

# **ELECTION PROCEDURES AND TERMS OF OFFICE FOR ELECTED TRUSTEE POSITIONS**

A.C.A. §§ 24-7-301, 302

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## **I. RULES ON ELECTED TRUSTEE NOMINATIONS**

- A. During December in a year in which an elected trustee position is subject to election or to fill a vacancy in a special election, the System shall publish a public notice of an upcoming trustee position election in a statewide newspaper for at least five (5) consecutive days. The notice will also be sent to such persons or groups that have requested a notice of Trustee vacancies. The notice shall also be posted on the System's website from December until the closing of the nomination period.
- B. For all elected positions, a candidate must submit a petition signed by at least twenty-five (25) ATRS members who are eligible to vote for the trustee position for which the member is seeking nomination. The petition must include the last four digits of each signatory's Social Security number for verification of the member's eligibility to vote for the position.
- C. The original petitions for nomination must be submitted to the ATRS Executive Director no later than January 10. Actual delivery must be made by January 10, regardless of postmark date or other methods to attempt delivery.
- D. Upon receipt of a petition, the System will confirm its receipt and verify the eligibility of the candidate for the trustee position under ACA § 24-7-301. The System will verify the member's signatures signing the petition as eligible voters.
- E. The candidates submitting a petition for nomination will receive notice by the System if the petition is accepted and will receive a list of other members who were certified to participate in the election for the trustee position for which he/she seeks nomination.
- F. Prior to ballots being mailed, the System or its designee will conduct a random drawing for ballot position with at least two (2) independent witnesses present certifying the drawing. Candidates will be notified of the order in which he/she will be listed on the ballot.
- G. Upon request of a candidate, the System will provide a list of mailing addresses of eligible voters for the distribution of a candidate's campaign materials. The candidate's message shall not contain information that would constitute defamation. Campaign materials will be mailed by the

election contractor from its place of business. All postage for such materials shall be the candidate's sole expense.

## **II. RULES ON TRUSTEE ELECTIONS**

- A. The System shall employ an independent election service to conduct the trustee elections.
- B. If any position receives only one nomination and the position is not contested, the Board at its next regular or special meeting may certify the nomination and declare the candidate duly elected as a trustee prior to the commencement of the trustee's term.
- C. The System shall publish ballots that shall be submitted to the election vendor for mailing on March 15 to the member's address of record.
- D. Completed ballots must be received by the election vendor on or before April 15 to be counted. The vendor shall only count such ballots that are correctly completed.
- E. Results for positions not subject to a run-off election shall be certified to the System by April 20.
- F. If upon certification of the outcome of a trustee election by the vendor, if no candidate receives at least 50% of the votes cast by eligible voters, a run-off election will be held between the two (2) candidates receiving the highest number of votes for the position. The run-off ballots will be mailed by the election vendor to eligible voters on May 1.
- G. Completed ballots for a run-off election must be received by the election vendor on or before June 1 to be counted.
- H. Upon the completion of the run-off election, results shall be certified by the election vendor to the System by June 5.
- I. Any candidate included on the ballot may submit a challenge to the election vendor's certified results for an elected trustee position by submitting a written challenge to the ATRS Executive Director. A challenge must be received within five (5) calendar days of the certification of the elections results for the position at issue. If a candidate challenges the election results, the election process will be suspended for the same number of days that the resolution of the challenge requires, and the remaining election schedule will be adjusted accordingly.
- J. Upon receipt of a challenge, the ATRS Board will hold a special meeting to consider the challenge. The Executive Director will issue a System

recommendation to the Board along with the administrative record relating to the position being challenged.

- K. For any fixed date in the election schedule that falls on a holiday or a weekend, the official date shall become the next business day.
- L. Upon completion of an election, all elected trustee terms, except for special elections, begin on July 1 following the election.

### **III. BOARD PROCEDURES TO FILL UNEXPIRED TERMS FOR ELECTED TRUSTEES**

Staff shall notify the Board of all resignations and vacancies by other causes in any Trustee position as soon as possible after staff has knowledge of the vacancy. The Board shall take appropriate action authorized by law to fill the vacancy. The Board may by majority vote appoint a trustee until the next system election. In the event the Board by majority vote determines that the vacancy should be filled by a special election, then a special election shall be scheduled as follows:

If an elected trustee position is declared vacant by the Board and is to be filled by a special election then, in accordance with this regulation, the System shall publish notice that a special election will be held and will announce the schedule for the special election, which will include the following: 1) the date the vacancy occurred and position being vacated; 2) the time period for circulating petitions for nominating signatures; 3) the deadline for filing petitions with the System; 4) the date the System will verify the validity of petitions; 5) the date ballots will be sent to eligible voters; 6) the election date; and 7) the date the term shall begin.

### **IV. TERM OF ELECTED TRUSTEE OFFICE AND VACANCIES**

- A. The term of office of each elected trustee shall be six (6) years.
- B. Each trustee shall continue to serve as trustee until his or her term expires unless he/she resigns or is otherwise ineligible under these rules.
- C. In a year in which a six (6) year term of a trustee expires, the position shall be filled under the regular election schedule in ATRS Rules.
- D. A trustee elected to fill an unexpired term in a special election will serve for the remainder of the six (6) year term of the vacating trustee.

## V. RULES ON ELECTED TRUSTEE VACANCIES

- A. An active member trustee shall be ineligible to serve after becoming inactive or retiring.
- B. An active member trustee shall be ineligible to serve if he or she changes employment category during his or her term of office and the employment category is a requirement of the trustee position, i.e., an administrator becomes a classroom teacher.
- C. A retirant member trustee shall be ineligible to serve after becoming active.
- D. An absence that is excused by a majority of the members of the Board shall not be counted towards a vacancy. Attendance on either day of a two-day Board meeting is sufficient to meet the attendance requirement.
- E. The Board of Trustees or its designee will notify the Board member after the second consecutive absence.
- F. A vacancy will occur if the Board votes to declare a position vacant due to one of the following:
  - 1. A trustee is absent for three (3) consecutive regular Board meetings and the absences are not excused by the Board;
  - 2. A trustee is ineligible due to a change in status under A.C.A. § 24-7-302 resulting in three (3) consecutive absences at regular Board meetings prior to the expiration of the trustee's term; or
  - 3. Resignation or death of a trustee which will create three (3) or more consecutive absences at regular Board meetings prior to the expiration of the trustee's term.

If the Board declares a vacancy by resolution under the section above, the Board may vote to hold a special election to fill an unexpired term under the Board procedures to fill unexpired terms for elected trustees. If the Board does not certify a vacancy under this section, the vacancy will be filled during the next annual ATRS election held upon expiration of an elected trustee's term, utilizing approved election procedures for that position.

**Approved:** May 10, 2000  
**Amended:** February 11, 2008  
December 18, 2009  
July 1, 2011 (Emergency)  
**Adopted:** August 8, 2011  
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## MEMBERSHIP RULES

A.C.A. § 24-7-501-502, A.C.A. § 24-7-202, A.C.A. § 24-7-406, as amended by  
Act 97 of 2007

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### RULES

1. Effective July 1, 2001, those employees whose nonteaching service began before July 1, 1989, and whose nonteaching service is covered or coverable by the Public Employees Retirement System may elect to be covered by the Arkansas Teacher Retirement System. The elections shall be made prior to May 31 on a form provided by System and shall be effective the following July 1 (Act 742 of 2001).
2. Employees who are eligible for membership in the Teacher Retirement System are ineligible for membership in another state retirement system while employed in a position covered by Teacher Retirement, excluding service in the Arkansas General Assembly [A.C.A. § 24-7-204(6)].
3. Employees hired by the following employers are ineligible to become members of the System unless the employee has prior service in the System with another covered employer: Arkansas Activities Association; Arkansas Association of Educational Administrators; Arkansas School Board Insurance Trust, Arkansas Easter Seals Society; Ashley County Adult Education; Florence Crittenden Home; Jefferson County Adult Education; Laidlaw Transit; and the Literacy Council of Lonoke. (See ATRS Board Resolution 2006-15, IRS Private Letter Ruling, June 17, 2006.)

**Amended:** June 15, 2004  
April 26, 2007  
July 1, 2011 (Emergency)  
**Adopted:** August 8, 2011  
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# COLLEGE ALTERNATE – PART I

A.C.A. §§ 24-7-801-808

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**Repealed:** July 1, 2011  
**Repeal adopted:** August 8, 2011  
**Effective:** November 11, 2011

## **COLLEGE ALTERNATE – PART II**

A.C.A. § 24-7-1005

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**Revised:** November 18, 1997  
**Repealed:** July 1, 2011  
**Repeal adopted:** August 8, 2011  
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## **COLLEGE ALTERNATE - PART III**

A.C.A. § 24-7-803  
Act 545 of 1983

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**Revised:** November 18, 1997  
**Repealed:** July 1, 2011  
**Repeal adopted:** August 8, 2011  
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# **TECHNICAL AND COMMUNITY COLLEGES**

A.C.A. §§ 24-7-801-808 and §§ 6-53-301 et seq.  
Act 1244 of 1991, Act 1784 of 2001

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**Amended:** June 15, 2004  
**Repealed:** July 1, 2011  
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# **ALTERNATE PLAN FOR VOCATIONAL EDUCATION**

A.C.A. §§ 24-7-901-909  
Act 480 of 1983, Act 1784 of 2001

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**Amended:** June 15, 2004  
**Repealed:** July 1, 2011  
**Repeal adopted:** August 8, 2011  
**Effective:** November 11, 2011

**DEPARTMENT OF HEALTH REHABILITATION  
SERVICES TRANSFER  
ACT 793 of 1977  
A.C.A. § 24-3-214 as amended**

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**Repealed:** July 1, 2011  
**Repeal adopted:** August 8, 2011  
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## College Plan

A.C.A. §§ 24-7-1601 through 24-7-1607

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Generally, all current college employees who are also ATRS members are grandfathered in to participation to ATRS. For new employees after July 1, 2011, participation is governed by the Arkansas Code.

