
Public Comments

Proposed Rule Amendment to 24 CAR § 10-603 – Retirement Eligibility

1. 24 CAR § 10-603(b)

- a. **ATRS Staff Comment:** 24 CAR § 10-603(b): Regarding enabling members who owe a balance to ATRS to start drawing retirement benefits by entering a written agreement to repay all amounts owed: I am concerned about the potential liability this change poses to the System for members that "say" they will pay it back but never actually do since there is no incentive if they are still able to draw their retirement benefits. If the answer to question 3 is "yes," the other questions are moot points.

1. What happens if there is an agreement to repay, but the member never repays?

Response: Ideally, an agreement to repay the System all amounts owed ("payment arrangement") would involve the System and the member agreeing to have the member's monthly benefit temporarily adjusted or reduced by a specified amount over a set period of time until the balance owed is paid in full. A payment arrangement such as this would reduce or altogether eliminate the likelihood that the balance owed would not be paid.

2. What happens if there is an agreement to repay, but the member dies before all amounts are repaid?

Response: Under current law, if a member dies with a balance owed to the System, ATRS may withhold the amount owed from any benefit payable from the member's ATRS account or collect the amount owed in any other manner provided by law.

3. Is the intent of this change to allow ATRS to garnish amounts owed to ATRS from the member's retirement benefits? If this is the case, I could see how this would be a positive change for the System.

Response: This amendment is intended to give ATRS more flexibility with helping members retire or return to retirement status sooner. This may be accomplished by the member and the System agreeing to a payment arrangement in which the member's monthly benefit is temporarily adjusted or reduced by a specified amount



over a set period of time until the balance owed is paid in full. After the full balance owed is paid, the member would begin receiving their full monthly benefit again.

4. **Will this change require more overhead for ATRS (additional staffing or outsourcing) in order to facilitate recovery of ATRS funds that have been disbursed when a member enters the written agreement but does not honor their end?**

Response: No.