

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

As Engrossed: H2/14/17

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 *AMEND THE REQUIREMENTS FOR VOLUNTARY RETIREMENT; TO*
11 *DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.*

Subtitle

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15 *TO AMEND THE DEFINITION OF "ARKANSAS*
16 *TEACHER RETIREMENT SYSTEM"; TO DEFINE*
17 *"COVERED EMPLOYER"; TO AMEND THE*
18 *REQUIREMENTS FOR VOLUNTARY RETIREMENT;*
19 *AND TO DECLARE AN EMERGENCY.*

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

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

31
32 SECTION 2. Arkansas Code § 24-7-202(16), concerning the definition of
33 "employer" under the Arkansas Teacher Retirement System Act, is amended to
34 read as follows:

35 (16) "Employer" or "covered employer" means any public school,
36 public educational agency, or other eligible employer participating in the



1 Arkansas Teacher Retirement System unless the context clearly indicates that
2 the employer is not a covered employer;

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4 SECTION 3. Arkansas Code § 24-7-702(a)(1), concerning early voluntary
5 retirement under the Arkansas Teacher Retirement System, is amended to read
6 as follows:

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

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

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20 SECTION 4. Arkansas Code § 24-7-705(a)(1)(B)(i), concerning life
21 annuity under the Arkansas Teacher Retirement System, is amended to read as
22 follows:

23 (a)(1)(B)(i) The ~~percentages~~ multipliers in this section shall be
24 determined in accordance with this chapter and the, rules, and ~~regulations~~
25 resolutions of the Board of Trustees of the Arkansas Teacher Retirement
26 System as is actuarially appropriate for the Arkansas Teacher Retirement
27 System.

28
29 SECTION 5. Arkansas Code § 24-7-706(b)(1), concerning annuity options
30 under the Arkansas Teacher Retirement System, is amended to read as follows:

31 (b)(1)(A) ~~At the written election of the retirant, the death of the~~
32 ~~beneficiary or divorce or other marriage dissolution after retirement from a~~
33 ~~spouse designated as beneficiary shall cancel any optional plan elected at~~
34 ~~retirement and shall return the retirant to his or her single lifetime~~
35 ~~benefit equivalent, to be effective the month following receipt of his or her~~
36 ~~election by the system.~~ If a member's marital status changes after retirement

1 due to the death of the member's spouse, or a divorce or marriage dissolution
2 from the member's spouse who is also the member's designated beneficiary,
3 then the member may elect to cancel any optional plan designating the former
4 spouse as a beneficiary.

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

9
10 SECTION 6. Arkansas Code § 24-7-711(a)(2), concerning refunds of
11 member contributions upon termination under the Arkansas Teacher Retirement
12 System, is amended to read as follows:

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

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

18 ~~(b) In the event an individual is no longer an active teacher or~~
19 ~~employee of any public school district in this state, nor on leave of~~
20 ~~absence, and If an inactive member is found by any court of competent~~
21 jurisdiction of this state to be willfully refusing or failing to support
22 minor dependent children of the individual in violation of a court order
23 providing for such support, although the individual is financially able to do
24 so, then the court may, ~~in its discretion,~~ order the accumulated
25 contributions, annuity or annuity options, or any other funds accruing under
26 ~~the provisions of this act~~ chapter to be paid into the registry of the court
27 for such further disposition as the court ~~shall deem~~ deems just and proper.

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29 SECTION 8. Arkansas Code § 24-7-1310(a), concerning the death of
30 participants under the Teacher Deferred Retirement Option Plan, is amended to
31 read as follows:

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

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1 SECTION 9. EMERGENCY CLAUSE. It is found and determined by the
2 General Assembly of the State of Arkansas that the operations of the Arkansas
3 Teacher Retirement System are complex; that the system must be able to meet
4 the needs of its members as anticipated by the General Assembly; that certain
5 provisions of the Arkansas Teacher Retirement System Act are imminently in
6 need of revision and updating to bring them into conformance with sound
7 public pension policy and actuarial requirements; that such revision and
8 updating is of great importance to members of the system and to other
9 citizens of the State of Arkansas; that the system needs to have the ability
10 to make immediate changes to maintain and improve its actuarial status; and
11 that this act is immediately necessary in order to maintain an orderly
12 management of benefits for the members of the system. Therefore, an emergency
13 is declared to exist, and this act being immediately necessary for the
14 preservation of the public peace, health, and safety shall become effective
15 on:

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

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

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

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23 */s/Maddox*
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