

State of Arkansas

A Bill

Regular Session, 2025

HOUSE BILL 1161

By: Representative K. Moore

By: Senator J. Boyd

For An Act To Be Entitled

AN ACT TO CLARIFY THE LAW CONCERNING AN ELECTION TO CHANGE ANNUITY OPTIONS WITHIN ONE YEAR OF RETIREMENT UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO CLARIFY THE LAW CONCERNING AN ELECTION TO CHANGE ANNUITY OPTIONS WITHIN ONE YEAR OF RETIREMENT UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-7-706(e), concerning an election to change annuity options within one (1) year of retirement under the Arkansas Teacher Retirement System, is amended to read as follows:

(e)(1) Notwithstanding anything in this section to the contrary, a retiree who retired on or after July 1, 1994, may elect to cancel his or her election made at retirement for receiving an annuity and elect another option, provided that he or she does the following within one (1) year of retirement:

~~(A) Does so within one (1) year after July 1, 1995, or within one (1) year of retirement;~~

~~(B)~~ Files with the system a new election form approved by the system; and

~~(C)(i)~~(B)(i) Repays to the system the difference between



the amount of the annuity received when he or she retired and the new annuity due as a result of the election change, plus interest from ~~July 1, 1994, or~~ his or her retirement date, ~~whichever is later,~~ to the date of payment in full.

(ii) The difference shall be calculated retroactively to ~~July 1, 1994, or his or her~~ the retiree's retirement date, ~~whichever is later.~~

(2) The election to change shall be made only one (1) time.

(3) The election change shall be effective ~~retroactively to the effective date of his or her annuity~~ the month following the retiree's fulfillment of the requirements specified under subdivision (e)(1) of this section.

SECTION 2. 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; that the Arkansas Teacher Retirement 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, § 24-7-201 et seq., need immediate revision and updating to address administrative complexities caused by these provisions and to bring these provisions into conformance with sound public pension policy and actuarial requirements; that the revisions and updates are of great importance to members of the Arkansas Teacher Retirement System and to other citizens of the State of Arkansas; that as the Arkansas Teacher Retirement System operates on a fiscal year of July 1 to June 30, an effective date of July 1, 2025, is necessary in order to allow the provisions within this act to begin on the first day of the fiscal year and to allow for a structured and proper administration of the procedures referenced in this act; that the updates and revisions to the Arkansas Teacher Retirement System Act are of great importance and necessary for protecting member benefits and clarifying the reporting and contribution requirements of employers participating in the Arkansas Teacher Retirement System; and that this act is 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 July 1, 2025.