

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

State of Arkansas
91st General Assembly
Regular Session, 2017

As Engrossed: H2/14/17

A Bill

HOUSE BILL 1304

By: Representative Maddox

For An Act To Be Entitled

AN ACT TO AMEND THE DEFINITION OF "ARKANSAS TEACHER RETIREMENT SYSTEM"; TO DEFINE "COVERED EMPLOYER"; TO AMEND THE REQUIREMENTS FOR VOLUNTARY RETIREMENT; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE DEFINITION OF "ARKANSAS TEACHER RETIREMENT SYSTEM"; TO DEFINE "COVERED EMPLOYER"; TO AMEND THE REQUIREMENTS FOR VOLUNTARY RETIREMENT; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-7-202(6), concerning the definition of "Arkansas Retirement Teacher System", is amended to read as follows:

(6) "Arkansas Teacher Retirement System" means a governmental state agency created in 1973 and administered under Acts 1973, No. 427, as amended, to provide a system of retirement benefits to its members and includes a limited liability company or other corporate entity solely owned by the system;

SECTION 2. Arkansas Code § 24-7-202(16), concerning the definition of "employer" under the Arkansas Teacher Retirement System Act, is amended to read as follows:

(16) "Employer" or "covered employer" means any public school, public educational agency, or other eligible employer participating in the



Arkansas Teacher Retirement System unless the context clearly indicates that the employer is not a covered employer;

SECTION 3. Arkansas Code § 24-7-702(a)(1), concerning early voluntary retirement under the Arkansas Teacher Retirement System, is amended to read as follows:

(a)(1)(A) Except as provided under subdivision (a)(2) of this section, an active or inactive member who has a combined total of twenty-five (25) or more years of ~~credited~~ actual and reciprocal service, including purchased or free credited service, but has not attained sixty (60) years of age and is not eligible for retirement under § 24-7-701 may voluntarily retire early ~~upon~~ by filing a written application ~~filed~~ with the Board of Trustees of the Arkansas Teacher Retirement System.

(B) If a member fails to submit a complete retirement application within six (6) calendar months of the effective date of benefits, including all additional documentation required by the Arkansas Teacher Retirement System, the application shall be void unless an extension is granted by the system.

SECTION 4. Arkansas Code § 24-7-705(a)(1)(B)(i), concerning life annuity under the Arkansas Teacher Retirement System, is amended to read as follows:

(a)(1)(B)(i) The ~~percentages~~ multipliers in this section shall be determined in accordance with this chapter and the, rules, and ~~regulations~~ resolutions of the Board of Trustees of the Arkansas Teacher Retirement System as is actuarially appropriate for the Arkansas Teacher Retirement System.

SECTION 5. Arkansas Code § 24-7-706(b)(1), concerning annuity options under the Arkansas Teacher Retirement System, is amended to read as follows:

(b)(1)(A) ~~At the written election of the retirant, the death of the beneficiary or divorce or other marriage dissolution after retirement from a spouse designated as beneficiary shall cancel any optional plan elected at retirement and shall return the retirant to his or her single lifetime benefit equivalent, to be effective the month following receipt of his or her election by the system.~~ If a member's marital status changes after retirement

due to the death of the member's spouse, or a divorce or marriage dissolution from the member's spouse who is also the member's designated beneficiary, then the member may elect to cancel any optional plan designating the former spouse as a beneficiary.

(B) A member's election under subdivision (b)(1)(A) of this section shall cause the member to return to his or her lifetime benefit equivalent, to be effective the month following the system's receipt of the approved form.

SECTION 6. Arkansas Code § 24-7-711(a)(2), concerning refunds of member contributions upon termination under the Arkansas Teacher Retirement System, is amended to read as follows:

(2) Any contributions remaining on deposit shall accrue regular interest at the end of each fiscal year as provided by ~~§ 24-7-410(d)~~ law.

SECTION 7. Arkansas Code § 24-7-715(b), concerning benefit rights not subject to legal process, is amended to read as follows:

~~(b) In the event an individual is no longer an active teacher or employee of any public school district in this state, nor on leave of absence, and~~ If an inactive member is found by any court of competent jurisdiction of this state to be willfully refusing or failing to support minor dependent children of the individual in violation of a court order providing for such support, although the individual is financially able to do so, then the court may, ~~in its discretion,~~ order the accumulated contributions, annuity or annuity options, or any other funds accruing under ~~the provisions of this act~~ chapter to be paid into the registry of the court for such further disposition as the court ~~shall deem~~ deems just and proper.

SECTION 8. Arkansas Code § 24-7-1310(a), concerning the death of participants under the Teacher Deferred Retirement Option Plan, is amended to read as follows:

(a) In the event that a Teacher Deferred Retirement Option Plan participant dies, the benefits payable from the plan shall be determined according to § 24-7-710 and the rules and resolutions of the Arkansas Teacher Retirement System.

SECTION 9. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the operations of the Arkansas Teacher Retirement System are complex; that 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 bring them into conformance with sound public pension policy and actuarial requirements; that such revision and updating is of great importance to members of the system and to other citizens of the State of Arkansas; that the system needs to have the ability to make immediate changes to maintain and improve its actuarial status; and that this act is immediately necessary in order to maintain an orderly management of benefits for the members of the 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:

- (1) The date of its 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.

/s/Maddox