

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

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

HOUSE BILL 1078

By: Representative Deffenbaugh

For An Act To Be Entitled

AN ACT TO ALLOW A MEMBER TO CHANGE HIS OR HER BENEFICIARY UPON THE OCCURRENCE OF CERTAIN EVENTS; TO ALLOW THE ARKANSAS TEACHER RETIREMENT SYSTEM TO BE CONSISTENT WITH SIMILARLY SITUATED MEMBERS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO ALLOW A MEMBER TO CHANGE HIS OR HER BENEFICIARY UPON THE OCCURRENCE OF CERTAIN EVENTS; TO ALLOW THE ARKANSAS TEACHER RETIREMENT SYSTEM TO BE CONSISTENT; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-7-706(a)(2)(C), concerning annuity options after the death of a beneficiary or divorce or other marriage dissolution after retirement from a spouse designated as beneficiary, is amended to read as follows:

(C) Option C – Annuity for Ten (10) Years Certain and Life Thereafter.

(i) Under Option C, a retirant shall receive a reduced annuity payable throughout his or her life with the provision that if he or she dies before he or she has received one hundred twenty (120) monthly annuity payments, the payments shall be continued for the remainder of the period of one hundred twenty (120) months and paid to such persons in equal shares as the retirant has nominated by written designation executed and



filed with the board.

(ii) If the designated beneficiaries predecease the retirant, the retirant may nominate successor beneficiaries or may elect to return to his or her single lifetime benefit equivalent by written designation executed and filed with the board, to be effective the month following receipt of his or her election by the Arkansas Teacher Retirement System.

(iii)(a) If the designated beneficiary is the spouse of the retirant, and the marriage ends in divorce or other marriage dissolution, the retirant may:

(1) Nominate a successor beneficiary; or

(2) Elect to return to his or her single

lifetime benefit equivalent.

(b) The nomination or election made under subdivision (a)(2)(C)(iii)(a) of this section shall be in writing, executed by the retirant, and filed with the board to be effective the month following receipt of his or her election by the system.

~~(iii)(iv)~~ If no designated beneficiary survives the retirant, the annuity reserve for the remainder of the annuity payments shall be paid to the retirant's estate.

~~(iv)(v)~~ If the last designated beneficiary receiving annuity payments dies before all annuity payments are made, the annuity reserve for the remainder of the annuity payments shall be paid to the beneficiary's estate.

~~(v)(vi)~~ Effective the month following completion of the one-hundred-twenty-month period, the retirant's annuity shall return to his or her single lifetime benefit equivalent.

SECTION 2. Arkansas Code § 24-7-706(b)(2), concerning annuity options after the death of the beneficiary or divorce or other marriage dissolution after retirement from a spouse designated as beneficiary, is amended to read as follows:

~~(2)(A)~~ A retirant who is receiving a single lifetime benefit and who marries after retirement may elect to cancel his or her single lifetime benefit and may elect an annuity Option B — 50% Survivor Annuity providing continuing lifetime benefits to his or her spouse, ~~but only if the election~~

~~is on a form approved by the system and is received by the system within six (6) months after the date of marriage under rules promulgated by the board.~~

~~(B) The election shall be effective the first day of the month following its receipt.~~

SECTION 3. 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 and the 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 operate the system efficiently and effectively; that such revision and updating are of great importance to members of the Arkansas Teacher Retirement System and to other citizens of the State of Arkansas; 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 necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of 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.