If a college elects to be a PSHE employer, then the college must regularly report information to ATRS on forms developed by ATRS as allowed by ATRS law. In addition to standard ATRS reporting forms, a PSHE employer shall provide supplemental reports on any form approved and adopted by the ATRS Board as a required form.

**Adopted:** July 1, 2011 (Emergency)

**Adopted:** August 8, 2011

**Effective:** November 11, 2011

## **CALCULATION OF FINAL AVERAGE SALARY**

A.C.A. § 24-7-202, A.C.A. § 24-7-602, and A.C.A. § 24-7-705  
(SEE ALSO POLICY NOS. 7-3 AND 7-4.)

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### **DEFINITIONS**

1. **Salary** means the remuneration paid to a member by an ATRS participating employer on which the employer withholds federal income tax. This includes all salary "picked up" by the employer including employee contributions to a qualified retirement plan, deferred compensation plan, or cafeteria plan. For remuneration paid other than in cash, salary is the amount reported to the Internal Revenue Service for income tax purposes.
2. **Final Average Salary** means the average of the salaries paid to a member by a participating employer during the fiscal year ending June 30 used in calculating a member's retirement annuity under A.C.A. § 24-7-705.
3. **Participating Employer** means an employer who participates in the Arkansas Teacher Retirement System whose employees are eligible for membership under A.C.A. § 24-7-501 or other applicable law.
4. **Partial Year Service Year** means service in a fiscal year that constitutes less than a full year of service due to less than the required service days at an ATRS employer due to a reduction in service credit caused by an adjustment in ATRS service credit because reciprocal service credit occurs in the same fiscal year, due to a member retiring prior to the end of a fiscal year, or due to any other law or policy that provides a member less than a full year of service in a fiscal year.

### **REGULATIONS**

1. The Board of Trustees may set the number of years used in calculating a member's final average salary at no less than three (3) years or more than five (5) years.
2. For purposes of calculating a member's final average salary, the System will include salary received from all participating employers during a fiscal year.
3. When calculating final average salary, the following limits shall apply:
  - A. The System shall rank the member's highest salary years from lowest to highest. The lowest salary year shall be considered the initial base year. Except for the base year, the highest salary years shall be reduced to the

extent either exceeds 120% of the prior year's salary, subject to the limitations in ACA § 24-7-202(27)(c).

- B. If a salary year used in calculating final average salary does not constitute salary for a full service year due to the partial year salary being greater than the full service year salary that would otherwise be applied in the final average salary calculation, then the reduction, if any, provided for in 3(A) above shall apply.
  - C. However, if a salary year used in calculating final average salary does not constitute salary for a full service year due to the member not having enough full service years for the final average salary calculation, then the next highest salary year shall not be reduced although it may exceed the compared salary by 120% or more.
4. For purposes of determining if a salary year constitutes a full service year, The following shall be excluded from the limits under No. 3 above:
    - A. Any salary year which constitutes member service during two (2) or fewer quarters in a fiscal year; or
    - B. Any salary year that constitutes less than one (1) year of service credit under the schedule set forth in ATRS Policy No. 7-2.
  5. If a member is retiring with a retirement effective date other than October 1, January 1, April 1, or July 1, no salary paid to a member for the last year worked shall be counted in calculating a member's final average salary.
  6. Regardless of any provision in statute or regulation to the contrary, salary or other compensation paid which exceeds the limitations set forth in Section 401(a)(17) of the Internal Revenue Code shall be disregarded. The limitation on compensation for "eligible employees" shall not be less than the amount allowed under the System in effect on July 1, 1993. For this purpose, an "eligible employee" is an individual who was a member of the System before the first plan year beginning after December 31, 1995.
  7. If a conflict exists between the statute or policy governing the treatment of a member's salary between the participating employer's laws or policies relating to compensation and the calculating of a member's final average salary for benefits, the System's laws and regulations shall control.

**RULES** (Amended by Act 146 of 2005, and Act 1325 of 2009).

1. Effective April 1, 1998, when calculating a member's final average salary, the System shall calculate final average salary using the three (3) years in which

the member received the highest salary from a participating employer subject to the foregoing limitations.

2. The final average salary used for members with reciprocal service shall be the highest salary years credited by either the ATRS participating employer or the reciprocal system under ACA § 24-7-402.
3. For members who are retiring and who are employed in agencies or other institutions that use the state 26-week payroll, employers should report to Teacher Retirement the salary, contributions, and actual days worked through the current year payroll period. Contributions should not be withheld on any salary earned after the close of the current year's payroll, nor should any salary or days of service be reported for that period.
4. For members who are retiring and who are employed by employers using a fiscal year ending June 30, employers should report to the System the salary contributions, and actual days worked through the current fiscal years ending June 30. Contributions should not be withheld on any salary earned after the end of the current fiscal year, no should any salary or days of service be reported for that period.
5. For retiring members, employee contributions remitted on salary paid after the end of the current fiscal year or current year payroll period, whichever applied, will be refunded as promptly as possible.
6. In case of any dispute concerning a member's final average salary, the Board shall have the authority to decide the dispute.

**Amended:** August 11, 1998  
July 18, 2005  
June 16, 2009 (Emergency)  
October 5, 2009 (Permanent)  
July 1, 2011 (Emergency)  
**Adopted:** August 8, 2011  
**Effective:** November 11, 2011

## PROOF OF SERVICE CREDIT

A.C.A. §§ 24-7-601—611, A.C.A. § 24-7-406,  
and A.C.A. § 24-7-705

### REGULATIONS

The Board shall determine the number of years and fractions thereof for paid service credited to members of the System. No fewer than one hundred sixty (160) days of employee service in a fiscal year (ending June 30) shall be credited as a full year of service.

Members employed less than one fourth ( $\frac{1}{4}$ ) of a fiscal year are not eligible for credit or benefits in ATRS that fiscal year.

### RULES

#### 1. FOR MEMBERS WITH SERVICE AFTER JULY 1, 1971

A. Actual service credited to a member's account shall be determined in accordance with the following table:

| Number of Days<br>Worked in a Fiscal<br>Year | Service Credit Earned |
|--|-----------------------|
| 1 -39  | None                  |
| 40-79  | 0.25 year             |
| 80-119                                       | 0.50 year             |
| 120-159                                      | 0.75 year             |
| 160 days or over                             | 1.00 year             |

B. Four (4) hours in a day shall be required as the minimum for a "day of service" for all members. For members who do not work four (4) hours or more a day, the total number of hours worked in a fiscal quarter divided by four (4) will determine the number of days to be credited.

C. For purposes of days counted toward service credit, absences shall be counted as service if for paid leave including paid sick leave. However, for administrative leave, the member must be on call by the employer for the service to be counted.

D. The System shall not give service credit to a member until all required contributions and interest, if any, are remitted to the System.

- E. The participating employers shall certify proof of service on such forms with any documentation required by the System.
- F. If a member is retiring with an effective date other than October 1, January 1, April 1, or July 1, service credited for the year in which a member retires shall not exceed  $\frac{1}{4}$  year for each full calendar quarter worked during the fiscal year.
- G. If a member has signed an employment contract for a fiscal year and the member does not work for the full period covered by the contract, the member shall receive service credit for only the full calendar quarters worked during the fiscal year.
- H. In any case of question as to service credit of a member, the Board of Trustees has the final authority to decide the amount of service creditable to a member.

**Amended:** July 18, 2005  
June 16, 2009 (Emergency)  
October 5, 2009 (Permanent)  
July 1, 2011 (Emergency)  
**Adopted:** August 8, 2011  
**Effective:** November 11, 2011

## **PURCHASE OF SERVICE CREDIT/REPAYMENT OF REFUNDS**

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### **DEFINITIONS**

1. **Back Contributions** – Mandatory contributions payable for service and salary rendered in a covered position within the ATRS look-back period.
2. **Private School Service** - As defined in **A.C.A. § 24-7-607**, additionally, employment under the Head Start Programs will also be considered private school service and will have the same requirements for the issuance of teaching licenses by the Arkansas State Department of Education.

### **GENERAL**

The Arkansas code sets forth the service purchases available and the cost mechanism to be used in service purchases. The various types of service that can be purchased and the definitions for these are in the code. Unless greater explanation is required, the code's provisions are self-effecting without the need to be placed in the policy.

Actuarial cost for purchase of service does not include adjustments to salary and service that are made in order to properly reflect the member's mandatory salary and service records. In addition, the actuarial cost of service does not apply to free military service credit that is established with ATRS.

The actuarial cost for purchase of service shall use the member's highest salary year as the formula's "base year." The base year shall always be the member's highest salary year unless the highest salary year is more than 150% greater than the next highest salary year; in that case, the best two salary years shall be added together and divided by two to establish the base year for the formula.

If a member does not have sufficient full service years to establish the base year for the purchase formula, then each partial year's service percentage shall be divided into each partial year's salary to establish a full year salary from the partial year salary to determine the base year for the formula.

