

1 State of Arkansas As Engrossed: H2/24/25 S3/12/25

2 95th General Assembly

A Bill

3 Regular Session, 2025

HOUSE BILL 1347

4

5 By: Representative Warren

6 By: Senator K. Hammer

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For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING ANNUITIES AND
10 BENEFITS UNDER THE ARKANSAS TEACHER RETIREMENT
11 SYSTEM; TO ALLOW THE ARKANSAS TEACHER RETIREMENT
12 SYSTEM TO PAY AN ANNUITY OR BENEFIT OWED TO A PERSON
13 TO A SPECIAL NEEDS TRUST ESTABLISHED FOR THE BENEFIT
14 OF THE PERSON; AND FOR OTHER PURPOSES.

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Subtitle

18 TO ALLOW THE ARKANSAS TEACHER RETIREMENT
19 SYSTEM TO PAY AN ANNUITY OR BENEFIT OWED
20 TO A PERSON TO A SPECIAL NEEDS TRUST
21 ESTABLISHED FOR THE BENEFIT OF THE
22 PERSON.

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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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26 SECTION 1. Arkansas Code Title 24, Chapter 7, Subchapter 7, is amended
27 to add an additional section to read as follows:

28 24-7-739. Annuity payments owed to beneficiary of a special needs
29 trust.

30 (a) A member who designates a person or the parent or legal guardian
31 of a person who is designated as a beneficiary of an annuity or benefit under
32 § 24-7-706, § 24-7-709, § 24-7-711, or § 24-7-720 may elect to have the
33 annuity or benefit paid to a special needs trust that is established for the
34 benefit of the person under 42 U.S.C. § 1396p(d)(4)(A), as it existed on
35 January 1, 2025, or 42 U.S.C. § 1396p(d)(4)(C), as it existed on January 1,
36 2025.



1 (b) The parent or legal guardian of a person who is eligible to
2 receive an annuity under § 24-7-710 may elect to have the annuity paid to a
3 special needs trust that is established for the benefit of the person under
4 42 U.S.C. § 1396p(d)(4)(A), as it existed on January 1, 2025, or 42 U.S.C. §
5 1396p(d)(4)(C), as it existed on January 1, 2025.

6 (c)(1) The Arkansas Teacher Retirement System shall pay an annuity or
7 benefit directly to a person if at the time that the person is entitled to
8 receive an annuity or a benefit payment under § 24-7-706, § 24-7-709, § 24-7-
9 710, § 24-7-711, or § 24-7-720:

10 (A) A special needs trust has not been established for the
11 benefit of the person under 42 U.S.C. § 1396p(d)(4)(A), as it existed on
12 January 1, 2025, or 42 U.S.C. § 1396p(d)(4)(C), as it existed on January 1,
13 2025; or

14 (B) A special needs trust established for the person under
15 42 U.S.C. § 1396p(d)(4)(A), as it existed on January 1, 2025, or 42 U.S.C. §
16 1396p(d)(4)(C), as it existed on January 1, 2025, cannot be identified by the
17 system or ceases to exist.

18 (2) Subdivision (c)(1) of this section shall not prohibit the
19 system from paying an annuity or benefit to a special needs trust that is
20 later established for the person under 42 U.S.C. § 1396p(d)(4)(A), as it
21 existed on January 1, 2025, or 42 U.S.C. § 1396p(d)(4)(C), as it existed on
22 January 1, 2025, if the special needs trust can be identified by the system
23 and an election is made under subsection (a) or subsection (b) of this
24 section.

25 (d) Nothing in this section shall be construed to require the system
26 to:

27 (1) Establish a trust;

28 (2) Act as trustee; or

29 (3) Verify the compliance of a trust with Arkansas law or
30 federal law.

31 (e) The Board of Trustees of the Arkansas Teacher Retirement System
32 may promulgate rules to administer this section.

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34 SECTION 2. EFFECTIVE DATE. This act is effective on and after July 1,
35 2026.

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/s/Warren