

**QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS  
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE**

DEPARTMENT/AGENCY Arkansas Teacher Retirement System  
DIVISION Administration  
DIVISION DIRECTOR George Hopkins  
CONTACT PERSON Laura Gilson, General Counsel  
ADDRESS 1400 West Third Street, Little Rock, AR 72201  
PHONE NO. 501-682-1266 FAX NO. 501-682-6326 E-MAIL laurag@artrs.gov  
NAME OF PRESENTER AT COMMITTEE MEETING George Hopkins  
PRESENTER E-MAIL georgeh@artrs.gov

**INSTRUCTIONS**

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Donna K. Davis  
Administrative Rules Review Section  
Arkansas Legislative Council  
Bureau of Legislative Research  
Room 315, State Capitol  
Little Rock, AR 72201

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1. What is the short title of this rule? Age and Service (Voluntary) Retirement (Rule 9-2)

2. What is the subject of the proposed rule? Rules for regular, voluntary retirement

3. Is this rule required to comply with a federal statute, rule, or regulation? Yes  No   
If yes, please provide the federal rule, regulation, and/or statute citation.

4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes  No   
If yes, what is the effective date of the emergency rule? \_\_\_\_\_

When does the emergency rule expire? \_\_\_\_\_

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes  No

5. Is this a new rule? Yes  No

If yes, please provide a brief summary explaining the regulation.

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Does this repeal an existing rule? Yes  No

If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

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Is this an amendment to an existing rule? Yes  No

If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

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6. Cite the state law that grants the authority for this proposed rule?

If codified, please give Arkansas Code citation.

§ 24-7-705 (a)(1)(B) and § 24-7-305(b)(1)

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7. What is the purpose of this proposed rule? Why is it necessary?

To bring into compliance and to make consistent with Acts 336 and 966 of 2013 and various minor changes for clarity.

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8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b).

www.artrs.gov

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9. Will a public hearing be held on this proposed rule? Yes  No

If yes, please complete the following:

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Place: \_\_\_\_\_

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10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

August 29, 2013

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

December 1, 2013

12. Do you expect this rule to be controversial? Yes  No

If yes, please explain. \_\_\_\_\_

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13. Please give the names of persons, groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known.

N/A

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**FINANCIAL IMPACT STATEMENT**

**PLEASE ANSWER ALL QUESTIONS COMPLETELY**

**DEPARTMENT** Arkansas Teacher Retirement System  
**DIVISION** Administration  
**PERSON COMPLETING THIS STATEMENT** Laura Gilson  
**TELEPHONE NO.** 501-682-1266 **FAX NO.** 501-682-6326 **EMAIL:** laurag@artrs.gov

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

**SHORT TITLE OF THIS RULE** Age and Service (Voluntary) Retirement (Rule 9-2)

1. Does this proposed, amended, or repealed rule have a financial impact?      Yes       No
2. Does this proposed, amended, or repealed rule affect small businesses?      Yes       No   
If yes, please attach a copy of the economic impact statement required to be filed with the Arkansas Economic Development Commission under Arkansas Code § 25-15-301 et seq.

3. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

N/A

4. If the purpose of this rule is to implement a federal rule or regulation, please give the incremental cost for implementing the rule. Please indicate if the cost provided is the cost of the program.

**Current Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
Total \_\_\_\_\_

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
Total \_\_\_\_\_

5. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule? Identify the party subject to the proposed rule and explain how they are affected.

**Current Fiscal Year**

\$ \_\_\_\_\_

**Next Fiscal Year**

\$ \_\_\_\_\_

6. What is the total estimated cost by fiscal year to the agency to implement this rule? Is this the cost of the program or grant? Please explain.

**Current Fiscal Year**

\$ \_\_\_\_\_

**Next Fiscal Year**

\$ \_\_\_\_\_

**PUBLIC COMMENT SUMMARY**  
**Age and Service (Voluntary) Retirement Rule 9-2**

**1. Who made public comment:**

Bureau of Legislative Research (BLR)

**2. Who received the public comment:**

ATRS

**3. What was the public comment:**

BLR expressed concerns that the Board's rulemaking authority was not explicit with respect to accounting housekeeping procedures.

**4. What response was given to the public comment:**

The Rule is revised so that BLR's concerns have been fully addressed.

## **AGE AND SERVICE (VOLUNTARY) RETIREMENT**

A.C.A. § 24-7-502, A.C.A. §§ 24-7-701—707, and A.C.A. § 24-7-202 (unless otherwise noted)

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### **REGULATIONS**

#### **1. RETIREMENT ELIGIBILITY**

If eligible, any active or inactive member who attains age 60 and has five (5) or more years of actual and reciprocal service credit may voluntarily retire upon written application filed with the System. In order to be eligible, a member must comply with the following requirements:

- A. Satisfy the credited service requirements under one of the System's retirement statutes, A.C.A. §§ 24-7-701—707,
- B. Be credited with all required employer and member contributions in the member's deposit account with no amounts owed to the System,
- C. Pay all amounts owed to the System for underpayments or purchase service accounts; and
- D. Terminate employment with all participating employers or have reached age 65 or older.