Salaries for actuarially purchased service shall not be used in the calculation of final average salary except for repaid refunds for mandatorily reported service within the refunded service.

All actuarially purchased service, except for repaid refunds, shall be purchased as contributory.

Members seeking to purchase service with ATRS shall use forms developed by ATRS staff to establish the service.

**Adopted:** June 15, 2004  
**Amended:** April 26, 2007  
July 1, 2011 (Emergency)  
**Adopted:** August 8, 2011  
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# REFUNDS OF MEMBER CONTRIBUTIONS

A.C.A. § 24-7-711

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## RULES

1. Should an overpayment of contributions of less than \$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 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. Payable 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) of the contributions for the year ending on June 30 by the annual applicable interest percentage rate.
3. Regular interest is not paid on contributions made in the year in which a refund is paid.
4. The effective date of a refund is the date that ATRS issues payment of a refund. If a refund is paid in two (2) payments due to a recognized hardship, then the effective date of the refund is the date the last refund payment is made.
5. Refunds of contributions will be made within six (6) months from the date of receipt of the written refund application by ATRS.

**Amended:** July 18, 2005  
February 1, 2010 under emergency rules.  
June 7, 2010 Permanent  
July 1, 2011 (Emergency)  
**Adopted:** August 8, 2011  
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## **ROLLOVER ACCEPTANCE AND DISTRIBUTION**

A.C.A. § 24-7-719 and A.C.A. § 24-7-406 as amended by Act 97 of 2007

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### **RULES**

#### **1. ACCEPTING ROLLOVERS FOR PAYMENT ON ATRS PURCHASE ACCOUNTS**

- A. ATRS will accept participant rollover contributions and/or direct rollovers for the purchase of service credit from: qualified retirement plans as set forth in the Arkansas Code.

#### **2. ROLLOVER ELIGIBILITY OF ATRS DISTRIBUTIONS**

- A. The depository trustee shall certify to the System that the rollover deposit account is "qualified" and eligible to receive rollover distributions prior to a distribution being rolled over. If the depository trustee cannot certify the eligibility status, ATRS will accept a certification from a currently licensed certified public accountant who has an active certified public accountant's license. The certification may not be made by a certified public accountant if the certified public accountant has an interest in the account as a member, spouse, or designated beneficiary.

**Adopted:** February 3, 2004  
**Amended:** June 15, 2004  
April 26, 2007  
July 1, 2011 (Emergency)  
**Adopted:** August 8, 2011  
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## **FREE MILITARY SERVICE**

A.C.A. § 24-7-602

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A member of the Arkansas Teacher Retirement System who entered the Armed Forces of the United States between July 1, 1937, and June 30, 1973, may establish that active duty service in this System without cost, provided the following conditions are met:

1. Service must be the initial enlistment. Reenlistment or voluntary extension of the initial enlistment is not considered compulsory and shall not be allowed as service credit.
2. Military service shall not exceed five (5) years, and the years to be credited shall be those closest to the teaching service.
3. Crediting of military service will require the completion of Form M-1, provided by the System, and official military documents listing the entry and discharge dates of the first enlistment or induction.
4. Must have received an honorable discharge; and
5. Beginning July 1, 2011, the period of military service credit shall be based on 160 days of service rendered during a fiscal year, July 1 through June 30. For military service, the actual number of days in the month shall be counted. Fractional years of service cannot be credited prior to July 1, 1971. Days on both ends of the military time period may be combined to provide a year of service credited prior to July 1, 1971, if:
  - A. The minimum number of days to be combined is 160;
  - B. The maximum number of fiscal years to be counted is two (2); and
  - C. Combined military service may not be credited during fiscal years in which the member received credit for a year of teaching service.
6. All military service credited prior to July 1, 1986, is contributory service.
7. Military service may be established at any time after entrance into the System but official crediting shall be effective upon completion of five (5) years of actual service in the Arkansas Teacher Retirement System, excluding military service credit.

8. The member must not be receiving, nor be eligible to receive, federal military retirement pay (other than disability). Recertification of military service credit will be required for all service credited after 1969 at retirement.
9. Members receiving concurrent military retirement benefits and Veterans Administration disability compensation<sup>1</sup> must have a service-related Veterans Administration rating of 50% or higher in order to qualify for the disability eligibility requirement in paragraph No. 8 above.
10. The policies covering free military service credited to a member of the Teacher Retirement System apply to free military service credit under reciprocity, provided the member has five (5) years of actual service credit in the Arkansas Teacher Retirement System, excluding military service.
11. Under Act 793 of 1977, free military service may be established if membership is transferred after completing five (5) years of actual service in the Arkansas Teacher Retirement System.

**Amended:** April 26, 2007  
October 6, 2008  
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<sup>1</sup> Veterans Affairs compensation is a benefit paid on the basis of the kind and severity of a disability that happened as a result of active duty in military service. A Veterans Affairs pension is a benefit paid on the basis of a disability that was not a result of active service in the military and is based on income. ARTRS must use VA compensation as disability eligibility, not VA pension.

# **PURCHASE OF BACK CONTRIBUTIONS**

A.C.A § 24-7-502(b)(5)(A)(i)

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**Amended:** February 3, 2004

June 15, 2004

**REPEALED: July 1, 2011**

**Repeal Adopted:** August 8, 2011

**Effective:** November 11, 2011

## **PURCHASE OF ADDITIONAL CONTRIBUTIONS**

A.C.A. § 24-7-406(b)(6) and A.C.A. § 24-7-406(b)(4)

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**Adopted:** June 15, 2004  
**Amended:** June 18, 2005  
April 26, 2007  
**Repealed:** **July 1, 2011**  
**Repeal Adopted:** August 8, 2011  
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# **PURCHASE OF NONCONTRIBUTORY SERVICE AS CONTRIBUTORY**

A.C.A. § 24-7-406(f)(3)(A)(ii); Act 864 of 1999

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**Adopted:** June 15, 2004  
**Amended:** April 26, 2007  
**Repealed:** **July 1, 2011**  
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## **PURCHASE OF MILITARY SERVICE**

A.C.A. § 24-7-602 amended by Acts 142, 206, and 1053 of 1997 and Act 866 of 1999

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**Amended:** February 3, 2004  
June 15, 2004  
**Repealed:** July 1, 2011  
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# **PURCHASE OF NATIONAL GUARD SERVICE**

A.C.A. § 24-7-610

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**Amended:** February 3, 2004  
June 15, 2004  
April 26, 2007

**Repealed:** July 1, 2011

**Repeal Adopted:** August 8, 2011

**Effective:** November 11, 2011

# **PURCHASE OF OUT-OF-STATE SERVICE**

A.C.A. § 24-7-603

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**Amended:** February 3, 2004  
June 15, 2004  
July 18, 2005  
April 26, 2007

**Repealed:** July 1, 2011  
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# **PURCHASE OF OVERSEAS SERVICE**

A.C.A. § 24-7-604

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**Amended:** June 15, 2004  
April 26, 2007  
**Repealed:** July 1, 2011  
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# **PURCHASE OF SABBATICAL LEAVE**

A.C.A. § 24-7-604

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**Amended:** February 3, 2004  
June 15, 2004  
**Repealed:** July 1, 2011  
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# **PURCHASE OF PRIVATE SCHOOL SERVICE**

A.C.A. § 24-7-607

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**Amended:** February 3, 2004  
June 15, 2004  
July 18, 2005  
April 26, 2007

**Repealed:** July 1, 2011

**Repeal Adopted:** August 8, 2011

**Effective:** November 11, 2011

# **PURCHASE OF DOMESTIC FEDERAL SERVICE**

A.C.A. § 24-7-611, A.C.A. § 24-7-202

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**Repealed:** July 1, 2011  
**Repeal Adopted:** August 8, 2011  
**Effective:** November 11, 2011

# **PURCHASE OF FEDERAL RETIREMENT SERVICE**

A.C.A. § 24-1-107, A.C.A. § 24-7-601

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## **RULES**

1. An active member shall be eligible to purchase federal retirement service under the following conditions (Act 2091 of 2005):
  - A. Federal retirement service eligible for purchase is limited to service for which no benefit is payable from the federal retirement system in which he or she had previously been a member.
  - B. Federal retirement service purchased shall be limited to ten (10) years.
2. The cost to purchase federal retirement service is actuarial cost determined by ATRS.
3. The federal retirement service will become credited service in the System when:
  - A. The member payments have been paid in full; and
  - B. The member has established five (5) or more years of actual service exclusive of federal retirement service.
4. Should a member cease to be an active member before the federal retirement service has been established as System credited service, the member payments contributed shall be refundable, together with regular interest; however, due to IRS regulations, purchase account payments made through employer pick-up are subject to the restrictions as stated in Rule No. 8-6 (Rollover Eligibility).
5. To be eligible to establish one (1) year of federal retirement service, a minimum of one hundred sixty (160) days must have been worked. Fractional years of domestic federal service may be purchased in accordance with A.C.A. § 24-7-601 and A.C.A. § 24-1-107). A month of domestic federal service shall be considered as twenty (20) days.
6. Certification of federal retirement service must be submitted to ATRS on a form provided by the System.
7. All federal retirement service shall be counted as contributory service.

8. Purchased federal credited service shall be credited to the fiscal year in which it was rendered.
9. ATRS will accept participant rollover contributions and/or direct rollovers of distributions for the purchase of service credit under certain circumstances. See Rule No. 8-4 (Direct Rollover Eligibility).

