

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

# A Bill

HOUSE BILL 1193

5 By: Representative Warren  
6 By: Senator K. Hammer  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND TITLES OF MEMBERS OF THE BOARD OF  
10 TRUSTEES OF THE ARKANSAS STATE HIGHWAY EMPLOYEES'  
11 RETIREMENT SYSTEM TO CONFORM TO THEIR CORRESPONDING  
12 POSITIONS; TO AMEND THE LAWS REGARDING SURVIVOR  
13 BENEFITS UNDER THE ARKANSAS STATE HIGHWAY EMPLOYEES'  
14 RETIREMENT SYSTEM; AND FOR OTHER PURPOSES.  
15  
16

## Subtitle

17 TO AMEND TITLES OF MEMBERS OF THE BOARD  
18 OF TRUSTEES OF THE ARKANSAS STATE HIGHWAY  
19 EMPLOYEES' RETIREMENT SYSTEM; AND TO  
20 AMEND THE LAWS REGARDING SURVIVOR  
21 BENEFITS UNDER THE ARKANSAS STATE HIGHWAY  
22 EMPLOYEES' RETIREMENT SYSTEM.  
23  
24  
25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
27

28 SECTION 1. Arkansas Code § 24-5-104(b)(1)(D), concerning the role of  
29 the Chief Engineer of the Department of Transportation as a member of the  
30 Board of Trustees of the Arkansas State Highway Employees' Retirement System,  
31 is amended to read as follows:

32 (D) The Chief Engineer – Operations of the Arkansas  
33 Department of Transportation;  
34

35 SECTION 2. Arkansas Code § 24-5-116 is amended to read as follows:  
36 24-5-116. Benefits – Death of member or retirant.



1           (a)(1) In the case of death of a member prior to retirement ~~or of a~~  
 2 ~~member's beneficiary whose benefits have been deferred or who for any other~~  
 3 ~~reason has not withdrawn the member's contributions~~, the member's accumulated  
 4 contributions and any life insurance policy proceeds shall become payable to  
 5 the designated beneficiary or to the estate of the person having the deferred  
 6 benefits if a beneficiary has not been designated or is deceased.

7           (2)(A)(i) ~~The designated beneficiary may be changed by the~~  
 8 ~~member or member's beneficiary in the manner prescribed by the Board of~~  
 9 ~~Trustees of the Arkansas State Highway Employees' Retirement System, but the~~  
 10 ~~designated beneficiary shall have no legal claim on any contribution made by~~  
 11 ~~the state with a view to the retirement of the member or member's~~  
 12 ~~beneficiary. The designated beneficiary of a member who has not completed~~  
 13 ~~five (5) years of creditable service at the time of the member's death, or~~  
 14 ~~the member's estate if there is no designated beneficiary, is eligible to~~  
 15 ~~receive the member's accumulated contributions and life insurance proceeds.~~

16                       (ii) The designated beneficiary of a member who has  
 17 not completed five (5) years of creditable service at the time of the  
 18 member's death, or the estate if there is no designated beneficiary, is not  
 19 eligible to receive any additional benefits described in this section other  
 20 than the benefits set forth in subdivision (a)(2)(A)(i) of this section.

21           (B)(i) A member may change his or her designated  
 22 beneficiary in the manner prescribed by the Board of Trustees of the Arkansas  
 23 State Highway Employees' Retirement System.

24                       (ii) A member may designate different persons to be  
 25 the beneficiaries for a member's retirement and for his or her life insurance  
 26 ~~policy~~ in the manner prescribed by the board.

27           (3) Unless otherwise elected in accordance with § 24-5-  
 28 116(a)(4), the surviving spouse of a member with five (5) or more years of  
 29 creditable service who was married to the member at least one (1) year  
 30 immediately preceding the member's death may elect an annuity that is  
 31 computed in the same manner in all respects as if the member had retired on  
 32 the date of his or her death with entitlement to an annuity provided for in §  
 33 24-5-115 and the member elected:

34                       (A) An Option A annuity provided for in § 24-5-118(a)(1);

35                       (B) An Option B annuity provided for in § 24-5-118(a)(2)  
 36 with payments to begin when the deceased member would have reached age and

1 service requirements for eligibility to retire; or

2 (C)(i) A one-time lump sum payment of all the member's  
3 accumulated contributions.

4 (ii) A person reimbursed under subdivision (a)(2)(C)  
5 of this section shall have no legal claim to any contributions made by the  
6 state with a view to the retirement of the member or member's beneficiary.

7 (4)(A) A member with five (5) or more years of creditable  
8 service may designate a beneficiary other than the member's current spouse.

9 (B) If the member is currently married, the beneficiary  
10 designation in subdivision (a)(4)(A) of this section must be supported by a  
11 current spouse's waiver of his or her spousal right to the benefit.

