A Bill

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 retireant, 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 retireant 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 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

APPROVED: 02/28/2017