

State of Arkansas  
87th General Assembly  
Regular Session, 2009

# A Bill

SENATE BILL 227

By: Senator J. Jeffress

## For An Act To Be Entitled

AN ACT TO ALLOW THE ARKANSAS TEACHER RETIREMENT SYSTEM TO RECOUP BENEFITS, INCLUDING INTEREST, PAID TO A MEMBER WHO DOES NOT MEET THE ELIGIBILITY REQUIREMENTS UNDER THE TEACHER DEFERRED RETIREMENT OPTION PLAN; TO ALLOW FOR THE COLLECTION OF INTEREST; AND FOR OTHER PURPOSES.

## Subtitle

TO ALLOW THE ARKANSAS TEACHER RETIREMENT SYSTEM TO RECOUP BENEFITS, INCLUDING INTEREST, PAID TO A MEMBER UNDER T-DROP WHO DOES NOT MEET THE ELIGIBILITY REQUIREMENTS.

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

SECTION 1. Arkansas Code § 24-7-1308 is amended to read as follows:

24-7-1308. Separation from service – Payment.

(a)(1) The member's participation in the Teacher Deferred Retirement Option Plan shall cease at the time when the member ~~separates from service or files an application for voluntary retirement with the system under § 24-7-701 and~~ is granted a monthly retirement benefit by the ~~Board of Trustees of the Arkansas Teacher Retirement System, or both system.~~

(2) The system shall cancel a plan participant's retirement benefits and the plan participant forfeits any retirement benefits, including plan account benefits, if the participant:

(A) Fails to meet the termination of employment



1 requirement of § 24-7-701; and

2 (B) Has not reached normal retirement age.

3 (3) A plan participant becomes eligible again for retirement  
 4 benefits, including plan account benefits, when the termination requirements  
 5 are met.

6 (b)(1) When the member's participation in the plan ceases, the member  
 7 may elect to receive the balance in the plan account as a lump sum or as a  
 8 monthly benefit paid under the annuity option selected by the member under §  
 9 ~~24-7-1304~~ this subchapter.

10 (2) The board shall determine factors to be used for the  
 11 conversion of plan balances to monthly amounts.

12 (c) When the member's participation in the plan ceases, the board  
 13 shall cause the member's plan benefit to be paid directly to the member in  
 14 the form of regular monthly amounts in the same amount and manner as would  
 15 have been the case if the member had retired on the plan date and had made  
 16 the same election ~~pursuant to~~ under § 24-7-706 that was made on or before the  
 17 plan date.

18 (d)(1) A member who fails to meet the termination requirements and  
 19 receives retirement benefits shall repay any benefits received before  
 20 becoming eligible again for voluntary retirement.

21 (2) If the member becomes eligible to receive the plan account  
 22 distribution before the system collects it back from the member, the system  
 23 may charge interest on the distribution for the time the member was  
 24 ineligible to receive the distribution.

25 (e) The system may offset, adjust, or otherwise collect any benefits  
 26 overpaid to a member under this subchapter.

27  
 28 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
 29 General Assembly of the State of Arkansas that certain provisions of the  
 30 Arkansas Teacher Retirement System Act are badly in need of revision and  
 31 updating to bring them into conformance with sound public pension policy;  
 32 that such revision and updating is of great importance to members of the  
 33 Arkansas Teacher Retirement System and to other citizens of the State of  
 34 Arkansas; and that this act is immediately necessary in order to maintain an  
 35 orderly system of benefits for the members of the Arkansas Teacher Retirement  
 36 System. Therefore, an emergency is declared to exist and this act being

1 necessary for the preservation of the public peace, health, and safety shall  
2 become effective on July 1, 2009.