

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

A Bill

SENATE BILL 136

5 By: Senators J. Bookout, Faris
6 By: Representatives Mahony, R. Smith
7

For An Act To Be Entitled

10 AN ACT TO CLARIFY THAT THE BENEFITS PAYABLE TO
11 SURVIVORS AND BENEFICIARIES UNDER THE ARKANSAS
12 TEACHER RETIREMENT SYSTEM INCLUDE OTHER BENEFITS;
13 AND FOR OTHER PURPOSES.
14

Subtitle

15 TO CLARIFY THE BENEFITS PAYABLE TO
16 SURVIVORS AND BENEFICIARIES UNDER THE
17 ARKANSAS TEACHER RETIREMENT SYSTEM.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 24-7-705(b), concerning the life annuity
24 for members of the Arkansas Teacher Retirement System, is amended to read as
25 follows:

26 (b)(1) The minimum straight life annuity for a member retiring after
27 June 30, 1965, but before July 1, 1986, shall be one hundred fifty dollars
28 (\$150) per month, plus the benefits applicable under § 24-7-713.

29 (2) For a member retiring July 1, 1986, or later, the minimum
30 straight life annuity shall be:

31 (A) One hundred dollars (\$100) per month if the member has
32 no noncontributory credited service of the type specified in subdivision
33 (a)(1) of this section, plus the benefits applicable under § 24-7-713.

34 Effective July 1, 1998, for members with ten (10) or more years of
35 contributory credited service of the type specified in subdivision (a)(1) of
36 this section, the amount shall be one hundred fifty dollars (\$150) per month,



1 plus the benefits applicable under § 24-7-713;

2 (B) Sixty-four dollars (\$64.00) per month if the member
 3 has only credited service of the noncontributory type specified in
 4 subdivision (a)(1) of this section, plus the benefits applicable under § 24-
 5 7-713. Effective July 1, 1998, for members with ten (10) or more years of
 6 noncontributory credited service of the type specified in subdivision (a)(1)
 7 of this section, the amount shall be ninety-four dollars (\$94.00) per month,
 8 plus the benefits applicable under § 24-7-713; or

9 (C)(i) If the member has a mixture of credited service,
 10 the monthly amount shall be prorated between sixty-four dollars (\$64.00) and
 11 one hundred dollars (\$100) according to the relationship between his
 12 noncontributory credited service and his total credited service, plus the
 13 benefits applicable under § 24-7-713. Effective July 1, 1998, for members
 14 with ten (10) or more years of credited service, the amount shall be prorated
 15 between ninety-four dollars (\$94.00) and one-hundred fifty dollars (\$150) per
 16 month, according to the relationship between the member's noncontributory
 17 credited service and total credited service, plus the benefits applicable
 18 under § 24-7-713.

19 (ii) Provided, however, if the member has at least
 20 five (5) years of contributory service, regardless of his number of years of
 21 noncontributory service, his monthly amount shall not be less than one
 22 hundred dollars (\$100), plus the benefits applicable under § 24-7-713, or if
 23 the member has at least ten (10) years of contributory service, regardless of
 24 his number of years of noncontributory service, his monthly amount shall not
 25 be less than one hundred fifty dollars (\$150), plus the benefits applicable
 26 under § 24-7-713.

27
 28 SECTION 2. Arkansas Code § 24-7-710(b)-(d), concerning survivor
 29 benefits payable under the Arkansas Teacher Retirement System, are amended to
 30 read as follows:

31 (b)(1) The member's surviving spouse, who was married to the member
 32 for at least the two (2) years immediately preceding his death, shall receive
 33 an annuity computed in the same manner in all respects as if the member had:

34 (A) Retired the date of his death with entitlement to an
 35 annuity provided for in § 24-7-705, notwithstanding that he might not have
 36 attained age sixty (60) or acquired five (5) years of actual service;

1 (B) Elected Option A - One hundred percent (100%) survivor
2 annuity, as provided for in § 24-7-706; and

3 (C) Nominated his spouse as joint beneficiary.

4 (2) If, at the time of the member's death, there are no
5 dependent children, and the surviving spouse, who would otherwise receive the
6 annuity under this subsection, has filed with the Arkansas Teacher Retirement
7 System a signed written waiver of his right to the annuity and that waiver
8 was in effect at the time of the member's death, a lump sum distribution of
9 the deceased member's accumulated contributions, plus regular interest, may
10 be made to any beneficiary or beneficiaries so designated by the member
11 before death.

12 (3) If the member had satisfied the age and service requirements
13 provided for in § 24-7-701 or had acquired twenty (20) years of credited
14 service, the spouse annuity shall commence immediately and be payable for the
15 spouse's life; or, if the member had acquired fifteen (15) years of credited
16 service but had not attained age sixty (60), then the spouse annuity shall
17 commence at the later of age fifty (50) or the spouse's age at his death and
18 be payable until the earlier of the spouse's remarriage or death; otherwise,
19 the spouse annuity shall commence at the later of age sixty-two (62) or the
20 spouse's age at his death and be payable until the earlier of the spouse's
21 remarriage or death.

22 (4) The spouse annuity shall not be less than the greater of ten
23 percent (10%) of the deceased member's covered salary at the time of death or
24 fifty dollars (\$50.00) monthly, plus the benefits applicable under § 24-7-
25 713. These amounts shall apply if the member had no member noncontributory
26 service of the type specified in § 24-7-705(a)(6) ~~repealed~~.

