

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015

A Bill

SENATE BILL 38

4
5 By: Senator B. Johnson
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For An Act To Be Entitled

8 AN ACT TO MAINTAIN COMPLIANCE WITH FEDERAL LAW BY
9 ALLOWING A DIRECT ROLLOVER OF A PORTION OF AN
10 ELIGIBLE ROLLOVER DISTRIBUTION TO AN ELIGIBLE
11 RETIREMENT PLAN OR DESIGNATED BENEFICIARY; TO DECLARE
12 AN EMERGENCY; AND FOR OTHER PURPOSES.
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Subtitle

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16 TO ALLOW A DIRECT ROLLOVER OF A PORTION
17 OF AN ELIGIBLE ROLLOVER DISTRIBUTION TO
18 AN ELIGIBLE RETIREMENT PLAN OR DESIGNATED
19 BENEFICIARY TO BE CONSISTENT WITH FEDERAL
20 LAW; AND TO DECLARE AN EMERGENCY.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 24-7-719(b), concerning rollover of
26 distributions, is amended to read as follows:

27 (b)(1)(A) ~~Beginning January 1, 1993, a member~~ A distributee or other
28 eligible beneficiary receiving a distribution from the system may ~~elect a~~
29 ~~direct rollover of the distribution if the funds consist of an eligible~~
30 ~~rollover distribution~~ direct to have any portion of an eligible rollover
31 distribution that is five hundred dollars (\$500) or more paid directly to an
32 eligible retirement plan specified by the distributee in a direct rollover.

33 (B) The distribution under subsection (b)(1)(A) of this
34 section may be made:

35 (i) Despite any provision of this chapter that would
36 otherwise limit a distributee's election under this section; and



1 (ii) At the time and in the manner prescribed by the
2 system.

3 (C) The election under subsection (b)(1)(A) of this
4 section shall not be allowed for an eligible rollover distribution less than
5 five hundred dollars (\$500).

6 (2) The amount under subdivision ~~(b)(1)~~ (b)(1)(A) of this
7 section shall be paid to the trustee of the eligible retirement plan.

8 (3) Effective July 1, 2010, an eligible rollover distribution to
9 a beneficiary who is not the surviving spouse of a member may be directed as
10 provided under 26 U.S.C. § 402(c)(11) to a trustee-to-trustee transfer to an
11 individual retirement account described in 26 U.S.C. § 408(a) or to an
12 individual retirement annuity described in 26 U.S.C. § 408(b).

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14 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
15 General Assembly of the State of Arkansas that certain provisions of the
16 Arkansas Teacher Retirement System Act are in need of revision and updating
17 to maintain the teacher retirement laws in conformance with sound public
18 pension policy; that the Arkansas Teacher Retirement System, a state agency
19 created by the General Assembly for the purpose of providing retirement
20 benefits to school employees of the state, operates on a fiscal year of July
21 1 to June 30; that having an effective date of July 1, 2015, is necessary to
22 allow the provisions within this act to begin on the first day of the fiscal
23 year to provide proper administration of the procedures herein; that such
24 revisions and updating are of great importance for actuarial purposes and to
25 protect the benefits to members of the Arkansas Teacher Retirement System;
26 and that this act is immediately necessary in order to maintain an orderly
27 system of benefits for the members of the Arkansas Teacher Retirement System.
28 Therefore, an emergency is declared to exist and this act being necessary for
29 the preservation of the public peace, health, and safety shall become
30 effective on July 1, 2015.