**Adopted:** February 11, 2008  
July 1, 2011 (Emergency)  
**Adopted:** August 8, 2011  
**Effective:** November 11, 2011

## **CONTRACT BUYOUTS OR OTHER COURT- ORDERED PAYMENTS**

A.C.A. § 24-7-735

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Effectively immediately, in contract buyouts or court ordered payments, service credit is only allowed to accrue for actual on-site work for the covered employer by the employee. However, if the member is not subject to either a contract buyout or court ordered payment, salary paid to the member as a regular employee, as if the member were providing services, shall be credited for salary and service purposes if the member is on call to the employer; however, such on call credit may not be stacked with salary at another ATRS employer.

In order to accrue service credit during a period of time that is redressed in a contract buyout or other court-ordered payment of salary, or salary and benefits, the member shall perform on-site work for the covered employer.

**Adopted:** July 1, 2011 (Emergency)

**Adopted:** August 8, 2011

**Effective:** November 11, 2011

## RETIREMENT/BENEFITS DEFINITIONS

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This section defines words, phrases, and terms used in all retirement rules and regulations under ATRS Rules & Regulations, Chapters 7, 9, and 10. All words, phrases, and terms not defined in this section in these chapters have the meaning set forth in A.C.A. § 24-7-202 *et. seq.*

1. **Annuity Options** means the member's election at retirement of an annuity that shall be paid throughout the retiree's lifetime in accordance with A.C.A. § 24-7-706.
2. **Medical committee** means the committee of three (3) physicians appointed by the Board under A.C.A. § 24-7-303 for the purpose of evaluating disability retirement applications.
3. **Option beneficiary** means a person(s) nominated by the member, in writing at retirement, who, if eligible, will receive annuity payments under the annuity option selected by the member after the member's death.
4. **Person** for purposes of Rule No. 9-7 (Annuity Options and Disposition of Residue after Retirement) means an individual, corporation, partnership or other legal entity.
5. **Participating employer** means an employer who participates in the Arkansas Teacher Retirement System whose employees are eligible for membership under A.C.A. § 24-7-501, A.C.A. § 24-7-202, or other applicable law.
6. **Residue beneficiary** means a person(s) nominated by the member to receive the residue, if any, under A.C.A. § 24-7-709.
7. **Receivable** means monies due to ATRS from a member, former member, participating employer, contributor, retirant, beneficiary, or alternate payee under a qualified domestic relations order as a result of an overpayment of any payment or benefit by the System.
8. **Retiree** means a retired member who is receiving an annuity from the System.
9. **Terminate covered employment/Termination Separation Period** is defined in AR Code.

**Adopted:** December 18, 2009

**Amended:** July 1, 2011 (Emergency)

**Adopted:** August 8, 2011

**Effective:** November 11, 2011

# **AGE AND SERVICE (VOLUNTARY) RETIREMENT**

A.C.A. § 24-7-502, A.C.A. §§ 24-7-701—707, and A.C.A. § 24-7-202 (unless otherwise noted)

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## **REGULATIONS**

### **1. RETIREMENT ELIGIBILITY**

If eligible, any active or inactive member who attains age 60 and has five (5) or more years of actual and reciprocal service credit may voluntarily retire upon written application filed with the System. In order to be eligible, a member must comply with the following requirements:

- A. Satisfy the credited service requirements under one of the System's retirement statutes, A.C.A. §§ 24-7-701—707,
- B. Be credited with all required employer and member contributions in the member's deposit account with no amounts owed to the System,
- C. Pay all amounts owed to the System for underpayments or purchase service accounts; and
- D. Terminate employment with all participating employers or have reached age 65 or older.

### **2. BENEFITS**

#### **A. Benefits Formula**

The retirement benefits payable shall be the total number of contributory years of credited service multiplied by 2.15% of the final average salary, plus the total number of noncontributory years of credited service multiplied by 1.39% of the final average salary.

If an employer reports additional salary for a member, but the result does not increase or decrease the annual benefits by \$25.00 or more, the contributions will be transferred from the member's deposit account to the employer accumulation account without making any change in the member's benefit. If the additional salary does increase or decrease the retiree's annual benefit by \$25.00, the retirement benefits will be recalculated, and necessary changes will be made in the member's benefit.

**B. Minimum Retirement Benefits (A.C.A. § 24-7-707 and A.C.A. § 24-7-713)**

A member who retires under A.C.A. § 24-7-701 shall receive no less than the following benefits:

- i. A member who has at least ten (10) years of contributory credited service with ATRS will receive not less than \$1,800 per year; or
- ii. A member who has at least five (5) years of contributory credited service with ATRS will receive not less than \$1,200 per year; or
- iii. A member who has at least ten (10) years of noncontributory credited service with ATRS will receive not less than \$1,128 per year; or
- iv. A member who has at least five (5) years of noncontributory credited service with ATRS will receive not less than \$768 per year; or
- v. A member who has a mixture of contributory and noncontributory credited service greater than ten (10) years but less than the minimum credited years listed above will receive a prorated amount between \$1,128 and \$1,800 per year according to the relationship between the member's noncontributory and contributory credited service and total credited service; or
- vi. A member who has a mixture of contributory and noncontributory credited service greater than five (5) years but less than the minimum credited years listed above will receive a prorated amount between \$768 and \$1,200 per year according to the relationship between the member's noncontributory and contributory credited service and total credited service.

In addition to the minimum benefit amount, a member who meets eligibility requirements shall receive benefits applicable under A.C.A. § 24-7-713.

**C. Effective Date of Retirement Benefits (A.C.A. § 24-7-701)**

If a member meets all eligibility requirements for retirement and is approved for retirement, annuity benefits shall be effective the month proposed by the member. If the member does not file an application at least one calendar month prior to the proposed effective retirement date, then that proposed retirement effective date cannot be used, and the member's effective retirement date shall be the following month.

If a member has signed an employment contract for the fiscal year and has been paid in full without providing service for the full period of the

employment contract, the member's retirement effective date shall not be prior to July 1 of the subsequent fiscal year.

**D. Compound Cost of Living Adjustment (A.C.A. § 24-7-727)**

- i. In the years that the Board elects to compound the COLA, the simple COLA shall not be payable. In a year the Board elects not to compound the COLA, the simple COLA under A.C.A. § 24-7-713 shall be given.

**E. Last Benefit Payment Upon Death**

Benefits are payable through the month in which the retirant's death occurs.

**RULES**

1. A member age 65 or older may apply for retirement benefits without terminating employment and may begin drawing benefits with no effect on the member's retirement benefit.
2. In addition to a complete retirement application, the following documents are mandatory documents and shall be submitted to ATRS within six months of the effective date of retirement unless an extension is granted by ATRS:

**A. Member elects a straight life annuity:**

1. Proof of member's birthdate from a birth certificate or other authenticating documents.
2. Proof of member's tax payer identification number from a Social Security card or other authenticating documents.

**B. Member elects Option A or Option B benefit with Spouse as the beneficiary:**

1. Proof of member's birthdate from a birth certificate or other authenticating documents.
2. Proof of member's tax payer identification number from a Social Security card or other authenticating documents.
3. Proof of spouse's birthdate from a birth certificate or other authenticating documents.
4. Proof of spouse's tax payer identification number from a Social Security card or other authenticating documents.

5. Proof of marriage between the member and spouse from a marriage license or equivalent, marriage license recording document, or other legally acceptable proof of the existence of the marriage.
- C. Member elects Option A or Option B benefit with incompetent child as the beneficiary:
1. Proof of member's birthdate from a birth certificate or other authenticating documents.
  2. Proof of member's tax payer identification number from a Social Security card or other authenticating documents.
  3. Adequate proof of the existence of a guardianship of the member's child due to incapacity that preexists the member's official retirement date. Authenticating documents may include the order appointing guardianship of the person, letters of guardianship or other adequate proof of the existence of the guardianship due to the incapacity of the member's child.
  4. Proof of child's tax payer identification number from a Social Security card or other authenticating documents.
- D. Member elects Option C annuity:
1. Proof of member's birthdate from a birth certificate or other authenticating documents.
  2. Proof of member's tax payer identification number from a Social Security card or other authenticating documents.

The failure to submit a complete retirement application and any mandatory documents within a six-month period from the member's effective retirement date plus any extension granted by ATRS shall result in the retirement application being voided and of no effect. This rule on required documents applies to all retirement applications including retirement based upon age retirement, service retirement, early retirement, and disability retirement.

**Amended:** June 15, 2004  
 February 7, 2006  
 April 26, 2007  
 June 16, 2009 (Emergency)  
 October 5, 2009 (Permanent)  
 July 1, 2011 (Emergency)

**Adopted:** August 8, 2011

**Effective:** November 11, 2011

## **DISABILITY RETIREMENT**

A.C.A. § 24-7-704

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### **RULES (as amended by Acts 468 and 743 of 2009)**

- A. Disability retirement benefits shall commence the first day of the calendar month following the date the member is found to be disabled by the Medical Committee. Termination of active membership for disability benefits shall be the last date of employment with the member's covered employer. Paid sick leave, Family Medical Leave Act (FMLA) leave, if granted for the disability applicant, and other medical leave granted by the employer shall extend the date of active membership; however, service credit shall only include the days of service credit if it was for paid sick leave from the covered employer.
- B. If a disability is determined to exist by the Medical Committee, disability retirement benefits shall be paid in arrears beginning with the effective date of benefits. Disability retirement shall be effective the first day of the calendar month following the date of the member's last rendered service to a covered employer.
- C. If the application for disability retirement benefits is denied and the member elects voluntary retirement, the effective date for retirement shall be determined by the date the disability retirement application is filed.
- D. If an active member dies after applying for disability retirement, the following will apply:
  - 1. If the member dies after the disability application is received by the System but before disability retirement is approved, then the System shall consider the member to have died in "active" service and survivor benefits under A.C.A. § 24-7-710 shall be paid.
- E. The annuity formula for computing disability retirement benefits is the same as for voluntary age and service retirement.
- F. For all disability retirement applications approved by the Medical Committee after May 31, 2011, in accordance with rule making authority granted to the ATRS Board under A.C.A. § 24-7-706(v), the Board shall allow a disability retiree at the time of retirement to designate and Option A or Option B beneficiary. Option C beneficiaries shall not be available to disability retirees.

