

REFUNDS OF MEMBER CONTRIBUTIONS

A.C.A. § 24-7-711

DEFINITIONS

1. **Accumulated Contributions** - The total of all amounts contributed by a member and standing to his/her credit in the individual account in the member's deposit account, together with regular interest credited thereon.
2. **Regular Interest** means such rate or rates per annum, compounded annually, as the Board shall from time to time adopt that ATRS uses to compute interest on a member's contributions.

RULES

1. Should an overpayment of contributions of less than ~~\$5.00~~ \$25.00 be reported from the local level, no refund of this amount will be made to the member, except upon the written request from the member. The total amount reported by the employing authority shall be credited to contributions.
2. On refunded contributions, the rate for all interest credited before June 30, 1984, is 3%, compounded annually, after the first year of contributions. The rate of interest credited on ~~and after~~ June 30, 1984 through June 30, 2009, is 6%, compounded annually, after the first year of contributions. Beginning June 30, 2010, the interest rate shall be 2%, compounded annually after the first year of contributions. Interest shall be computed on each member's individual account as of June 30 each year by multiplying the balance in the member's individual account as of July 1 (including all contributions and interest credit from previous years) plus one-half (1/2) ~~his~~ of the contributions for the year ending on June 30 by ~~3% percent~~ the annual applicable interest percentage rate.
3. Interest is not paid on contributions made in the year in which a refund is paid.
4. ~~On and after June 30, 1984, the~~ The Board of Trustees shall ~~annually~~ set the rate of interest ~~during the first regular meeting of the Board, from time to time~~ based on the reports of the actuary and the investment counsel.
5. Any members receiving a refund who have previously received a refund and repaid the contributions shall be refunded the 6% purchased interest paid on such refund. This same policy shall be applicable to interest paid on purchase of in-state service, out-of-state service, and military service.

6. Effective May 19, 1992, refunds of contributions will be made within six (6) months from the date of receipt of the written application in the Teacher Retirement System office.
7. Certification of the amount of contributions to be refunded may be made to a lending agency (bank, etc.) upon the written request of a member. Refunds must be made to the member as payee, but may be sent to the lending agency if authorized by the member. Employers are responsible for the accuracy of information on salaries and contributions that they certify to the System ATRS on refund applications. If information certified by an employer causes the System ATRS to overpay a refund, and if the System ATRS is unable to secure reimbursement of the overpayment from the member receiving the refund, the employer shall reimburse the System ATRS the amount of such overpayment.
8. A refund of contributions forfeits credited military service. Repayment of the refund plus interest reestablishes the forfeited military service. If military service was not credited to a member prior to refund of the contributions, repayment of the refund is not necessary to establish military service credit, provided the member meets the requirements listed above.
9. Beginning January 1, 1993, should a member, or spouse if the member is deceased, become eligible to receive a refund of contributions and elect to make a direct rollover of a distribution to an eligible retirement plan of all or part of the eligible rollover distribution, the amount shall be paid to the trustee of the eligible retirement plan.

Amended: July 18, 2005

February 1, 2010 under emergency rules.