

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

A Bill

HOUSE BILL 1304

5 By: Representative Maddox
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE DEFINITION OF "ARKANSAS TEACHER
9 RETIREMENT SYSTEM"; TO DEFINE "COVERED EMPLOYER"; TO
10 PROVIDE TAX EXEMPT STATUS TO CERTAIN CORPORATIONS; TO
11 AMEND THE REQUIREMENTS FOR VOLUNTARY RETIREMENT; TO
12 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
13
14

Subtitle

15 TO AMEND THE DEFINITION OF "ARKANSAS
16 TEACHER RETIREMENT SYSTEM"; TO DEFINE
17 "COVERED EMPLOYER"; TO PROVIDE TAX EXEMPT
18 STATUS TO CERTAIN CORPORATIONS; TO AMEND
19 THE REQUIREMENTS FOR VOLUNTARY
20 RETIREMENT; AND TO DECLARE AN EMERGENCY.
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23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 24-7-202(6), concerning the definition of
27 "Arkansas Retirement Teacher System", is amended to read as follows:

28 (6) "Arkansas Teacher Retirement System" means a governmental
29 state agency created in 1973 and administered under Acts 1973, No. 427, as
30 amended, to provide a system of retirement benefits to its members and
31 includes a limited liability company or other corporate entity solely owned
32 by the system;
33

34 SECTION 2. Arkansas Code § 24-7-202(16), concerning the definition of
35 "employer" under the Arkansas Teacher Retirement System Act, is amended to
36 read as follows:



1 (16) "Employer" or "covered employer" means any public school,
2 public educational agency, or other eligible employer participating in the
3 Arkansas Teacher Retirement System unless the context clearly indicates that
4 the employer is not a covered employer;

5
6 SECTION 3. Arkansas Code § 24-7-204 is amended to read as follows:

7 24-7-204. Tax status of system assets.

8 The assets of the Arkansas Teacher Retirement System including a
9 limited liability company or other corporate entity solely owned by the
10 system are exempt from taxes, real property transfer taxes, revenue recording
11 stamps, or other fees by the state, any political subdivision, or an agency
12 thereof.

13
14 SECTION 4. Arkansas Code § 24-7-702(a)(1), concerning early voluntary
15 retirement under the Arkansas Teacher Retirement System, is amended to read
16 as follows:

17 (a)(1)(A) Except as provided under subdivision (a)(2) of this section,
18 an active or inactive member who has a combined total of twenty-five (25) or
19 more years of ~~credited~~ actual and reciprocal service, including purchased or
20 free credited service, but has not attained sixty (60) years of age and is
21 not eligible for retirement under § 24-7-701 may voluntarily retire early
22 ~~upon~~ by filing a written application ~~filed~~ with the Board of Trustees of the
23 Arkansas Teacher Retirement System.

24 (B) If a member fails to submit a complete retirement
25 application within six (6) calendar months of the effective date of benefits,
26 including all additional documentation required by the Arkansas Teacher
27 Retirement System, the application shall be void unless an extension is
28 granted by the system.

29
30 SECTION 5. Arkansas Code § 24-7-705(a)(1)(B)(i), concerning life
31 annuity under the Arkansas Teacher Retirement System, is amended to read as
32 follows:

33 (a)(1)(B)(i) The ~~percentages~~ multipliers in this section shall be
34 determined in accordance with this chapter and the, rules, and ~~regulations~~
35 resolutions of the Board of Trustees of the Arkansas Teacher Retirement
36 System as is actuarially appropriate for the Arkansas Teacher Retirement

1 System.

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3 SECTION 6. Arkansas Code § 24-7-706(b)(1), concerning annuity options
 4 under the Arkansas Teacher Retirement System, is amended to read as follows:

5 (b)(1)(A) ~~At the written election of the retirant, the death of the~~
 6 ~~beneficiary or divorce or other marriage dissolution after retirement from a~~
 7 ~~spouse designated as beneficiary shall cancel any optional plan elected at~~
 8 ~~retirement and shall return the retirant to his or her single lifetime~~
 9 ~~benefit equivalent, to be effective the month following receipt of his or her~~
 10 ~~election by the system.~~ If a member's marital status changes after retirement
 11 due to the death of the member's spouse, or a divorce or marriage dissolution
 12 from the member's spouse who is also the member's designated beneficiary,
 13 then the member may elect to cancel any optional plan designating the former
 14 spouse as a beneficiary.

15 (B) A member's election under subdivision (b)(1)(A) of
 16 this section shall cause the member to return to his or her lifetime benefit
 17 equivalent, to be effective the month following the system's receipt of the
 18 approved form.

19

20 SECTION 7. Arkansas Code § 24-7-711(a)(2), concerning refunds of
 21 member contributions upon termination under the Arkansas Teacher Retirement
 22 System, is amended to read as follows:

23 (2) Any contributions remaining on deposit shall accrue regular
 24 interest at the end of each fiscal year as provided by ~~§ 24-7-410(d)~~ law.

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26 SECTION 8. Arkansas Code § 24-7-715(b), concerning benefit rights not
 27 subject to legal process, is amended to read as follows:

28 (b) ~~In the event an individual is no longer an active teacher or~~
 29 ~~employee of any public school district in this state, nor on leave of~~
 30 ~~absence, and~~ If an inactive member is found by any court of competent
 31 jurisdiction of this state to be willfully refusing or failing to support
 32 minor dependent children of the individual in violation of a court order
 33 providing for such support, although the individual is financially able to do
 34 so, then the court may, ~~in its discretion,~~ order the accumulated
 35 contributions, annuity or annuity options, or any other funds accruing under
 36 ~~the provisions of this act~~ chapter to be paid into the registry of the court

1 for such further disposition as the court ~~shall deem~~ deems just and proper.

2
 3 SECTION 9. Arkansas Code § 24-7-1310(a), concerning the death of
 4 participants under the Teacher Deferred Retirement Option Plan, is amended to
 5 read as follows:

6 (a) In the event that a Teacher Deferred Retirement Option Plan
 7 participant dies, the benefits payable from the plan shall be determined
 8 according to § 24-7-710 and the rules and resolutions of the Arkansas Teacher
 9 Retirement System.

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 11 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the
 12 General Assembly of the State of Arkansas that the operations of the Arkansas
 13 Teacher Retirement System are complex; that the system must be able to meet
 14 the needs of its members as anticipated by the General Assembly; that certain
 15 provisions of the Arkansas Teacher Retirement System Act are imminently in
 16 need of revision and updating to bring them into conformance with sound
 17 public pension policy and actuarial requirements; that such revision and
 18 updating is of great importance to members of the system and to other
 19 citizens of the State of Arkansas; that the system needs to have the ability
 20 to make immediate changes to maintain and improve its actuarial status; and
 21 that this act is immediately necessary in order to maintain an orderly
 22 management of benefits for the members of the system. Therefore, an emergency
 23 is declared to exist, and this act being immediately necessary for the
 24 preservation of the public peace, health, and safety shall become effective
 25 on:

26 (1) The date of its approval by the Governor;

27 (2) If the bill is neither approved nor vetoed by the Governor,
 28 the expiration of the period of time during which the Governor may veto the
 29 bill; or

30 (3) If the bill is vetoed by the Governor and the veto is
 31 overridden, the date the last house overrides the veto.