1. If a disability retiree designates an Option A or Option B spouse beneficiary, and the disability retiree dies before reaching age 60, then the same rules that apply to active member option beneficiaries shall apply to the disability Option A and Option B beneficiaries under A.C.A. § 24-7-710(a)(C).
  2. If a disability retiree designates an Option A or Option B incapacitated child beneficiary, and the disability retiree dies before reaching age 60, then the same rules that apply to an active member surviving child shall apply to the disability Option A or Option B beneficiary under A.C.A. § 24-7-710(c) until the disability retiree would have turned age 60, then the Option A or Option B incapacitated child beneficiary shall receive the greater of the surviving child annuity under A.C.A. § 24-7-710(c) or the Option A spouse annuity under A.C.A. § 24-7-710(a).
- G. Disability retirants who are disapproved for further disability annuities due to a medical examination reviewed by the Medical Committee shall be removed from the System's retirant payroll the earlier of six months following the review date or the first of the month following the return to covered employment.
- H. If a member is approved for disability retirement but continues to work, he/she must terminate employment by the proposed disability retirement effective date. If covered employment is not terminated after receiving notice of the proposed effective date, disability retirement will be cancelled, the member will be considered active, and is eligible to reapply for disability retirement.
- I. If a member applies for disability retirement and is disapproved, he/she has the right to file a new disability application submitting additional information for review as long as the member remains active.

**Amended:** June 15, 2004  
July 18, 2005  
June 19, 2007  
December 18, 2009  
July 1, 2011  
**Adopted:** August 8, 2011  
**Effective:** November 11, 2011

## **DEFERRED RETIREMENT**

A.C.A. § 24-7-707 (as amended by Act 281 of 1995, Act 1053 of 1997, and Act 97 of 2007)

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**Repealed:** July 1, 2011  
**Repeal Adopted:** August 8, 2011  
**Effective:** November 11, 2011

## **EARLY RETIREMENT**

A.C.A. § 24-7-702, amended by Act 282 of 1995, Act 282 of 1995, Acts 992 and 1074 of 1997, Act 1521 of 1999, Acts 461 and 1300 of 2001, Act 385 of 2005

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**Repealed:** July 1, 2011  
**Repeal Adopted:** August 8, 2011  
**Effective:** November 11, 2011

# ANNUITY OPTIONS AND DISPOSITION OF RESIDUE AFTER RETIREMENT

A.C.A. §§ 24-7-701, § 24-7-706, and § 24-7-709

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## DEFINITIONS

1. **Annuity Options** - The member's election at retirement of the annuity that shall be paid throughout the retiree's life in accordance with A.C.A. § 24-7-706.
2. **Option Beneficiary** - A person(s) nominated by the retiree by written designation duly executed and filed with ATRS at the time of retirement who, if eligible, will receive annuity payments under the annuity option chosen by the retiree after the retiree's death.
3. **Marriage Dissolution** - A final decree of divorce, separate maintenance, or annulment duly executed by a court of competent jurisdiction and filed of record in the Office of the Ex Officio Recorder.
4. **Person** – An individual, corporation, partnership, or other legal entity.
5. **Residue** – The member's accumulated contributions, including regular interest standing in the member's credit at the time of his/her retirement.
6. **Residue Beneficiary** – A person(s) nominated by the member/retiree to receive the residue, if any, at the termination of any option annuities payable on account of the retiree's death under A.C.A. § 24-7-709.

## RULES

Before the date the first payment of an annuity becomes due, a member retiring on age and service or disability may elect to receive an annuity payable as provided in one of the following (Disability retirement option rights are modified as set forth in policy 9-4):

1. **Option 1:** A straight life annuity payable monthly for the life of the retiree. Upon the retiree's death, if the retiree has not received payments equal to the residue amount, the residue remaining, if any, shall be paid to the residue beneficiary. If no residue beneficiaries survive the retiree, the residue will be paid to the retiree's estate.

## **2. Effect of Option 1 Retiree's Death within the First Year of Retirement**

If an Option 1 retiree dies within one year of retirement, and his or her spouse qualifies for Option A benefits, the spouse may elect to cancel the Option 1 annuity in effect and elect Option A (100% survivor annuity) at that time.

The election shall become effective the first day of the month following receipt of the election form by ATRS. If the spouse elects Option A, the residue, if any, will not be paid until the Option A beneficiary's death.

## **3. Persons Eligible as Option A or Option B Beneficiaries at the Time of Retirement**

In order to be nominated as an Option A or B beneficiary, the person must be one of the following:

- A. The retiree's spouse (if the retiree has been married to the spouse for at least one (1) year prior to the first annuity payment being paid to the retiree);
- B. A dependent child (regardless of age) who has been ruled physically or mentally incapacitated by a court of competent jurisdiction.

## **4. Eligibility of a Spouse to Become an Option A or Option B Beneficiary after a Member's Retirement.**

If a member was married to his or her spouse for less than one (1) year upon his or her effective retirement date or the member marries after his or her effective retirement date, then the member may elect to cover the spouse after being married for one (1) year. Upon meeting the one (1) year marriage requirement, the member shall have six (6) months to file an election to cover his or her spouse under either Option A or Option B. The written election must be filed on a form approved by ATRS.

## **5. Limited Election Window for a Pre-July 1, 2011, Retiree to Modify His or Her Option Designation when Marrying after Retirement.**

If a retiree married after retirement and designated his or her spouse as an Option B beneficiary, then the retiree may modify that beneficiary election from an Option B beneficiary election to an Option A beneficiary election, if the election is made on an ATRS form and is submitted to ATRS on or before June 30, 2012. If the retiree submits a form to modify the election to an Option A benefit, the election becomes effective on the first day of the month following receipt of the form by ATRS. The Option A benefit shall be calculated as if the retiree made the Option A election on the same date the

Option B election was made; however, the additional reduction in benefits shall only apply after the effective date of the Option A election.

#### **6. Residue Paid Upon Death of Option Annuitant**

If after a retiree dies, an option annuity becomes payable, but the option beneficiary dies prior to the retiree and the option beneficiary receiving annuity payments equal to the residue amount, the residue, if any, shall be paid to member's residue beneficiary. If no residue beneficiary is nominated or survives upon the death of the option beneficiary, the residue remaining, if any, shall be paid to the last surviving option beneficiary's estate.

#### **7. Final Benefit Check**

Benefits are payable through the month in which the last option beneficiary's death occurs. If the option beneficiary dies prior to receiving the last check, ATRS will pay the final check in the normal manner paid prior to death. If payment of the final check in the normal course becomes impossible, the final option beneficiary's annuity check will be returned to the System.

#### **8. Eligible Residue Beneficiaries**

Any "person" as defined in this policy is eligible to be designated by the member to receive the residue, if any, payable upon the member's death including individuals, trusts, estates, corporations, and other legally recognized entities.

**Amended:** June 15, 2004  
February 7, 2006  
April 26, 2007  
July 1, 2011 (Emergency)  
**Adopted:** August 8, 2011  
**Effective:** November 11, 2011

# **ERROR CORRECTIONS AND COLLECTION OF OVERPAYMENTS**

A.C.A. § 24-7-205

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## **RULES**

1. If a change or error in the System's records discovered during the ATRS look back period results in either an overpayment or underpayment to a benefit participant of the System, the Board authorizes the System to correct the error in the records and to adjust the benefit or other amount payable to the corrected amount.
2. If a benefit participant under a qualified domestic relations order pursuant to A.C.A. §§ 9-18-101—103, is paid any benefit or payment by the System to which the benefit participant is not entitled, and it is discovered during the ATRS look back period, then a receivable is created and the Board or its designee(s), may collect the amount due to the System as set forth in A.C.A. § 24-7-205.
3. Before making an adjustment of benefits or pursuing any other collection action under Nos. 1 and 2 above, a notice shall be provided to the person who is the subject of the adjustment. The notice will state the amount determined to be a receivable and the reasons underlying the determination. The notice shall also suggest alternate methods for payment of the receivable.
4. Appeals to dispute collections may be made in writing to the Executive Director if made within 30 days of the date of the original notice to the member, former member, contributor, former contributor, retiree, beneficiary, or alternate payee.

The Executive Director's de novo review may be appealed to the Board of Trustees for a de novo review by the Board. The affected party must send notice in writing to the Executive Director that the Executive Director's decision is being appealed within 30 days of the date of the Executive Director's review. The Board will hear the appeal in a regularly scheduled Board meeting. During the appeal process, retirement benefits will continue to be paid.

