

1 State of Arkansas

2 82nd General Assembly

3 Regular Session, 1999

# A Bill

SENATE BILL 104

5 By: Senator Hopkins

6 By: Representative Faris

## For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE § 24-7-706 TO ALLOW  
RETIRANTS OF THE TEACHER RETIREMENT SYSTEM TO CHANGE  
RETIREMENT OPTIONS UNDER CERTAIN CONDITIONS; TO  
DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

## Subtitle

"TO ALLOW RETIRANTS OF THE TEACHER  
RETIREMENT SYSTEM TO CHANGE RETIREMENT  
OPTIONS UNDER CERTAIN CONDITIONS."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 24-7-706(a)(2)(C), regarding the annuity  
Option C for retirants under the Teacher Retirement System, is amended to read  
as follows:

"(C) Option C - Annuity for Ten (10) Years Certain and Life  
Thereafter. (i) Under Option C, a retirant shall receive a reduced annuity  
payable throughout his life with the provision that if he dies before he has  
received one hundred twenty (120) monthly annuity payments, the payments will  
be continued for the remainder of the period of one hundred twenty (120)  
months and paid to such persons, in equal shares, as the retirant shall have  
nominated by written designation duly executed and filed with the board.

(ii) If the designated beneficiaries predecease the  
retirant, the retirant may nominate successor beneficiaries, or may elect to  
return to his single lifetime benefit equivalent, by written designation duly  
executed and filed with the board, to be effective the month following receipt

1 of his election by the system.

2 (iii) If no designated beneficiary survives him, the  
3 annuity reserve for the remainder of the annuity payments shall be paid to the  
4 retirant's estate.

5 (iv) If the last designated beneficiary receiving  
6 annuity payments dies before all annuity payments are made, the annuity  
7 reserve for the remainder of the annuity payments shall be paid to the  
8 beneficiary's estate.

9 (v) Effective the month following completion of the  
10 one hundred twenty (120) month period, the retirant's annuity shall return to  
11 his single lifetime benefit equivalent."

12  
13 SECTION 2. Arkansas Code § 24-7-706(b)(1), regarding the change of  
14 retirement annuity options after the death or divorce of a retirant's  
15 beneficiary under the Teacher Retirement System, is amended to read as  
16 follows:

17 "(b)(1) The death of the beneficiary or divorce or other marriage  
18 dissolution after retirement from a spouse designated as beneficiary shall, at  
19 the written election of the retirant, cancel any optional plan elected at  
20 retirement ~~to provide continuing lifetime benefits to the beneficiary~~ and  
21 shall return the retirant to his single lifetime benefit equivalent, to be  
22 effective the month following receipt of his election by the system."

23  
24 SECTION 3. No benefit enhancement provided for by this act shall be  
25 implemented if it would cause the publicly supported retirement system's  
26 unfunded actuarial accrued liabilities to exceed a thirty (30) year  
27 amortization. No benefit enhancement provided for by this act shall be  
28 implemented by any publicly supported system which has unfunded actuarial  
29 accrued liabilities being amortized over a period exceeding thirty (30) years  
30 until the unfunded actuarial accrued liability is reduced to a level less than  
31 the standards prescribed by Arkansas Code, Title 24.

32  
33 SECTION 4. All provisions of this act of a general and permanent nature  
34 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
35 Revision Commission shall incorporate the same in the Code.

1       SECTION 5. If any provision of this act or the application thereof to  
2 any person or circumstance is held invalid, such invalidity shall not affect  
3 other provisions or applications of the act which can be given effect without  
4 the invalid provision or application, and to this end the provisions of this  
5 act are declared to be severable.

6  
7       SECTION 6. All laws and parts of laws in conflict with this act are  
8 hereby repealed.

9  
10       SECTION 7. EMERGENCY CLAUSE. It is hereby found and determined by the  
11 Eighty-second General Assembly that certain retirement annuity options  
12 continue for long periods of time, that providing these retirants with the  
13 capability of changing those options in the event of a death or divorce of the  
14 retirant or his beneficiaries will provide the needed flexibility in their  
15 financial conditions and that the most effective time to make changes to the  
16 retirement system is at the beginning of the state's fiscal year and therefore  
17 this act should take effect immediately at that time. Therefore, an emergency  
18 is declared to exist and this act being immediately necessary for the  
19 preservation of the public peace, health and safety shall become effective on  
20 July 1, 1999.