

2013 Retirement Legislation by System

<i>Arkansas Teacher Retirement System (ATRS)</i>			
Act 45	ATRS Decision Appeals Process	SB 129	Hutchinson
Act 45 clarifies that a final ATRS board decision may be appealed by filing a complaint in the Pulaski County circuit court.			
Act 109	ATRS IRS Compliance	SB 112	Thompson
Act 109 modified ATRS code to expressly allow the Board the ability to modify or eliminate plan provisions originally implemented to preserve the plan's tax-qualified status while maintaining compliance with the IRS.			
Act 140	ATRS Technical Corrections	HB 1188	Lenderman
Act 140 makes several technical corrections to ATRS code: language cleanup, making dates current, codifying current system practice involving armed forces service credit, clarifying the definition of salary and membership rights, and making explicit a hierarchy when a lost payee is involved.			
Act 174	ATRS Surviving Minor Exemption	SB 195	Thompson
Act 174 increases a threshold which allows a benefit to be paid to a surviving minor beneficiary's parents, guardian, custodian, or trust company as long as the benefit is no more than \$20,000 a year.			
Act 223	Recognition of Private School Service ATRS	HB 1227	Gossage
Act 223 allows ATRS members to purchase up to five years of prior service from any entity "recognized as a private educationally-related entity by resolution adopted by the Board of Trustees."			
Act 303	Clarification of "Manifest Injustice"	SB 110	Thompson
Act 303 codifies a definition of "manifest injustice" with respect to ATRS language.			
Act 336	ATRS Cancellation of Service Credit	SB 197	Thompson
Act 336 allows ATRS to cancel associated service credit in cases where a participant owes the system money.			
Act 337	ATRS Employer Eligibility in APERS	SB 214	Maloch
Act 337 makes several technical changes to ATRS code. Of importance is that section 4 allows the University of Arkansas trustees to adopt policy to define full-time status and certain eligibility status issues for service purchases.			
Act 448	ATRS Right to Compel Employer Contribution Payment	SB 113	Thompson
Act 448 would allow ATRS to receive past due payments from employers through funds designated by the Department of Education. It also increases penalties associated with delinquent payments			
Act 449	ATRS Resource Officer Participation	SB 146	Key
Act 449 amends ATRS membership law to allow a small class of employees in the system. These are certain school resource officers who are paid indirectly by the district and meet several criteria.			
Act 493	ATRS Disability Requirements	HB 1136	Lenderman
Act 493 makes a change to require five years of actual service to receive disability benefits under ATRS. It also amends the effective date for disability retirement to be the date the application is failed and the member is no longer employed by an employer.			
Act 521	Exclusion of Settlements/Buyouts from Salary	SB 160	Cheatham
Act 521 makes several small changes to ATRS code, but most importantly it modifies the definition of salary to exclude payments resulting from contract buyouts, settlements, claims, judgments, arbitration awards, etc. in such a way that they do not "stack" on top of regular salary payments for calculations.			
Act 555	Limiting Reciprocity in Calculation of Final Salary	SB 116	Thompson
Act 555 modifies the calculation of final average salary by ATRS in situations where salary in a reciprocal system might unduly influence the salary calculation. It also allows limited concurrent service for part-time bus-drivers in ATRS and LOPFI.			

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Act 571	Five Years Actual Service for Survivor Annuities	HB 1135	Lenderman
Act 571 modifies ATRS code to require five years of actual service for survivor annuity benefits. It also changes the eligibility date to be the date the application is filed (or the month following the death of the member, if within three months of this date).			
Act 602	ATRS Variable Employee Contributions	SB 123	Maloch
Act 602 allows the ATRS Board to increase employee contributions from 6% up to 7% in case of demonstrated actuarial need.			
Act 603	ATRS Variable Stipend Amount	SB 130	Hutchinson
Act 603 allows the ATRS Board to decrease the monthly \$75 stipend for retirees in case of demonstrated actuarial need.			
Act 605	ATRS DROP Adjustments	SB 163	Cheatham
Act 605 amends the ATRS code so that TDROP deposits are equal to 100% of the accrued plan benefit less 1% times the number of years of service. Previously this multiplier was .6% for years of non-contributory service.			
Act 606	ATRS Buyout for Inactive Members	SB 164	Cheatham
Act 606 allows the ATRS Board to establish a voluntary buyout program which would allow a member, surviving spouse, or alternate payee the ability to accept a one-time, lump sum payment in exchange for the cancellation of their member's rights and benefit rights under ATRS.			
Act 607	Post-Secondary Higher Education Participation ATRS	SB 174	Key
Act 607 eased provisions regarding optional participation in ATRS for employees of institutions of higher education created by Act 513 of 2011. In particular, it allows PSHE employers to remove the requirement that the employee was vested in ATRS at the time of initial employment.			
Act 720	Allow Usage of Final Year Regardless of Retirement Date	HB 1137	Lenderman
Act 720 allows members of ATRS to use salary earned in the final year of retirement in the computation of final average salary regardless of the day upon which they retired.			
Act 966	Allow ATRS Multiplier Reduction	HB 1194	Catlett
Act 966 allows the ATRS Board to reduce the multipliers for benefit accrual with demonstrated actuarial need. It also repeals the flat-dollar amount minimum benefit guarantees.			
Act 967	Permissive Reverse Compounding of ATRS COLA	HB 1200	Deffenbaugh
Act 967 allows the ATRS Board to reverse a compounding of the COLA for all retirees and TDROP participants with demonstrated actuarial need.			
Act 1399	ATRS Employer Contribution Increase	SB 162	Cheatham
Act 1399 allows ATRS to increase the employer contribution rate to 15% with demonstrated actuarial need.			