5. A determination, review, administrative action, cause of action, request to enforce, change or modify an obligation, duty, benefit calculation, designation, refund, contribution, service credit or other right arising under this section shall not be valid unless commenced within the look-back period unless the

system determines that the justification to commence the process is due to intentional nondisclosure, fraud, misrepresentation, or criminal act.

6. The board or its designee may also make adjustments to the employer, member, and system records beyond the look-back period if the board determines that the time limitation imposed by the look-back period will result in a manifest injustice in a specific case.
7. The Board authorizes the Executive Director to waive interest on required contributions under Nos. 1 and 2 above in an amount not to exceed \$5,000. Any request to excuse an interest amount exceeding \$5,000 shall be submitted to the ATRS Board for review. The Executive Director shall report to the Board any amounts excused under this section.
8. If required, a receivable under this section that is found by the Board or its designee to be uncollectible or for which adjustment or payment has been waived will be submitted to the Chief Fiscal Officer of the state for abatement pursuant to A.C.A. §§ 19-2-301 – 307.

**Adopted:** July 18, 2005  
**Amended:** December 18, 2009  
July 1, 2011 (Emergency)  
**Adopted:** August 8, 2011  
**Effective:** November 11, 2011

## **RESCINDING RETIREMENT**

A.C.A. § 24-7-717 and A.C.A. § 24-7-702, amended by Acts 435 and 478 of 1993, Act 481 of 2001, and Act 97 of 2007

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**Amended:** 2001

June 17, 2003

June 15, 2004

April 26, 2007

**Repealed:** July 1, 2011

**Repeal Adopted:** August 8, 2011

**Effective:** November 11, 2011

# TEACHER DEFERRED RETIREMENT OPTION PLAN (T-DROP)

A.C.A. §§ 24-7-1301 - 1316

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## DEFINITIONS

1. **ATRS** means the Arkansas Teacher Retirement System.
2. **Board** means the Board of Trustees of the Arkansas Teacher Retirement System.
3. **DROP** means a deferred retirement option plan enacted by the General Assembly and administered under ATRS or a reciprocal system.
4. **Participant** means a member who elects to participate in T-DROP under A.C.A. § 24-7-1301 et seq. by authorizing ATRS to make plan deposits, plan interest, or 10-year plus T-DROP interest into a member's T-DROP account.
5. **Plan deposits** means the deposits made to each participant's T-DROP account pursuant to A.C.A. § 24-7-1306.
6. **Plan interest** means the rate per annum, compounded annually on June 30, as the Board shall set and adopt at the end of each fiscal year, credited annually in each T-DROP participant's T-DROP account. The interest rate shall be 2% less than the System's average rate of return with a maximum of 6% and minimum of 2%. The Board will determine the interest rate for the following fiscal year based upon the rate of return for the immediately preceding twelve-month period ending March 31 prior to the start of such fiscal year. The initial calculation of this rate shall begin March 31, 2005, for interest to be credited in the 2005-2006 fiscal year.
7. **T-DROP** means the Teacher Deferred Retirement Option Plan established by ATRS under Act 1096 of 1995.
8. **T-DROP Service Credit** shall be determined using the same rules that apply for service credit for an active member with the exception that "on call" availability shall not be used for T-DROP service credit requirements.
9. **10-year plus T-DROP interest** means the rate per annum, compounded annually, as the Board shall set and adopt at the end of each fiscal year, credited on June 30 into a member's T-DROP account that meets the following criteria:

- A. The member participated in T-DROP for ten (10) years and continued employment with an ATRS covered employer; and
- B. The member has not retired.

### **T-DROP PARTICIPATION and ACCOUNT CREDIT**

Effective July 1, 1995, in lieu of terminating employment and retiring under A.C.A. § 24-7-701, an active member of ATRS may elect to participate in T-DROP and continue to work for a covered employer. By continuing covered employment, the participant defers receipt of retirement benefits until a later date.

During participation in T-DROP, ATRS shall credit each participant's T-DROP account with plan deposits and plan interest.

The plan interest rate determined by majority vote of the Board is final and binding upon ATRS and shall not be adjusted based on any revised rate of return reported after that date.

The 10-year plus T-DROP interest rate shall be set by the Board at same meeting that the plan interest rate is set. The 10-year plus T-DROP interest rate is limited to a maximum of six percent (6%) and a minimum of four percent (4%). The 10-year plus T-DROP interest rate will be credited to the participant's T-DROP account on June 30<sup>th</sup> of each year.

The initial 10-year plus T-DROP interest rate for 2010 is set at four percent (4%) and will be credited to the participant's T-DROP account on June 30, 2010. The 10-year plus T-DROP interest rate shall be set prospectively by the Board prior to the beginning of each fiscal year and that interest rate shall be credited to the participant's T-DROP account June 30<sup>th</sup> of the following year.

The 10-year plus T-DROP interest rate for each year determined by majority vote of the Board is final and binding upon the ATRS and shall not be adjusted based on any revised rate of return reported after that date.

### **RULES**

1. To participate in the T-DROP, the member shall have twenty-eight (28) or more years of ATRS service credit. For reciprocal service, refer to the section in this rule titled "**DROP PARTICIPATION UNDER RECIPROCAL SYSTEMS**".

2. To participate in the T-DROP, the member shall make the election on an application form approved by ATRS.
3. Upon review of the member's application, ATRS shall determine if the member meets the eligibility requirements specified in A.C.A. § 24-7-1302, and approve or disapprove the application.
4. If the member meets the eligibility requirements, the member's T-DROP participation will begin the July 1 after the application is approved.
5. The participant's T-DROP benefit will be the monthly straight life annuity benefit to which the member would have been entitled had the member retired under A.C.A. § 24-7-701. The participant's T-Drop benefit may be reduced under the conditions of No. 7 below. The T-DROP deposit shall not include the benefits provided in A.C.A. § 24-7-713(b) (stipend).
6. Plan deposits shall be a percentage of the T-DROP benefit, as follows:
  - A. One hundred percent (100%) reduced by the product of one percent (1.0%) multiplied by the number of years of contributory service credit and fractions thereof, plus,
  - B. One hundred percent (100%) reduced by the product of six-tenths percent (0.6%) multiplied by the number of years of noncontributory service credit and fractions thereof.
  - C.
    - i. In the event a participant whose effective date in the T-DROP is before September 1, 2003, has more than thirty (30) years of service, the years of service above thirty (30) years shall be reduced by one-half of one percent (0.5%) for contributory years and three-tenths of one percent (0.3%) for noncontributory years.
    - ii. Beginning July 1, 2001, when a participant whose effective date in the T-Drop is before September 1, 2003, reaches normal retirement age, the plan deposits shall be 100% with no reduction.
    - iii. For a participant whose effective date in the T-Drop is September 1, 2003, or after, and who has more than thirty (30) years of service, the plan deposits for the years of service above thirty (30) years shall be reduced under Nos. 6A and 6B.
    - iv. For a participant whose effective date in the T-Drop is September 1, 2003, or after, the plan deposits for a participant who reaches normal retirement age shall continue as reduced under Nos. 6A and 6B.

7. A participant's plan deposit will incur an additional reduction of 0.5% for each month the member lacks having thirty (30) years of credited service.
8. A participant may elect an annuity option provided in A.C.A. § 24-7-706. The election shall be made at the time the participant separates from service and is granted a monthly retirement benefit or files for retirement upon reaching normal retirement age.
9. A member's participation in T-DROP shall not exceed ten (10) consecutive calendar years for accruing plan deposits.

If a participant continues covered employment after completing ten (10) years in T-DROP, the T-DROP account will be credited with 10-year plus T-DROP interest as set by the Board. Benefits payable at retirement will be based on the account balance the month before the participant begins drawing retirement benefits.

10. The annuity upon which plan deposits are calculated shall receive the cost-of-living increase provided for in A.C.A. § 24-7-713(a) or § 24-7-727. The annuity plus the cost-of-living increase is reduced or adjusted under the procedure described in No. 6 above.
11. If a T-DROP participant elects to retire and ATRS distributes the T-DROP account to the participant, the participant shall not be allowed to reenroll in T-DROP.
12. As soon as possible after the end of each fiscal year, ATRS shall furnish the participant an annual statement of the participant's T-DROP account. The statement of T-DROP deposits and interest will not be final until the annual accounting has been reconciled for part-time T-DROP participants.
13. Service Credit of 160 days or greater within a fiscal year while in T-DROP participation without termination, retirement, or death will allow crediting of twelve (12) monthly T-DROP deposits per fiscal year.
14. Part time employment while participating in the T-DROP plan:
  - a. In the first or fourth quarter of the fiscal year, five (5) or more days of service credit shall be required to credit the T-DROP participant's account with three (3) monthly deposits for that particular quarter. If a T-DROP participant receives less than five (5) days of service credit in either the first or fourth quarter of the fiscal year, then no T-DROP deposits shall be made in the three months for that particular quarter.

- b. In the second or third quarters of the fiscal year, fifteen (15) or more days of service credit shall be required to credit the T-DROP participant's account with three (3) monthly deposits for that particular quarter. If a T-DROP participant receives less than fifteen (15) days of service credit in either the second or third quarter of the fiscal year, then no T-DROP deposits shall be made in the three months for that particular quarter.

## **CEASING T-DROP AND DISTRIBUTION OPTIONS**

### **1. Participation in T-DROP ceases when:**

- a. The participant separates from service and is granted a monthly retirement benefit from ATRS or a reciprocal plan; or
- b. The participant reaches normal retirement age and retires without separation from service, or
- c. The participant separates from covered employment but does not apply for monthly retirement benefits; or
- d. The participant dies.

