

ARKANSAS SENATE

88th General Assembly - Regular Session, 2011

Amendment Form

Subtitle of Senate Bill No. 120

TO AMEND THE ARKANSAS TEACHER RETIREMENT SYSTEM STATUTES IN TITLE
24, SUBCHAPTER 7, OF THE ARKANSAS CODE.

Amendment No. 1 to Senate Bill No. 120

Amend Senate Bill No. 120 as originally introduced:

Page 1, delete the subtitle in its entirety and substitute the following language:

"TO CLARIFY THE DESIGNATION OF OPTION BENEFICIARIES UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM; TO AUTHORIZE THE BOARD TO PROMULGATE RULES CONCERNING OPTION BENEFICIARIES; AND TO DECLARE AN EMERGENCY."

AND

Page 1, delete all the language after the enacting clause and substitute the following:

"SECTION 1. Arkansas Code § 24-7-706(a), concerning annuity option beneficiary designation in the Arkansas Teacher Retirement System, is amended to read as follows:

(a)(1) Before the date the first payment of his or her annuity becomes due, but not thereafter, a member may elect to receive his or her annuity as a straight life annuity, or he or she may elect to receive the actuarial equivalent, at that time, of his or her straight life annuity in a reduced annuity payable throughout his or her life.

(2) The member may nominate a beneficiary, in accordance with ~~the provisions of~~ one (1) of the following options:

(A) Option A – 100% Survivor Annuity.

(i) Under Option A, upon the death of a retirant, his or her reduced annuity shall be continued throughout the life of and paid to such person as he or she shall have nominated by written designation ~~and~~ executed and filed with the ~~board~~ Board of Trustees of the Arkansas Teacher Retirement System before the date the first payment of his or her annuity becomes due.

(ii)~~(a)~~ The person must designated as a beneficiary by the retirant shall be either his:

(a) His or her The retirant's spouse for not less than one (1) year immediately preceding the first payment due date,~~or~~



~~another person forty (40) years of age or older receiving more than one half (½) support from the retirant for not less than one (1) year immediately preceding the first payment due date.; or~~

~~(b) However, the age forty requirement shall not exclude the designation as beneficiary of a A dependent child of the retirant who has been adjudged physically or mentally incapacitated by a court of competent jurisdiction;~~

(B) Option B – 50% Survivor Annuity.

(i) Under Option B, upon the death of a retirant, one-half (½) of his or her reduced annuity shall be continued throughout the life of and paid to such person as he or she ~~shall have~~ has nominated by written designation ~~duly~~ executed and filed with the board before the date the first payment of his or her annuity becomes due.

(ii)~~(a)~~ The person ~~must~~ designated as a beneficiary by the retirant shall be either his:

~~(a) His or her The retirant's spouse for not less than one (1) year immediately preceding the first payment due date, or another person forty (40) years of age or older receiving more than one half (½) support from the retirant for not less than one (1) year immediately preceding the first payment due date.; or~~

~~(b) However, the age forty requirement shall not exclude the designation as beneficiary of a A dependent child of the retirant who has been adjudged physically or mentally incapacitated by a court of competent jurisdiction; or~~

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

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

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

(iii) If no designated beneficiary survives ~~him or her~~ the retirant, the annuity reserve for the remainder of the annuity payments shall be paid to the retirant's estate.

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

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

(3) In addition to the persons eligible to be designated as a beneficiary under either Option A or Option B in subdivision (a)(2) of this

section, the board may promulgate rules concerning the addition of classes of eligible persons to be designated as a beneficiary under this section.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that certain provisions of the Arkansas Teacher Retirement System statutes are in urgent need of revision to bring them into conformance with sound public pension policy; that this revision is of great importance to members of the Arkansas Teacher Retirement System and to other citizens of the State of Arkansas; that the current listing of those eligible to be designated as a beneficiary under Option A and Option B is unclear and difficult to administer; and that this act is immediately necessary to maintain an orderly system of benefits for members of the Arkansas Teacher Retirement 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."

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator J. Key
SAG/KFW - 02/28/11 08:24
SAG171

Secretary