

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

HOUSE BILL 1078

5 By: Representative Deffenbaugh
6

For An Act To Be Entitled

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

15 TO ALLOW A MEMBER TO CHANGE HIS OR HER
16 BENEFICIARY UPON THE OCCURRENCE OF
17 CERTAIN EVENTS; TO ALLOW THE ARKANSAS
18 TEACHER RETIREMENT SYSTEM TO BE
19 CONSISTENT; AND TO DECLARE AN EMERGENCY.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 24-7-706(a)(2)(C), concerning annuity
26 options after the death of a beneficiary or divorce or other marriage
27 dissolution after retirement from a spouse designated as beneficiary, is
28 amended to read as follows:

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

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



1 filed with the board.

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

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

11 (1) Nominate a successor beneficiary; or

12 (2) Elect to return to his or her single
 13 lifetime benefit equivalent.

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

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

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

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

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

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

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

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

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6 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
7 General Assembly of the State of Arkansas that the operations of a state
8 public retirement system are complex and the system must be able to meet the
9 needs of its members as anticipated by the General Assembly; that certain
10 provisions of the Arkansas Teacher Retirement System Act are imminently in
11 need of revision and updating to operate the system efficiently and
12 effectively; that such revision and updating are of great importance to
13 members of the Arkansas Teacher Retirement System and to other citizens of
14 the State of Arkansas; and that this act is immediately necessary in order to
15 maintain an orderly system of benefits for the members of the Arkansas
16 Teacher Retirement System. Therefore, an emergency is declared to exist and
17 this act being necessary for the preservation of the public peace, health,
18 and safety shall become effective on:

19 (1) The date of approval by the Governor;

20 (2) If the bill is neither approved nor vetoed by the Governor,
21 the expiration of the period of time during which the Governor may veto the
22 bill; or

23 (3) If the bill is vetoed by the Governor and the veto is
24 overridden, the date the last house overrides the veto.

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27 **APPROVED: 03/11/2015**
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