#### **2. BENEFITS**

##### **A. Benefits Formula**

The retirement benefits payable shall be the total number of contributory years of credited service multiplied by 2.15% of the final average salary, plus the total number of noncontributory years of credited service multiplied by 1.39% of the final average salary.

If an employer reports additional salary for a member, but the result does not increase or decrease the annual benefits by \$25.00 or more, the contributions will be transferred from the member's deposit account to the employer accumulation account without making any change in the member's benefit. If the additional salary does increase or decrease the retiree's annual benefit by \$25.00, the retirement benefits will be recalculated, and necessary changes will be made in the member's benefit.

~~B. Minimum Retirement Benefits (A.C.A. § 24-7-707 and A.C.A. § 24-7-713)~~

~~A member who retires under A.C.A. § 24-7-701 shall receive no less than the following benefits:~~

- ~~i. A member who has at least ten (10) years of contributory credited service with ATRS will receive not less than \$1,800 per year; or~~
- ~~ii. A member who has at least five (5) years of contributory credited service with ATRS will receive not less than \$1,200 per year; or~~
- ~~iii. A member who has at least ten (10) years of noncontributory credited service with ATRS will receive not less than \$1,128 per year; or~~
- ~~iv. A member who has at least five (5) years of noncontributory credited service with ATRS will receive not less than \$768 per year; or~~
- ~~v. A member who has a mixture of contributory and noncontributory credited service greater than ten (10) years but less than the minimum credited years listed above will receive a prorated amount between \$1,128 and \$1,800 per year according to the relationship between the member's noncontributory and contributory credited service and total credited service; or~~
- ~~vi. A member who has a mixture of contributory and noncontributory credited service greater than five (5) years but less than the minimum credited years listed above will receive a prorated amount between \$768 and \$1,200 per year according to the relationship between the member's noncontributory and contributory credited service and total credited service.~~

~~In addition to the minimum benefit amount, a member who meets eligibility requirements shall receive benefits applicable under A.C.A. § 24-7-713.~~

C. Effective Date of Retirement Benefits (A.C.A. § 24-7-701)

If a member meets all eligibility requirements for retirement and is approved for retirement, annuity benefits shall be effective the month proposed by the member. If the member does not file an application at least one calendar month prior to the proposed effective retirement date, then that proposed retirement effective date cannot be used, and the member's effective retirement date shall be the following month.

If a member has signed an employment contract for the fiscal year and has been paid in full without providing service for the full period of the

employment contract, the member's retirement effective date shall not be prior to July 1 of the subsequent fiscal year.

**D. Compound Cost of Living Adjustment (A.C.A. § 24-7-727)**

- i. In the years that the Board elects to compound the COLA, the simple COLA shall not be payable. In a year the Board elects not to compound the COLA, the simple COLA under A.C.A. § 24-7-713 shall be given.

**E. Last Benefit Payment Upon Death**

Benefits are payable through the month in which the retirant's death occurs.

**RULES**

1. A member age 65 or older may apply for retirement benefits without terminating employment and may begin drawing benefits with no effect on the member's retirement benefit.
2. In addition to a complete retirement application, the following documents are mandatory documents and shall be submitted to ATRS within six months of the effective date of retirement unless an extension is granted by ATRS:

**A. Member elects a straight life annuity:**

1. Proof of member's birthdate from a birth certificate or other authenticating documents.
2. Proof of member's tax payer identification number from a Social Security card or other authenticating documents.

**B. Member elects Option A or Option B benefit with Spouse as the beneficiary:**

1. Proof of member's birthdate from a birth certificate or other authenticating documents.
2. Proof of member's tax payer identification number from a Social Security card or other authenticating documents.
3. Proof of spouse's birthdate from a birth certificate or other authenticating documents.
4. Proof of spouse's tax payer identification number from a Social Security card or other authenticating documents.

5. Proof of marriage between the member and spouse from a marriage license or equivalent, marriage license recording document, or other legally acceptable proof of the existence of the marriage.
- C. Member elects Option A or Option B benefit with incompetent child as the beneficiary:
1. Proof of member's birthdate from a birth certificate or other authenticating documents.
  2. Proof of member's tax payer identification number from a Social Security card or other authenticating documents.
  3. Adequate proof of the existence of a guardianship of the member's child due to incapacity that preexists the member's official retirement date. Authenticating documents may include the order appointing guardianship of the person, letters of guardianship or other adequate proof of the existence of the guardianship due to the incapacity of the member's child.
  4. Proof of child's tax payer identification number from a Social Security card or other authenticating documents.
- D. Member elects Option C annuity:
1. Proof of member's birthdate from a birth certificate or other authenticating documents.
  2. Proof of member's tax payer identification number from a Social Security card or other authenticating documents.

The failure to submit a complete retirement application and any mandatory documents within a six-month period from the member's effective retirement date plus any extension granted by ATRS shall result in the retirement application being voided and of no effect. This rule on required documents applies to all retirement applications including retirement based upon age retirement, service retirement, early retirement, and disability retirement.

**Amended:** June 15, 2004  
 February 7, 2006  
 April 26, 2007  
 June 16, 2009 (Emergency)  
 October 5, 2009 (Permanent)  
 July 1, 2011 (Emergency)

**Adopted:** August 8, 2011

**Effective:** November 11, 2011

**Approved by Board: July 26, 2013**



**Amended:**  
**Effective:**