12 (C) A member's non-spousal beneficiary may elect an  
13 annuity computed in the same manner in all respects as if the member had  
14 retired on the date of his or her death with entitlement to an annuity  
15 provided for in § 24-5-115 and the member elected:

16 (i) An Option A annuity provided for in § 24-  
17 5-228(a)(1); or

18 (ii)(a) A one-time lump sum payment of all the  
19 member's accumulated contributions.

20 (b) A person reimbursed under  
21 subdivision (a)(4)(C)(ii) of this section shall have no legal claim to any  
22 contributions made by the state with a view to the retirement of the member  
23 or member's beneficiary.

24 (b)(1) If a retired member with a straight life annuity dies before he  
25 or she has been paid benefits equivalent to his or her contributions to the  
26 Arkansas State Highway Employees' Retirement System, the difference between  
27 the benefits received and his or her contributions while an active member of  
28 the system, together with any other balance to his or her credit in the  
29 system, shall be paid to his or her designated beneficiary.

30 (2) In the event there is no designated beneficiary, refund of  
31 the unpaid balance shall be paid to his or her estate.

32 (3)(A) Payment of the refund shall be made in full or in  
33 installments, as determined by the board.

34 (B) The benefits may be paid directly to a curator or  
35 guardian, to an administrator or to an executor authorized to receive such  
36 payments, wherever such representative may be, without the appointment of a

1 representative in this state.

2 (4) For retired members who elected one of the annuity options  
 3 in § 24-5-118, the available death benefits are as described in that section.

4 (c)(1) The system shall provide life insurance in the amount of  
 5 fifteen thousand dollars (\$15,000) for the benefit of each of its actively  
 6 employed members.

7 (2) The insurance shall remain in force during the life of each  
 8 member until his or her retirement and shall be paid for by the system.

9 (3) The system may offer a similar or lesser amount of life  
 10 insurance coverage on the lives of the member's spouse and his or her  
 11 dependents with the member bearing the costs of any additional coverage.

12 (d) The effective date of the benefits provided for in this section  
 13 shall in no event be prior to the first day following the member's death.

14  
 15 SECTION 3. Arkansas Code § 24-5-118(a)(1)(C)-(D), concerning the death  
 16 of a retirant during the first 120 months of retirement under the Arkansas  
 17 State Highway Employees' Retirement System, is amended to read as follows:

18 (C) If the beneficiary does not survive the retirant, the  
 19 retirant may name another beneficiary, or failing to name a beneficiary, ~~the~~  
 20 ~~annuity reserve for~~ the annuity for the remainder of the one-hundred-twenty-  
 21 month period shall be paid to the retirant's estate.

22 (D) If the beneficiary survives the retirant but dies  
 23 before the end of the one-hundred-twenty-month period, ~~the annuity reserve~~  
 24 ~~for~~ the annuity for the remainder of the one-hundred-twenty-month period  
 25 shall be paid to the beneficiary's designated beneficiary; or

26  
 27 SECTION 4. Arkansas Code § 24-5-118(b)-(d), concerning the benefits  
 28 payable to a surviving spouse under the Arkansas State Highway Employees'  
 29 Retirement System, are repealed.

30 ~~(b) If an active member with five (5) or more years of credited~~  
 31 ~~service, including credited service for the year immediately preceding his or~~  
 32 ~~her death, dies in employer service before retirement, the applicable~~  
 33 ~~benefits provided in this section shall be paid upon written application to~~  
 34 ~~the board. It is the intent of this section to include all surviving spouses~~  
 35 ~~or beneficiaries, regardless of the time of the death of the member.~~

36 ~~(c) The effective date of the benefits provided in this section shall~~

1 ~~in no event be prior to the first day succeeding the member's death.~~

2 ~~(d) A member's surviving spouse who was married to the member at least~~  
 3 ~~the one (1) year immediately preceding his or her death shall receive an~~  
 4 ~~annuity computed in the same manner in all respects as if the member had:~~

5 ~~(1) Retired the date of his or her death with entitlement to an~~  
 6 ~~annuity provided for in § 24-5-115;~~

7 ~~(2) Elected the Option A survivor annuity provided for in~~  
 8 ~~subdivision (a)(1) of this section; and~~

9 ~~(3) Nominated his or her spouse as joint beneficiary provided~~  
 10 ~~for in subdivision (a)(2)(A) of this section.~~

11  
 12 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the  
 13 General Assembly of the State of Arkansas that certain provisions of the law  
 14 applicable to the Arkansas State Highway Employees' Retirement System are in  
 15 urgent need of revision to bring the operations of the system into  
 16 conformance with sound public pension policy; that amendments to the law in  
 17 this act are of great importance to the citizens of this state; that a July  
 18 1, 2023 effective date is necessary to allow the provisions within this act  
 19 to begin on the first day of the fiscal year to provide for the proper  
 20 administration of the procedures referenced in this act; and that this act is  
 21 necessary to maintain an orderly system of benefits for the members of the  
 22 system. Therefore, an emergency is declared to exist, and this act being  
 23 necessary for the preservation of the public peace, health, and safety shall  
 24 become effective on July 1, 2023.