- 2. Any lump-sum distribution of a participant's T-DROP account balance is eligible to be rolled over into a qualifying retirement plan. The ATRS shall only roll over the T-DROP lump sum balance into one qualifying plan.
- 3. The T-DROP is intended to operate in accordance with Section 415 and other applicable sections of the IRS Code. Any provision of the T-DROP that conflicts with an applicable provision of the IRS Code is invalid.
- 4. If a participant separates from covered employment but does not apply for monthly retirement benefits, the T-DROP monthly deposit shall cease the month of separation from service. No deposits will be credited to the participant's account for the duration of the separation. Upon returning to covered employment, the monthly deposits will resume. Upon application for retirement, benefits will be paid according to the account balance at the time of separation from service or the month prior to the effective date of benefits after reaching normal retirement age.
- 5. If a T-DROP participant leaves ATRS-covered employment to serve, on a voluntary or involuntary basis, in the uniformed services of the United States and returns to ATRS-covered employment, the member shall be treated as not having incurred a break in service with the employer. The employer shall certify to the ATRS that reemployment was in accordance with the

requirements set forth in Section 4312 of P.L.103-353, the Uniformed Services Employment and Reemployment Act (USERA) of 1994.

Under this subsection, uniformed services of the United States are limited to the armed forces, the Army, and the Air National Guard when engaged in active duty for training, inactive duty training, full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or emergency.

#### **DEATH OF A T-DROP PARTICIPANT PRIOR TO RETIREMENT**

1. In the event a T-DROP participant dies, the benefits payable from the T-DROP account shall be determined according to A.C.A. § 24-7-710.
2. A T-DROP participant's surviving spouse may choose to receive the T-DROP benefit in a lump sum. If the spouse elects a lump-sum payment of the T-DROP balance, the survivor annuities payable under A.C.A. § 24-7-710 shall be calculated on the service credit and salary earned by the member prior to participating in T-DROP.
3. For the purposes of A.C.A. § 24-7-709 related to disposition of residue, any amount received from the T-DROP account, either in the form of a lump sum or annuity payments, shall be considered to be annuity payments received by the member or his or her designated beneficiary and shall act to reduce or eliminate the disposition of residue payable under A.C.A. § 24-7-1310(c).

#### **DROP PARTICIPATION UNDER RECIPROCAL SYSTEMS**

1. If a reciprocal system offers a DROP for its members, service credit in ATRS, a reciprocal system, or the combination of service credit in the systems may be counted to meet the minimum service credit requirements for participation under each system's DROP.
2. The benefit payable by the reciprocal system shall be based on the DROP provisions of each system. The final average salary used to determine plan deposits shall be that of the reciprocal system which furnishes the highest final average salary at the time of retirement. Each reciprocal system shall use the method of computing final average salary stipulated by its law. Salaries earned in the Arkansas Judicial Retirement System and alternate retirement plans shall not be used in computing final average salary.
3. Plan deposits and plan interest credited to the DROP account will be paid under the deferred retirement option program in effect for that reciprocal system.

4. ATRS shall promulgate rules and regulations to coordinate its benefits with any reciprocal system providing a DROP.

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June 17, 2003  
February 15, 2005  
July 18, 2005  
April 26, 2007  
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July 1, 2011 (Emergency)  
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## **SURVIVOR BENEFITS**

A.C.A. §§ 24-7-710, 713

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### **RULES AND REGULATIONS (as amended by Act 1324 of 2009)**

If an active member with five (5) or more years of actual and reciprocal service, including credited service for the year immediately preceding his or her death, dies while in active service before retirement, survivor benefits as provided in A.C.A. § 24-7-710, plus the monthly stipend under A.C.A. § 24-7-713, shall be paid to the following qualifying dependents.

A member shall also be considered active for the purpose of survivor benefits if:

- (1) The member has at least ten (10) days of service credit in each prior quarter of the fiscal year from the time the fiscal year began or the member was employed by an ATRS employer, whichever occurs last, provided however, the member must have at least one quarter with ten (10) days of service; and,
- (2) The member has at least ten (10) days of service in the quarter of the member's death, or, ten (10) working days have not elapsed in the quarter of the member's death.

#### **1. SPOUSE**

- A. The member's surviving spouse, who was married to the member for at least two (2) years immediately prior to the member's death, shall receive a surviving spouse benefit.
- B. If at the member's death there are no dependent children eligible to receive a dependent child annuity, a surviving spouse who qualifies to receive a surviving spouse annuity may file with the System a waiver of any rights to the spouse annuity.

If the surviving spouse files a waiver of the spouse annuity, the deceased member's residue beneficiary(ies) will receive a single distribution of the member's residue amount, if any.

- C. The spouse annuity shall begin under the following schedule:
  - i. If the member was not eligible for early, regular, or deferred retirement at the time of his/her death, the spouse annuity will begin the date the member would have been eligible to receive retirement benefits and is payable for the spouse's lifetime, regardless of remarriage.

- ii. However, if the member had either satisfied the age and service requirements provided in A.C.A. §§ 24-7-701 or 702 or attained age sixty (60) and was eligible for deferred retirement under A.C.A. § 24-7-707, then the spouse annuity commences the month following the member's death and is payable for the spouse's lifetime, regardless of remarriage.
- iii. If the surviving spouse is eligible to receive the survivor annuity upon the member's death but would receive a reduction due to the member being less than 60 years of age, the spouse may defer receipt of the annuity until the member would have been entitled to an unreduced benefit at age 60 under A.C.A. § 24-7-707.

## **2. DEPENDENT CHILDREN**

- A. Effective July 1, 2011, upon the death of an active member, the dependent children shall each receive a surviving child annuity upon the member's death. The surviving child annuity shall be equal to 20% of the member's highest salary year in covered employment. If the member's highest salary year occurs in the year the member died, the System shall calculate the dependent child annuity(ies) on the basis of the full year of salary. Each child's annuity shall begin the month following the member's death and be payable until the annuity terminates.

Surviving children will receive a COLA the July 1 following the annuity commencement date if he/she has received at least 12 monthly benefit payments prior to the COLA implementation date. The cost of living adjustment shall be simple unless the Board elects to compound the COLA for that period.

- B. However, if a member has more than three (3) dependent children eligible under this section, then the aggregate annuity payable shall not exceed 60% of the member's highest salary year and shall be divided equally among the surviving dependent children.
- C. A member's "child" eligible to receive a child annuity is a "child" under any of the following:
  - i. A natural child of the member;
  - ii. A child that has been made a child of the member by adoption or other court action prior to the member's death; or
  - iii. A child under the permanent care of the member at the time of the death of the member, which permanent care status shall be determined under Rule 2D of this policy.

- D. To be a "dependent child" under these rules, the child must:
- i. Meet requirements and qualify for survivor benefits under Social Security;
  - ii. Have been claimed as a dependent by the deceased member on his or her federal income tax for the immediately preceding calendar year; and
  - iii. Have lived in the same household for at least two (2) years immediately preceding death of the member, unless the child is under two years of age.
- E. A child identified as a dependent will remain eligible to receive a survivor annuity until he/she is no longer a dependent. A child is no longer dependent if he/she reaches the age of 18.
- F. A child will continue to be eligible for a child survivor annuity after reaching age 18 if the child continues consecutively, without interruption as a full-time student at an accredited secondary school, postsecondary school such as a vocational technical school, college, or university. In any event, a dependent child annuity will terminate when the child reaches age 23.
- i. A full-time student is defined as one carrying 12 semester hours or 8 trimester hours in college, four (4) hours per day in a secondary or postsecondary school, or other verifiable indices from an accredited institution that the dependent child is engaged in full time curriculum or field of study.
  - ii. If a child who is receiving a dependent child annuity is age 18 or older but becomes temporarily physically or mentally incapacitated, the Board may continue paying benefits upon receipt of a doctor's certification that the child is temporarily physically or mentally incapacitated, and is unable to attend school for the period of one semester or term. At the beginning of the next semester or term, if the child does not reenter school full-time, the dependent child annuity will terminate.
  - iii. Certification of attendance in an accredited school may be reported by the dependent child in the absence of a parent or legal guardian after the dependent child reaches age 18.
- G. A deceased member's dependent child who is dependent due to having been adjudged physically or mentally incapacitated by a court or legal tribunal continues to be eligible to receive a dependent child annuity as long as the incapacity exists, regardless of age.

- H. A child annuity shall not be adjusted from its initial monthly amount when other dependent annuities terminate except for COLAs.
- I. A dependent child annuity will be paid as separate payments to each child monthly, rather than one lump-sum check payable to the spouse or custodian. Deposit accounts designated to receive survivor annuity payments to a child under age 18 must qualify as custodial accounts in accordance with the Uniform Transfers to Minors Act.

### **3. GENERAL RULES REGARDING SURVIVOR ANNUITIES**

- A. Survivors are required to produce sufficient proof of eligibility under these provisions prior to receiving benefit payments.
- B. If at the time of an active member's death, a surviving spouse is listed on the death certificate, the System will search for the surviving spouse for up to one year. If after one year, ATRS has not located or been contacted by the surviving spouse, ATRS will refund the member's residue amount, if any, to the member's remaining residue beneficiaries surviving the member.
- C. If the member dies before receipt of the first disability retirement check but after receiving final approval for disability retirement, the benefits will be paid under the disability retirement option selected by the member.
- D. If the member dies after the disability application is received by the System but before disability retirement is approved, then the System shall consider the member to have died in "active" service and survivor benefits under A.C.A. § 24-7-710 shall be paid.
- E. For the purposes of determining survivor benefits, the member's salary shall be the salary that the member would have received in the fiscal year in which he/she died had the member lived through the end of the fiscal year.
- F. Salary payments made after the death of a member that were earned prior to death are subject to System deductions and shall be reported in total salary and days of service in the employer's quarterly report. Payments made by an employer after the death of an active member that are made as a mere gratuity and were not earned by the member shall not be included in the member's salary reported to the System and are not subject to contributions.

