

**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? Employment of an ATRS Retiree by a Participating Employer (Rule 10-2)

2. What is the subject of the proposed rule? Rules for retirees who go back to work with an ATRS covered employer

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If yes, a copy of the repealed rule is to be included with your completed questionnaire.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.

§ 24-7-305(b)(1)

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7. What is the purpose of this proposed rule? Why is it necessary?  
To bring into compliance and make consistent with Acts 140 and 521 of 2013 and various 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** Employment of an ATRS Retiree by a Participating Employer (Rule 10-2)

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**

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

# **Summary of Proposed Rule Change**

for  
Arkansas Teacher Retirement System

## **Rule 10-2 Employment of an ATRS Retiree by a Participating Employer**

**This Rule change is needed to comply with Acts 140 and 521 of 2013.** Both Acts 140 (which is a "technical corrections" Act) and 521 modified or clarified the definition of salary. Other changes to this Rule include renumbering paragraphs to be consistent with the numbering system used in other Rules and eliminated language made obsolete by previously repealed law. Specific changes as referenced by the Rule page number are listed as follows:

10-2-1 I.A. Language stricken and replaced with language consistent with Acts 140 and 521, and a reference is made to the definition section of the Arkansas Code that defines "salary" for ATRS.

10-2-1 II C. (4). Deletes language that is duplicative of language in § 24-7-708(d)(1).

10-2-1 II D (5). Deletes language that is obsolete and was repealed under Act 224 of 2011; other changes to the section are nonsubstantive.

**RULE 10-2**  
**EMPLOYMENT OF AN ATRS RETIREE BY A  
PARTICIPATING EMPLOYER**

A.C.A. § 24-7-202, A.C.A. § 24-7-502, and A.C.A. § 24-7-708

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**I. DEFINITIONS**

~~A.1. Salary means remuneration paid from a participating employer to an ATRS member on which the employer withholds federal income taxes including pretax contributions to a qualified retirement plan is defined by A.C.A. § 24-7-202(27), provided that non-mandatory compensation that is taxable by the IRS is not salary for ATRS purposes.~~

~~B.2. Normal retirement age means sixty-five (65) years of age.~~

~~C.3. Participating employer means an employer who participates in the Arkansas Teacher Retirement System whose employees are eligible for membership under A.C.A. § 24-7-501 or other applicable law.~~

~~D.4. Retiree means a member receiving an ATRS retirement annuity.~~

~~E.5. Retires means that a member ceases to be active and is eligible to receive an ATRS annuity.~~

**II. REGULATIONS**

~~A.1. Upon acceptance of employment with a participating employer, the retiree and employer must report to ATRS the employment of the retiree on the forms and reports as required by the System.~~

~~B.2. Employers will report all retirees who are employed by a participating employer on the retirement reports filed by employers.~~

~~C.3. Effective July 1, 2009, no earnings limitation shall apply to retirees who become employed with participating employers.~~

~~4. Effective July 1, 2009, a participating employer employing an ATRS retiree shall remit the employer contribution rate for salaries paid to all retirees at the rate in effect for active members for the fiscal year.~~

~~D.5. When a retiree becomes employed by a participating employer and does not rescind his/her retirement, the retiree shall not accrue additional service~~

credit, and no member contributions should shall be withheld or paid to the System ATRS.

E6. For the return to work rules applicable to disability retirees receiving benefits under A.C.A. § 24-7-704, see Policy No. 9-4 (Disability Retirement).

**Amended:** June 15, 2004  
July 18, 2005  
October 4, 2005  
December 6, 2005  
June 19, 2007  
February 11, 2008  
June 16, 2009 (Emergency)  
October 5, 2009 (Permanent)

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

**Amended:**

**Effective:**

## **RULE 10-2**

# **EMPLOYMENT OF AN ATRS RETIREE BY A PARTICIPATING EMPLOYER**

A.C.A. § 24-7-202, A.C.A. § 24-7-502, and A.C.A. § 24-7-708

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### **I. DEFINITIONS**

A. **Salary** is defined by A.C.A. § 24-7-202(27), provided that non-mandatory compensation that is taxable by the IRS is not salary for ATRS purposes.

B. **Normal retirement age** means sixty-five (65) years of age.

C. **Participating employer** means an employer who participates in the Arkansas Teacher Retirement System whose employees are eligible for membership under A.C.A. § 24-7-501 or other applicable law.

D. **Retiree** means a member receiving an ATRS retirement annuity.

E. **Retires** means that a member ceases to be active and is eligible to receive an ATRS annuity.

### **II. REGULATIONS**

A. Upon acceptance of employment with a participating employer, the retiree and employer must report to ATRS the employment of the retiree on the forms and reports as required by the System.

B. Employers will report all retirees who are employed by a participating employer on the retirement reports filed by employers.

C. Effective July 1, 2009, no earnings limitation shall apply to retirees who become employed with participating employers.

D. When a retiree becomes employed by a participating employer the retiree shall not accrue additional service credit, and no member contributions shall be withheld or paid to ATRS.

E. For the return to work rules applicable to disability retirees receiving benefits under A.C.A. § 24-7-704, see Policy No. 9-4 (Disability Retirement).

**Amended:** June 15, 2004  
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