27 (5) If the member had only the noncontributory credited service,
28 then the amounts shall be six percent (6%), instead of ten percent (10%), and
29 thirty-one dollars (\$31.00), plus the benefits applicable under § 24-7-713,
30 instead of fifty dollars (\$50.00); or, if the member had a mixture of
31 credited service, the minimum amount shall be prorated between the all-
32 contributory minimum amount and the all-noncontributory minimum amount
33 according to the relationship between his noncontributory credited service
34 and his total credited service, plus the benefits applicable under § 24-7-
35 713.

36 (6) In any event, as long as the surviving spouse has in his or

1 her care any of the deceased member's dependent children receiving a benefit
 2 as provided for in subsection (c) of this section, there shall be payable to
 3 the spouse a spouse annuity of not less than the minimum amount determined
 4 according to subdivision (b)(4) of this section.

5 (c)(1) The member's dependent children shall each receive an annuity
 6 of the greater of ten percent (10%) of the member's covered salary at the
 7 time of death or fifty dollars (\$50.00) monthly, plus the benefits applicable
 8 under § 24-7-713; however, if there are three (3) or more dependent children,
 9 each dependent child shall receive an annuity of an equal share of the
 10 greater of twenty-five percent (25%) of the member's covered salary or one
 11 hundred twenty-five dollars (\$125) monthly, plus the benefits applicable
 12 under § 24-7-713. These amounts shall apply if the member had no member
 13 noncontributory credited service of the type specified in § 24-7-705(a)(6).

14 (2) If the member had only the noncontributory credited service,
 15 then the amounts shall be six percent (6%), instead of ten percent (10%), and
 16 thirty-one dollars (\$31.00), instead of fifty dollars (\$50.00), and sixteen
 17 percent (16%), instead of twenty-five percent (25%), and seventy-nine dollars
 18 (\$79.00), instead of one hundred twenty-five dollars (\$125), plus the
 19 benefits applicable under § 24-7-713; or, if the member had a mixture of
 20 credited service, the amounts payable shall be prorated between the all-
 21 contributory amounts and the all-noncontributory amounts according to the
 22 relationship between his noncontributory credited service and his total
 23 credited service, plus the benefits applicable under § 24-7-713.

24 (3)(A) A child shall be a dependent child until his death, his
 25 marriage, or his attainment of age eighteen (18), whichever comes first.

26 (B)(i) However, the age eighteen (18) maximum shall be
 27 extended as long as the child continues uninterruptedly being a full-time
 28 student at an accredited secondary school, college, or university, but in no
 29 event beyond his attainment of age twenty-three (23).

30 (ii) The age eighteen (18) maximum shall also be
 31 extended for any child who has been deemed physically or mentally incompetent
 32 either by an Arkansas court of competent jurisdiction or by the Board of
 33 Trustees of the Arkansas Teacher Retirement System, for as long as the
 34 incompetency exists.

35 (4) Upon a child's ceasing to be a dependent child, his annuity
 36 shall terminate, and there shall be a redetermination of the amounts payable

1 to any remaining dependent children.

2 (d)(1) If, at the time of the member's death, there is neither a
 3 spouse nor a dependent child, each dependent parent shall receive an
 4 allowance of the greater of ten percent (10%) of the member's covered salary
 5 or fifty dollars (\$50.00) monthly, plus the benefits applicable under § 24-7-
 6 713, but only if the board finds that the parent was dependent for at least
 7 fifty percent (50%) of his financial support upon the member. These amounts
 8 shall apply if the member had no member noncontributory service of the type
 9 specified in § 24-7-705(a)(6) ~~—repealed—~~.

10 (2) If the member had only the noncontributory credited service,
 11 then the amounts shall be six percent (6%), instead of ten percent (10%), and
 12 thirty-one dollars (\$31.00), plus the benefits applicable under § 24-7-713,
 13 instead of fifty dollars (\$50.00); or, if the member had a mixture of
 14 credited service, the amount shall be prorated between the all-contributory
 15 amount and the all-noncontributory amount according to the relationship
 16 between his noncontributory credited service and his total credited service,
 17 plus the benefits applicable under § 24-7-713.

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 19 SECTION 3. Arkansas Code § 24-7-713(b), concerning the redetermination
 20 of monthly benefits under the Arkansas Teacher Retirement System, is amended
 21 to read as follows:

22 (b)(1) Effective July 1, 1999, subject to the minimum financial
 23 conditions set forth in § 24-7-718, retirees, survivors, and beneficiaries
 24 shall receive an increase in benefits of not less than fifty dollars (\$50.00)
 25 per month. Provided, the Board of Trustees of the Arkansas Teacher
 26 Retirement System may elect and is granted authority to increase the benefit
 27 to retirees in an amount determined by the board, except that the benefit
 28 increase shall not exceed two hundred dollars (\$200) per month.

29 (2) Members retiring after July 1, 1999, and their survivors and
 30 beneficiaries, with five (5) or more years of credited service in the
 31 Arkansas Teacher Retirement System shall receive an additional benefit of not
 32 less than fifty dollars (\$50.00) per month over and above their regular
 33 annuity. Provided, the board may elect and is granted authority to increase
 34 the additional benefit to members retiring in an amount determined by the
 35 board, except that the additional benefit shall not exceed two hundred
 36 dollars (\$200) per month.

1 (3) In its discretion, the board may prorate the benefits
2 provided under this subsection for all individuals retiring after June 30,
3 1999, if the individual is also eligible for an additional monthly benefit as
4 a result of credited service under one (1) or more of the other reciprocal
5 systems, as such systems are enumerated in § 24-2-401.

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