

ARKANSAS SENATE
91st General Assembly - Regular Session, 2017
Amendment Form

Subtitle of Senate Bill No. 184

AN ACT TO MODIFY THE METHOD USED TO SET THE TEACHER DEFERRED RETIREMENT OPTION
PLAN INTEREST RATE; TO ALLOW BALANCE TRANSFERS BETWEEN RECIPROCAL SYSTEMS; AND
TO DECLARE AN EMERGENCY.

Amendment No. 1 to Senate Bill No. 184

Amend Senate Bill No. 184 as originally introduced:

Delete SECTION 1 in its entirety and substitute the following:

"SECTION 1. Arkansas Code Title 24, Chapter 2, Subchapter 4, is amended to add an additional section to read as follows:

24-2-409. Transfer of deferred retirement option plan balance.

(a) Except as provided under subsections (b) and (c) of this section, each reciprocal system shall administer its deferred retirement option plan in accordance with its respective provisions concerning a member who elects the deferred retirement option plan and has credited service in two (2) or more reciprocal systems.

(b)(1) A program authorizing a balance transfer of a completed Arkansas Public Employees' Retirement System Deferred Retirement Option Plan balance to the Teacher Deferred Retirement Option Plan may be established if the Board of Trustees of the Arkansas Public Employees' Retirement System and the Board of Trustees of the Arkansas Teacher Retirement System approve the balance transfer program by resolution.

(2)(A) If a balance transfer program is approved by resolution of the Board of Trustees of the Arkansas Public Employees' Retirement System and the Board of Trustees of the Arkansas Teacher Retirement System, the Arkansas Public Employees' Retirement System may set a reasonable processing fee either as a set dollar amount or as a percentage of the balance transferred.

(B) The balance transfer program shall become effective upon the adoption of the final resolution.

(C) A member may elect to transfer his or her deferred retirement option plan balance if the member:

(i) Is actively employed under the Arkansas Teacher Retirement System at the time of the simultaneous deferred retirement option plan entry;

(ii) Completes the maximum deferred retirement term in the Arkansas Public Employees' Retirement System;

(iii) Has at least two (2) years of continuing



eligibility to participate in the Teacher Deferred Retirement Option Plan; and

(iv) Applies to transfer his or her deferred retirement option plan balance by notifying the Arkansas Public Employees' Retirement System and the Arkansas Teacher Retirement System of the intended balance transfer at least two (2) months before the member completes the maximum deferred retirement term in the Arkansas Public Employees' Retirement System.

(D) A member with reciprocal service who has simultaneously entered into the deferred retirement option plan with both the Arkansas Public Employees' Retirement System and the Arkansas Teacher Retirement System may elect to have his or her completed deferred retirement option plan balance from the Arkansas Public Employees' Retirement System transferred to the Arkansas Teacher Retirement System, subject to any reasonable processing fee established and assessed by the Arkansas Public Employees' Retirement System.

(3) If at the time the program is approved the member has previously completed the maximum deferred retirement term in the Arkansas Public Employees' Retirement System, the member shall apply to transfer his or her deferred retirement option plan balance by notifying the Arkansas Public Employees' Retirement System and the Arkansas Teacher Retirement System of the intended balance transfer within two (2) months of the effective date of this act.

(c) If a balance transfer under subsection (b) of this section is authorized, then:

(1) A member who elects a balance transfer under subdivision (b)(2)(C) of this section is not eligible to draw a monthly retirement benefit from the Arkansas Public Employees' Retirement System or the Arkansas Teacher Retirement System until twenty-four (24) months after the completion of the Arkansas Public Employees' Retirement System deferred retirement term;

(2) A member who elects a balance transfer under subdivision (b)(2)(D) of this section is not eligible to draw a monthly retirement benefit from the Arkansas Public Employees' Retirement System or the Arkansas Teacher Retirement System until twenty-four (24) months after the month in which the balance transfer occurs;

(3) The balance transferred shall be subject to the requirements of the Teacher Deferred Retirement Option Plan in effect at the time of the balance transfer;

(4) The Arkansas Public Employees' Retirement System and the Arkansas Teacher Retirement System shall treat the transferred balance of the member as a benefit component of the Arkansas Teacher Retirement System after the date of the transfer;

(5) The Arkansas Public Employees' Retirement System shall not pay a monthly retirement benefit to the member until the member officially retires from the Arkansas Teacher Retirement System;

(6) The Arkansas Public Employees' Retirement System shall calculate the monthly retirement benefit of the member as if the member retired at the expiration of the Arkansas Public Employees' Retirement System's plan deferred retirement option plan participation term; and

(7) The requirement of the Arkansas Teacher Retirement System Deferred Retirement Option Plan shall apply to a member when the balance of the member is transferred under this section."

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

By: Senator Hester

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Secretary