

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

# A Bill

HOUSE BILL 1188

5 By: Representative Lenderman  
6

## For An Act To Be Entitled

8 AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE ARKANSAS  
9 TEACHER RETIREMENT SYSTEM ACT; AND FOR OTHER  
10 PURPOSES.  
11

## Subtitle

12 TO MAKE TECHNICAL CORRECTIONS TO THE  
13 ARKANSAS TEACHER RETIREMENT SYSTEM ACT.  
14

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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18 SECTION 1. Arkansas Code § 24-7-202(18), concerning the definition of  
19 Internal Revenue Code, is amended to read as follows:

20 (18) "Internal Revenue Code" means the federal Internal Revenue  
21 Code of 1986, as amended, as it existed on January 1, ~~2009~~ 2013;  
22

23 SECTION 2. Arkansas Code § 24-7-202(27)(A), concerning the definition  
24 of salary, is amended to read as follows:

25 (27)(A) "Salary" means the remuneration paid to a member  
26 employed in a position covered by the Arkansas Teacher Retirement System on  
27 which the employer ~~withholds~~ is required to withhold federal income tax from  
28 wages under the Internal Revenue Code.  
29  
30

31 SECTION 3. Arkansas Code § 24-7-501(a)(2)(C)(v), concerning membership  
32 of nonteachers who have been covered under the Arkansas Teacher Retirement  
33 System, is repealed.  
34

35 ~~(v) Nonteachers who elect coverage in the Arkansas~~  
36 ~~Teacher Retirement System under the provisions of this section and who~~



1 ~~accumulate five (5) or more years of credited service in the Arkansas Teacher~~  
 2 ~~Retirement System will be eligible for benefits as provided in § 24-7-713(b).~~

3  
 4 SECTION 4. Arkansas Code § 24-7-602(b)(1), concerning military service  
 5 credit, is amended to read as follows:

6 (b) An active or inactive member who entered the armed forces shall  
 7 have the period of armed forces service credited as service in the system  
 8 without cost to the member if the member satisfies the following conditions:

9 (1) He or she completes five (5) or more years of actual service  
 10 in the system; and

11  
 12 SECTION 5. Arkansas Code § 24-7-711(c), concerning the refund of  
 13 member contributions upon termination, is amended to read as follows:

14 (c) A member or surviving spouse who elects to receive a refund of  
 15 member contributions under this section also cancels all the member's service  
 16 credit, including noncontributory service credit, and all membership rights  
 17 and beneficiary designations in the ~~system~~ Arkansas Teacher Retirement  
 18 System.

19  
 20 SECTION 6. Arkansas Code § 24-7-720(a)(1)(B), concerning lump-sum  
 21 benefits, is amended to read as follows:

22 (B) If on or after July 1, 2007, an active member of the  
 23 Arkansas Teacher Retirement System with ten (10) or more years of actual  
 24 ~~service, including actual service for the year immediately preceding the~~  
 25 ~~member's death,~~ dies in employer service before retirement, then a lump sum  
 26 of up to ten thousand dollars (\$10,000) shall be paid to ~~such persons as the~~  
 27 persons he or she ~~shall have~~ has nominated by written designation ~~and~~  
 28 executed and filed with the board.

29  
 30 SECTION 7. Arkansas Code § 24-7-720(i), concerning lump-sum benefits,  
 31 is amended to read as follows:

32 (i) For eligibility under this section, a member is considered active  
 33 for an additional fiscal year following the last fiscal year that the member  
 34 renders actual service ~~to~~ in a position reported to the system by a covered  
 35 employer and the member obtains at least one-fourth ( $\frac{1}{4}$ ) year of service  
 36 credit.

SECTION 8. Arkansas Code § 24-7-734(b), concerning lost payees, is amended to read as follows:

(b)(1) If the board is unable within five (5) years after payment of a benefit is due to a member or beneficiary to make the payment because it cannot ascertain the whereabouts of the member or the identity and whereabouts of the beneficiary or personal representative by mailing to the last known address shown on the board's records and neither the member, the beneficiary, or personal representative has ~~made written claim therefor~~ submitted the paperwork and forms required by the system before the expiration of the five (5) years, then, and in each case, the board shall direct that the amount shall be forfeited to the trust assets of the ~~Arkansas Teacher Retirement System~~ system.

(2) ~~However, the amount shall be reinstated if the member or beneficiary or personal representative makes a valid claim therefor upon presentation of proper identification.~~ If the final payment is not delivered in the normal course of business, then the total payment is sent in the following order until delivered:

- (A) To the member's residual beneficiary, if any;
- (B) To the member's lump-sum death beneficiary, if any;
- (C) To the member's estate, if any; or
- (D) To the system.

SECTION 9. Arkansas Code § 24-7-907(5)(A), concerning participation in a plan, is amended to read as follows:

(5)(A) Effective July 1, 2001, ~~staff members who elect a staff member who elected~~ to participate in an alternate retirement plan may elect to become ~~members~~ a member of the retirement system.

**APPROVED: 02/20/2013**