

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

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

HOUSE BILL 1188

By: Representative Lenderman

For An Act To Be Entitled

AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE ARKANSAS
TEACHER RETIREMENT SYSTEM ACT; AND FOR OTHER
PURPOSES.

Subtitle

TO MAKE TECHNICAL CORRECTIONS TO THE
ARKANSAS TEACHER RETIREMENT SYSTEM ACT.

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

SECTION 1. Arkansas Code § 24-7-202(18), concerning the definition of Internal Revenue Code, is amended to read as follows:

(18) "Internal Revenue Code" means the federal Internal Revenue Code of 1986, as amended, as it existed on January 1, ~~2009~~ 2013;

SECTION 2. Arkansas Code § 24-7-202(27)(A), concerning the definition of salary, is amended to read as follows:

(27)(A) "Salary" means the remuneration paid to a member employed in a position covered by the Arkansas Teacher Retirement System on which the employer ~~withholds~~ is required to withhold federal income tax from wages under the Internal Revenue Code.

SECTION 3. Arkansas Code § 24-7-501(a)(2)(C)(v), concerning membership of nonteachers who have been covered under the Arkansas Teacher Retirement System, is repealed.

~~(v) Nonteachers who elect coverage in the Arkansas Teacher Retirement System under the provisions of this section and who~~



~~accumulate five (5) or more years of credited service in the Arkansas Teacher Retirement System will be eligible for benefits as provided in § 24-7-713(b).~~

SECTION 4. Arkansas Code § 24-7-602(b)(1), concerning military service credit, is amended to read as follows:

(b) An active or inactive member who entered the armed forces shall have the period of armed forces service credited as service in the system without cost to the member if the member satisfies the following conditions:

(1) He or she completes five (5) or more years of actual service in the system; and

SECTION 5. Arkansas Code § 24-7-711(c), concerning the refund of member contributions upon termination, is amended to read as follows:

(c) A member or surviving spouse who elects to receive a refund of member contributions under this section also cancels all the member's service credit, including noncontributory service credit, and all membership rights and beneficiary designations in the ~~system~~ Arkansas Teacher Retirement System.

SECTION 6. Arkansas Code § 24-7-720(a)(1)(B), concerning lump-sum benefits, is amended to read as follows:

(B) If on or after July 1, 2007, an active member of the Arkansas Teacher Retirement System with ten (10) or more years of actual service, ~~including actual service for the year immediately preceding the member's death,~~ dies in employer service before retirement, then a lump sum of up to ten thousand dollars (\$10,000) shall be paid to ~~such persons as~~ the persons he or she ~~shall have~~ has nominated by written designation ~~and~~ duly executed and filed with the board.

SECTION 7. Arkansas Code § 24-7-720(i), concerning lump-sum benefits, is amended to read as follows:

(i) For eligibility under this section, a member is considered active for an additional fiscal year following the last fiscal year that the member renders actual service ~~to~~ in a position reported to the system by a covered employer and the member obtains at least one-fourth ($\frac{1}{4}$) year of service credit.

SECTION 8. Arkansas Code § 24-7-734(b), concerning lost payees, is amended to read as follows:

(b)(1) If the board is unable within five (5) years after payment of a benefit is due to a member or beneficiary to make the payment because it cannot ascertain the whereabouts of the member or the identity and whereabouts of the beneficiary or personal representative by mailing to the last known address shown on the board's records and neither the member, the beneficiary, or personal representative has ~~made written claim therefor~~ submitted the paperwork and forms required by the system before the expiration of the five (5) years, then, and in each case, the board shall direct that the amount shall be forfeited to the trust assets of the ~~Arkansas Teacher Retirement System~~ system.

(2) ~~However, the amount shall be reinstated if the member or beneficiary or personal representative makes a valid claim therefor upon presentation of proper identification.~~ If the final payment is not delivered in the normal course of business, then the total payment is sent in the following order until delivered:

- (A) To the member's residual beneficiary, if any;
- (B) To the member's lump-sum death beneficiary, if any;
- (C) To the member's estate, if any; or
- (D) To the system.

SECTION 9. Arkansas Code § 24-7-907(5)(A), concerning participation in a plan, is amended to read as follows:

(5)(A) Effective July 1, 2001, ~~staff members who elect~~ a staff member who elected to participate in an alternate retirement plan may elect to become ~~members~~ a member of the retirement system.