For purposes of survivor benefits, a member will be considered active for an additional fiscal year following the last fiscal year that actual service was rendered to a covered employer.

- G. If survivor benefits are payable by more than one reciprocal system to eligible survivors of a deceased member, the survivors shall not receive more as a percentage of the deceased member's final pay or as a minimum dollar amount than the largest amount payable by a single, reciprocal system. The System will prorate minimum benefits payable with any other reciprocal systems that have a minimum benefit provision in its plan. Each reciprocal system shall pay only its proportionate share of the minimum amount based on the ratio of service in its system to the total service in all reciprocal systems.
- H. When the member elects to transfer from ATRS to APERS under the provisions of Act 793 of 1977, APERS' law governs the survivors' eligibility for a payment of residue or survivor benefits upon the member's death

**Amended:** June 15, 2004  
February 7, 2006  
April 26, 2007  
December 18, 2009  
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# **LUMP-SUM DEATH BENEFIT**

A.C.A. § 24-7-720

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## **DEFINITIONS**

1. **Lump-sum beneficiary** means the person(s) or entity(s) designated in writing by the member to receive payment of the lump-sum death benefit under A.C.A. § 24-7-720.

## **REGULATIONS**

1. **Lump-sum Death Benefit Paid on or before July 1, 2007 (Act 296 of 2007)**

Before July 1, 2007, upon the death of an active or retired member with five (5) or more years of actual service, the System shall pay a benefit in the amount of \$10,000 for contributory members, \$6,667 for noncontributory members, or a prorated amount at a ratio of 3:2 based upon the member's contributory and noncontributory service credit. The payment will be paid as a lump sum to the beneficiary designated by the member. If the member failed to designate a beneficiary or a designated beneficiary did not survive, the lump-sum benefit will be paid to the following persons in statutory succession: spouse, then children, then parents, then the member's estate.

2. **Lump-sum Death Benefit Paid after July 1, 2007 (Acts 1022 and 296 of 2007)**

On or after July 1, 2007, upon the death of an active or retired member with ten (10) or more years of actual service, the System shall pay a benefit in the amount of \$10,000 for contributory members, \$6,667 for noncontributory members or a prorated amount at a ratio of 3:2 based upon the member's contributory and noncontributory service credit. The benefit will be paid as a lump sum to the beneficiary designated by the member. If the member failed to designate a beneficiary or a designated beneficiary did not survive, the lump-sum benefit will be paid the member's estate.

3. **Lump-sum Death Benefit Paid on or after July 1, 2009 (Act 1323 of 2009)**

On or after July 1, 2009, upon the death of an active or retired member with 10 or more years of actual service, the System shall pay a benefit in the amount of \$10,000 for contributory members, \$6,667 for noncontributory members, or a prorated amount at a ratio of 3:2 based upon the member's contributory and noncontributory service credit. The benefit will be paid as a lump sum to the beneficiary designated by the member. If the member failed

to designate a beneficiary or a beneficiary did not survive, then the benefit will be paid to the member's estate. However, on or after July 1, 2011, if a member has accrued a minimum of fifteen (15) years of actual, contributory service, but has also accrued noncontributory service, the member is eligible for his or her survivors to receive the maximum lump sum death benefit as determined by the board.

To effectuate the legislative intent of Act 1323 of 2009, all lump-sum death benefit distributions made after June 30, 2009, shall be tax exempt, and no federal or state income tax shall be withheld the System. After June 30, 2009, the lump-sum death benefit will not be eligible for a direct rollover.

**4. Lump-sum Death Benefit Payable on or after July 1, 2009, for Retired Members (Act 1323 of 2009)**

On or after July 1, 2009, upon the death of a retired member with five (5) or more years of actual service, the System shall pay a benefit in the amount of \$10,000 for contributory members, \$6,667 for noncontributory members, or a prorated amount at a ratio of 3:2 based upon the member's contributory and noncontributory service *if the member retired on or before July 1, 2007*. The benefit will be paid as a lump sum to the beneficiary designated by the member. If the member failed to designate a beneficiary or no designated beneficiary survives, then the benefit will be paid to the member's estate.

If a retired member died between July 1, 2007, and July 1, 2009, and was eligible for the lump-sum benefit under Section 4, with more than five (5) but less than ten (10) years of actual service at his or her death, the System will notify the beneficiary(s) of eligibility at the last known address. If the beneficiary(s) fails to make application for the lump-sum benefit after written notice is provided, ATRS is not obligated to search for the beneficiary(s). ATRS will distribute the lump sum upon receipt of a valid claim by the beneficiary under A.C.A. § 24-7-734.

**RULES**

1. The amount of the lump-sum death benefit may be set pursuant to the rules and regulations adopted by the Board of Trustees in an amount *up to* \$10,000 per member. The Board of Trustees may adjust the amount of the lump-sum benefit each year.
2. The Board of Trustees may, as actuarially appropriate, prorate the amount of the lump-sum benefit based on the ratio of the member's contributory and noncontributory service credit.
3. A member must be classified as either *active* or *retired* at the time of his or her death to qualify for the lump-sum death benefit. Inactive members shall

not be entitled to a lump-sum death benefit. A member is considered active for an additional fiscal year following the last fiscal year that the member renders at least one-fourth (1/4) year of actual service to a covered employer, credited as the total days of service.

4. A member must have accrued the required amount of actual service at the time of his or her death to qualify for the lump-sum death benefit.
5. A member may nominate any natural person(s) or duly formed legal entity as his or her lump-sum beneficiary including a corporation, trust, partnership, or other recognized legal entity.
6. To nominate a lump-sum death beneficiary, a member must designate an eligible beneficiary on an ATRS approved form and sign the form.
7. To be effective, the completed lump-sum beneficiary form must be received by ATRS prior to the member's death.
8. A lump-sum beneficiary form, which is properly executed and filed with ATRS, supercedes all prior designations filed by the member for the lump-sum benefit.
9. If the member is eligible for the lump-sum death benefit at his or her death, the lump-sum benefit payment shall be made within a reasonable amount of time to the member's proper beneficiary upon receipt of a written application, acceptable proof of the beneficiary's identification, and proof of the member's death.
10. Lump-sum beneficiary forms signed by a member's agent (such as an attorney-in-fact under a power of attorney) will not be processed until the document appointing the agent is filed with and accepted by the System. The authorizing document must contain authorization for the agent related to retirement plan transactions or the change of beneficiaries in order to authorize the agent to change the member's lump-sum beneficiary(s).
11. ATRS will not accept a beneficiary form signed by a guardian of the member's estate or other court-appointed conservator without an accompanying court order authorizing the guardian's designation of beneficiary(s).
12. A lump-sum beneficiary may waive his or her rights to payment of the lump-sum benefit by submitting a waiver and relinquishment form acceptable to ATRS. Upon receipt of a valid waiver, ATRS will pay the remaining eligible beneficiary(s).
13. A lump-sum beneficiary may not assign payment of a lump-sum death benefit to another person or entity.

14. ATRS reserves the right to deduct from the lump-sum benefit any amounts owed to ATRS by the member under A.C.A. § 24-7-205.
15. ATRS reserves the right to collect any overpayments or other amounts owed to ATRS by the lump-sum beneficiary(s).
16. ATRS shall comply with all applicable laws relating to the distribution of the lump-sum benefit including federal and state tax laws and the Uniform Transfer to Minors Act.

**Amended:** June 15, 2004  
February 7, 2006  
April 26, 2007  
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July 1, 2011 (Emergency)

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## Retirement Fund Asset Accounts

A.C.A. § 24-7-405

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1. The Board of Trustees of the Arkansas Teacher Retirement System in accordance with A.C.A. § 24-7-405 establishes the following accounts to manage the system's fund assets and liabilities.
  - A. The Members' Deposit Account is the account in which members' contributions, interest, purchases of service, refunds, transfers and other related activity are reported in accordance with current accounting processes and procedures used by the Arkansas Teacher Retirement System's fiscal department;
  - B. The Employer Accumulation Account is the account in which employers' contributions and transfers are reported in accordance with current accounting processes and procedures used by the Arkansas Teacher Retirement System's fiscal department;
  - C. The Retirement Reserve Account is the account into which transfers for the payment of benefits to retirants and beneficiaries are reported in accordance with current accounting processes and procedures used by the Arkansas Teacher Retirement System's fiscal department;
  - D. The Income-Expense Account is the account in which all investment income is reported and from which interest credits and other expenses of the Board of Trustees are reported for the administration and operation of the system in accordance with current accounting processes and procedures used by the Arkansas Teacher Retirement System's fiscal department; and
  - E. The Teacher Deferred Retirement Option Plan Account is the account in which T-DROP participants' T-DROP account activity is reported in accordance with current accounting processes and procedures used by the Arkansas Teacher Retirement System's fiscal department.
2. The accounts established by the Board of Trustees may have subaccounts as deemed necessary by staff to further classify and manage the assets of the system.

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