025; or

(B) A special needs trust established for the person under 42 U.S.C. § 1396p(d)(4)(A), as it existed on January 1, 2025, or 42 U.S.C. § 1396p(d)(4)(C), as it existed on January 1, 2025, cannot be identified by the system or ceases to exist.

(2) Subdivision (c)(1) of this section shall not prohibit the system from paying an annuity or benefit to a special needs trust that is later established for the person under 42 U.S.C. § 1396p(d)(4)(A), as it existed on January 1, 2025, or 42 U.S.C. § 1396p(d)(4)(C), as it existed on January 1, 2025, if the special needs trust can be identified by the system and an election is made under subsection (a) or subsection (b) of this section.

(d) Nothing in this section shall be construed to require the system to:

(1) Establish a trust;

(2) Act as trustee; or

(3) Verify the compliance of a trust with Arkansas law or federal law.

(e) The Board of Trustees of the Arkansas Teacher Retirement System may promulgate rules to administer this section.

SECTION 2. EFFECTIVE DATE. This act is effective on and after July 1, 2026.

*/s/Warren*

**APPROVED: 3/20/25**