<i>Arkansas Public Employees Retirement System (APERS)</i>			
Act 288	Additional Contributions for 2-for-1 Contributory Mems.	HB 1123	Kerr
Act 288 extends Act 563 of 2011 to apply to contributory elected official positions. This ensures additional contributions are made for "2-for-1" service credit.			
Act 332	APERS Various Changes and Technical Corrections	SB 105	Key
Act 332 mainly makes technical corrections to APERS code. It also makes permanent the ability to elect contributory status in the system, and it states that disability annuities commence upon APERS' approval of a claim rather than the later of the termination date or onset date.			

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<i>Arkansas State Highway Employees Retirement System (ASHERS)</i>			
Act 73	ASHERS Board Addition	HB 1126	Kerr
Act 73 adds a seventh member to the ASHERS Board of Trustees.			
Act 309	Health Care Offset Amendment	HB 1124	Kerr
Act 309 amends ASHERS code to require that the ASHERS Board prorates the Health Care Offset for future retirees who are also receiving benefits from a reciprocal system.			
Act 310	ASHERS Lump-Sum Service Changes	HB 1125	Kerr
Act 310 disallows members of ASHERS from including accrued leave in calculation of service for retirement purposes.			

<i>Local Police and Fire Retirement System (LOPFI)</i>			
Act 40	LOPFI Technical Corrections	SB 40	Sample
Act 40 made technical corrections, mainly involving clean-up of old language, to several sections of LOPFI code.			
Act 315	New Tier of Volunteer Benefits (LOPFI)	HB 1239	Gossage
Act 315 introduces an optional new volunteer benefit program for LOPFI locations willing to bear the cost.			
Act 522	Allow Academy Instructors to Remain in LOPFI	SB 169	Sample
Act 522 amends current law to allow members of LOPFI leaving their covered police or firefighters' positions to work for the Ark. Law Enforcement/Fire Training Academies to remain members of LOPFI.			
Act 1065	LOPFI DROP Extension with COLA, 10-year Vesting	SB 137	Sample
Act 1065 extends the LOPFI DROP period from five years to seven years, with a 3% COLA in the 6 th and 7 th years. It also moves LOPFI from five year vesting to ten year vesting and removes the interest crediting to members' deposit accounts.			
Act 1102	Allow Local Plan DROP Retirees to Join LOPFI	HB 1164	Kerr
Act 1102 amends law to allow current local plan DROP participants to rejoin a department in the same municipality and accrue service in LOPFI. This should affect only a small number of participants.			

<i>Arkansas Fire and Police Pension Review Board (PRB)</i>			
Act 41	PRB Technical Corrections	SB 51	Sample
Act 41 made several technical corrections to the PRB code, including language clean-up and removal of obsolete sections of code.			
Act 500	Additional Allocation Clarification	SB 41	Sample
Act 500 clarifies that the Additional Allocation under the new insurance premium tax formula replaces the Guarantee Fund which was present under the old formula.			
Act 520	Five Year Remarriage Requirement	SB 144	Key
Act 520 makes a change requiring that remarriages must occur within five years of retirement for new spouses to become eligible for benefits in the old local fire and police plans.			
Act 1206	PRB Language Amendment	HB 1171	Kerr
Act 1206 makes language clean-ups, changing "funeral expenses" to the wording "death benefits." The eligible recipients of death benefits are listed explicitly.			

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<i>Arkansas Employee Benefits Division (EBD)</i>			
Act 87	Group Health Bank Draft of Premiums (EBD)	SB 231	Hutchinson
Act 87 allows eligible retired members to use a bank draft to pay premiums for the group health insurance program offered through the Employee Benefits Division.			
Act 331	Health Insurance Eligibility (EBD)	HB 1128	Kizzia
Act 331 slightly changes eligibility requirements for the Employee Benefits Division's health insurance program. It allows retirees who were insured by a group or individual health insurance policy while not in the state program to rejoin.			
Act 452	Automatic Enrollment in AR Diamond Plan (EBD)	SB 232	Key
Act 452 allows the state's deferred compensation plan to implement automatic enrollment for new employees beginning January 2014.			

<i>General Retirement Legislation</i>			
Act 44	QDRO Form Standardization	SB 118	Thompson
Act 44 allows for creation of standardized forms for Qualified Domestic Relations Orders, and allows retirement systems to require submission of standardized QDROs.			
Act 86	Unclaimed Property Act Restriction	SB 115	Thompson
Act 86 clarifies that unclaimed pension benefits are not considered "property" under the Unclaimed Property Act.			
Act 304	Arkansas Procurement Law Exemption	SB 111	Thompson
Act 304 exempts certain contracts and investment agreements from the Arkansas Procurement Law due to being governed under the Prudent Investor Rule.			

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