

EXHIBIT C



ATRS Rules

**Joint Public Retirement & Social Security Programs Committee
March 4, 2024**

Mark White, ATRS Executive Director

Overview of Proposed Rules

ATRS is proposing a comprehensive revision of its rules to:

- ✓ Implement legislative and regulatory changes
- ✓ Prepare the style and formatting of the rules for the forthcoming Code of Arkansas Rules
- ✓ Make substantive changes to bring clarity and close gaps in the existing rules
- ✓ Clean up and clarify language and formatting
- ✓ Revise numbering of rules for simplicity

Rule Summaries

Amendments to Rule 0-1

ATRS Rules of Organization and Operation

- No changes that affect the rights or responsibilities of ATRS members or employers
- Language has been cleaned up, clarified, and reorganized

Rule Summaries

Amendments to Rule 4 Election of Board of Trustees

- Clarifies that only active, non-retired members may vote for active member trustee positions
- Clarifies that ballots must be mailed to members by March 15
- Explicitly requires that to be counted, ballots must be received by the election vendor by April 15
- Defines the term of office for appointed trustees to begin on the date of appointment
- Defines the term of office for elected trustees to always run for six years, even when the trustee is elected to fill a vacant position

Rule Summaries

Repeal of Rules 5-1 through 5-8 Investment Rules

- These are old rules that have been superseded by other policies
- Because they are internal policies, they never should have been promulgated as rules

Rule Summaries

Amendments to Rule 6

Membership and Employer Participation

- ❑ Implements Act 52 of 2023 regarding prorating contract days for mid-year hires to determine contributory status
- ❑ Implements Act 107 of 2023 regarding participation by education-related organizations and alternate retirement plans
- ❑ Clarifies when members who are incorrectly reported as non-contributory will begin making contributions
- ❑ Allows ATRS to disclose member information only for proper administrative purposes to vendors that have signed a confidentiality agreement, or as otherwise authorized by statute
- ❑ Clarifies how application deadlines are calculated and applied
- ❑ Outlines procedures for employers to be accepted into ATRS

Rule Summaries

Amendments to Rule 7

Service Credit, Contributions, Reporting, and Final Average Salary

- Implements Act 64 of 2023 regarding definitions and procedures for employer outsourcing
- Revises definition and reporting procedures for part-time specialized support positions
- Restricts members from using certain service credit purchased in a contract buyout before the employment contract would have naturally been terminated
- Requires employers to submit reports and contributions electronically
- Language from Rules 8 and 11 related to overpayments and post-mortem salary have been transferred to this Rule

Rule Summaries

Amendments to Rule 8

Free Service Credit, Purchasable Service Credit, and Purchase Accounts

- Implements Act 55 of 2023 regarding refunds of unused purchased service credit
- Implements Act 69 of 2023 regarding eligibility for free military service credit
- Implements Act 107 of 2023 regarding contract buyout agreements
- Implements Act 125 of 2023 regarding gap year service credit

Rule Summaries

Amendments to Rule 8

Service Credit, Contributions, Reporting, and Final Average Salary

- Restricts members from using certain service credit purchased in a contract buyout before the employment contract would have naturally been terminated
- Cleans up language related to the electronic submission of reports and contributions by employers
- Cleans up language related to employer reports, contributions, penalties, and interest

Rule Summaries

Amendments to Rule 9 Retirement and Benefits

- ❑ Implements Act 104 of 2023 regarding anti-spiking rules
- ❑ Implements Act 107 of 2023 clarifying application deadlines for age/service retirement and disability retirement, and modifying residue payments and termination separation period requirements
- ❑ Implements Act 170 of 2023 regarding annuity options and designation of beneficiaries
- ❑ Definitions and language from Rule 7 have been transferred to this Rule
- ❑ Cleans up and clarifies language related to beneficiaries, retirement eligibility, overpayments, the disability review process, residue payments, error corrections, and the manifest injustice process

Rule Summaries

Amendments to Rule 10

Return to Service and Teacher Deferred Retirement Option Plan

- Clarifies procedures and calculations for T-DROP participants who terminate employment
- Identifies when a T-DROP distribution election becomes irrevocable

Rule Summaries

Amendments to Rule 11

Survivors and Domestic Relations Orders

- ❑ Implements Act 77 of 2023 regarding survivor annuity benefits
- ❑ Implements Act 171 of 2023 regarding lump-sum death benefits
- ❑ Defines procedures for when a member divorces and remarries without changing a beneficiary designation of the former spouse, and provides that the System is not obligated to double pay both current and former spouses
- ❑ Updates provisions related to Qualified Domestic Relations Orders (QDROs)
- ❑ Cleans up and clarifies language related to survivor benefits and dependent children

Rule Summaries

Amendments to Rule 12-1

Protection of “Qualified Trust” Status of ATRS under Internal Revenue Code § 401(a)

- No changes that affect the rights or responsibilities of ATRS members or employers
- Language has been cleaned up, clarified, and reorganized

Rule Summaries

Amendments to Rule 13-1

Administration Adjudications: Staff Determinations and Appeals

- ❑ Combines procedures from current Rules 7, 9, 13-1, and 17-1 for adjudication of member issues, including staff determinations, appeals, and the manifest injustice process, and cleans up and clarifies the language
- ❑ Explicitly provides that only the Board of Trustees may extend an appeal deadline
- ❑ Allows the Director to informally resolve member claims of up to \$5,000

Rule Summaries

Amendments to Rule 14-1 Retirement Fund Asset Accounts

- No changes that affect the rights or responsibilities of ATRS members or employers
- Language has been cleaned up, clarified, and reorganized

Rule Summaries

Amendments to Rule 15-1 Benefit Restoration Plan and Trust

- No changes that affect the rights or responsibilities of ATRS members or employers
- Language has been cleaned up, clarified, and reorganized

Rule Summaries

Amendments to Rule 16

Cash and Savings Help (CASH) Program

- No changes that affect the rights or responsibilities of ATRS members or employers
- Language has been cleaned up, clarified, and reorganized

Rule Summaries

Repeal of Rule 17-1

Manifest Injustice

- The substance of this Rule was transferred to new Rule 13, so this Rule is no longer needed and is obsolete

Thank You!

Mark White

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