

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.
Act 470 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

A Bill

SENATE BILL 227

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5 By: Senator J. Jeffress
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For An Act To Be Entitled

9 AN ACT TO ALLOW THE ARKANSAS TEACHER RETIREMENT
10 SYSTEM TO RECOUP BENEFITS, INCLUDING INTEREST,
11 PAID TO A MEMBER WHO DOES NOT MEET THE
12 ELIGIBILITY REQUIREMENTS UNDER THE TEACHER
13 DEFERRED RETIREMENT OPTION PLAN; TO ALLOW FOR THE
14 COLLECTION OF INTEREST; AND FOR OTHER PURPOSES.
15

Subtitle

16 TO ALLOW THE ARKANSAS TEACHER RETIREMENT
17 SYSTEM TO RECOUP BENEFITS, INCLUDING
18 INTEREST, PAID TO A MEMBER UNDER T-DROP
19 WHO DOES NOT MEET THE ELIGIBILITY
20 REQUIREMENTS.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 24-7-1308 is amended to read as follows:

27 24-7-1308. Separation from service – Payment.

28 (a) (1) The member's participation in the Teacher Deferred Retirement
29 Option Plan shall cease ~~at the time when~~ when the member ~~separates from service or~~
30 files an application for voluntary retirement with the system under § 24-7-
31 701 and is granted a monthly retirement benefit by the ~~Board of Trustees of~~
32 ~~the Arkansas Teacher Retirement System, or both~~ system.

33 (2) The system shall cancel a plan participant's retirement
34 benefits and the plan participant forfeits any retirement benefits, including
35 plan account benefits, if the participant:



1 (A) Fails to meet the termination of employment
 2 requirement of § 24-7-701; and

3 (B) Has not reached normal retirement age.

4 (3) A plan participant becomes eligible again for retirement
 5 benefits, including plan account benefits, when the termination requirements
 6 are met.

7 (b)(1) When the member's participation in the plan ceases, the member
 8 may elect to receive the balance in the plan account as a lump sum or as a
 9 monthly benefit paid under the annuity option selected by the member under §
 10 ~~24-7-1304~~ this subchapter.

11 (2) The board shall determine factors to be used for the
 12 conversion of plan balances to monthly amounts.

13 (c) When the member's participation in the plan ceases, the board
 14 shall cause the member's plan benefit to be paid directly to the member in
 15 the form of regular monthly amounts in the same amount and manner as would
 16 have been the case if the member had retired on the plan date and had made
 17 the same election ~~pursuant to~~ under § 24-7-706 that was made on or before the
 18 plan date.

19 (d)(1) A member who fails to meet the termination requirements and
 20 receives retirement benefits shall repay any benefits received before
 21 becoming eligible again for voluntary retirement.

22 (2) If the member becomes eligible to receive the plan account
 23 distribution before the system collects it back from the member, the system
 24 may charge interest on the distribution for the time the member was
 25 ineligible to receive the distribution.

26 (e) The system may offset, adjust, or otherwise collect any benefits
 27 overpaid to a member under this subchapter.

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 29 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 30 General Assembly of the State of Arkansas that certain provisions of the
 31 Arkansas Teacher Retirement System Act are badly in need of revision and
 32 updating to bring them into conformance with sound public pension policy;
 33 that such revision and updating is of great importance to members of the
 34 Arkansas Teacher Retirement System and to other citizens of the State of
 35 Arkansas; and that this act is immediately necessary in order to maintain an
 36 orderly system of benefits for the members of the Arkansas Teacher Retirement

1 System. Therefore, an emergency is declared to exist and this act being
2 necessary for the preservation of the public peace, health, and safety shall
3 become effective on July 1, 2009.

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5 **APPROVED: 3/18/2009**
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