

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

# A Bill

SENATE BILL 194

5 By: Senator E. Cheatham  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE DETERMINATION  
9 OF SURVIVOR BENEFIT ELIGIBILITY UNDER THE ARKANSAS  
10 TEACHER RETIREMENT SYSTEM; TO PRORATE CERTAIN  
11 SURVIVOR BENEFITS; TO DECLARE AN EMERGENCY; AND FOR  
12 OTHER PURPOSES.  
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## Subtitle

15 TO AMEND THE LAW CONCERNING THE  
16 DETERMINATION OF SURVIVOR BENEFIT  
17 ELIGIBILITY UNDER THE ARKANSAS TEACHER  
18 RETIREMENT SYSTEM; TO PRORATE CERTAIN  
19 SURVIVOR BENEFITS; AND TO DECLARE AN  
20 EMERGENCY.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 24-7-710(a), concerning eligible survivor  
27 annuity benefits under the Arkansas Teacher Retirement System, is amended to  
28 read as follows:

29 (a)(1) If an active member with five (5) or more years of actual and  
30 reciprocal service, including credited service for the year immediately  
31 preceding his or her death, dies before the receipt of retirement benefits  
32 from the Arkansas Teacher Retirement System, then the benefits provided in  
33 this section shall be paid to eligible survivors.

34 (2)(A) An immediately eligible survivor is entitled to receive  
35 monthly benefits beginning the month after the death of the member if the  
36 survivor application is filed with the system within three (3) months of the



1 death of the member, otherwise the monthly benefits shall begin the month  
2 that the survivor application is filed with the system.

3 (B) If an immediately eligible survivor or the minor  
4 survivor's guardian or legal representative fails to complete the application  
5 process within six (6) calendar months after the application required under  
6 subdivision (a)(2)(A) of this section is filed, including the submission of  
7 any additional documentation required by the system, the application shall be  
8 void unless an extension is granted by the system.

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10 SECTION 2. Arkansas Code § 24-7-710(b)(1)(B), concerning immediately  
11 eligible surviving spouse annuity benefits under the Arkansas Teacher  
12 Retirement System, is amended to read as follows:

13 (B)(i) If a surviving spouse is immediately eligible to  
14 receive a monthly benefit immediately after the death of a member, the  
15 immediately eligible surviving spouse is entitled to receive monthly benefits  
16 beginning the month after the death of the member if the survivor application  
17 is filed with the system within three (3) months of the death of the member,  
18 otherwise the monthly benefits shall begin the month that the survivor  
19 application is filed with the system if at the time of the member's death the  
20 member had:

21 ~~(i)(a)~~ Accumulated twenty-five (25) years or  
22 more of credited service and qualified as eligible to receive a retirement  
23 annuity under §§ 24-7-701 and 24-7-702; or

24 ~~(ii)(b)~~ Reached sixty (60) years of age and  
25 qualified as eligible to receive a retirement annuity under § 24-7-707.

26 (ii) If an immediately eligible spouse fails to  
27 complete the application process within six (6) calendar months after the  
28 application required under subdivision (b)(1)(B)(i) is filed, including the  
29 submission of all additional documentation required by the system, the  
30 application shall be void unless an extension is granted by the system.

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32 SECTION 3. Arkansas Code § 24-7-710(b)(1)(C), concerning annuity  
33 benefits under the Arkansas Teacher Retirement System for a surviving spouse  
34 who is not immediately eligible, is amended to read as follows:

35 (C)(i) If the surviving spouse is not immediately eligible  
36 to receive monthly benefits under subdivision (b)(1)(B) of this section, the

1 surviving spouse's benefits shall begin the later of either the month  
 2 following the date the member would have been eligible to receive benefits  
 3 had the member survived or the date that an application for a surviving  
 4 spouse's benefits is filed with the system.

5 (ii) If a surviving spouse becomes eligible for  
 6 surviving spouse benefits and fails to complete the application process  
 7 within six (6) calendar months after the application required under  
 8 subdivision (b)(1)(B)(i) is filed, including the submission of any additional  
 9 documentation required by the system, the application shall be void unless an  
 10 extension is granted by the system.

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 12 SECTION 4. Arkansas Code § 24-7-710(c)(1), concerning surviving  
 13 dependent child annuity benefits under the Arkansas Teacher Retirement  
 14 System, is amended to read as follows:

15 (c)(1)(A)(i) A surviving dependent child of the member shall receive  
 16 an annuity in an amount equal to ~~twenty percent (20%) of the member's highest~~  
 17 ~~salary year received in covered employment~~ one percent (1%) of the member's  
 18 highest salary year for each quarter of a year credited as actual service in  
 19 the system but not to exceed twenty (20) quarters of a year that are credited  
 20 as actual service in the system for up to a maximum of twenty-thousand  
 21 dollars (\$20,000).

22 (ii) If the member's highest salary year occurs in the  
 23 year that the member died, the system shall calculate the surviving dependent  
 24 child's annuity on the basis of a full year of salary by the member.

25 (B) If a member has more than three (3) surviving dependent  
 26 children, the aggregate amount of the surviving dependent children's annuity  
 27 shall not exceed the lesser of sixty percent (60%) of the member's highest  
 28 salary year or sixty thousand dollars (\$60,000) per year and shall be divided  
 29 equally among the surviving dependent children.

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 31 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the  
 32 General Assembly of the State of Arkansas that the operations of a state  
 33 public retirement system are complex; that the Arkansas Teacher Retirement  
 34 System must be able to meet the needs of its members as anticipated by the  
 35 General Assembly; that certain provisions of the Arkansas Teacher Retirement  
 36 System Act are imminently in need of revision and updating to bring them into

1 conformance with sound public pension policy and actuarial requirements; that  
2 such revision and updating is of great importance to members of the system  
3 and to other citizens of the State of Arkansas; that the system needs to have  
4 the ability to make immediate changes to maintain and improve its actuarial  
5 status; and that this act is immediately necessary in order to maintain an  
6 orderly system of benefits for the members of the Arkansas Teacher Retirement  
7 System. Therefore, an emergency is declared to exist, and this act being  
8 immediately necessary for the preservation of the public peace, health, and  
9 safety shall become effective on:

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

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

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

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