

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: S1/31/01 S2/7/01

A Bill

Act 359 of 2001
SENATE BILL 167

5 By: Senators Faris, *Fitch*
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE 24-7-720 TO INCREASE THE
10 LUMP-SUM DEATH BENEFITS FOR ACTIVE AND RETIRED MEMBERS
11 OF THE ARKANSAS TEACHER RETIREMENT SYSTEM; TO DECLARE
12 AN EMERGENCY; AND FOR OTHER PURPOSES.
13

Subtitle

14 TO INCREASE THE LUMP-SUM DEATH BENEFITS
15 FOR ACTIVE AND RETIRED MEMBERS OF THE
16 ARKANSAS TEACHER RETIREMENT SYSTEM.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code 24-7-720(a), concerning the lump-sum death
23 benefit for members of the Teacher Retirement System, is amended to read as
24 follows:

25 (a)(1)(A) If an active member of the Arkansas Teacher Retirement System
26 with five (5) or more years of credited service, including credited service
27 for the year immediately preceding his death, dies in employer service before
28 retirement, then a lump sum of up to ~~ten thousand dollars (\$10,000)~~ fifteen
29 thousand dollars (\$15,000) shall be paid to such persons as he or she shall
30 have nominated by written designation duly executed and filed with the Board
31 of Trustees of the Arkansas Teacher Retirement System.

32 (B) If there are no designated persons surviving the
33 member, the lump sum shall be paid in the following statutory succession:

- 34 (i) Spouse;
35 (ii) Children;
36 (iii) Parents; and

1 (iv) Estate.

2 (2) If the member had only noncontributory credited service, then
3 the lump sum shall be up to ~~six thousand six hundred and sixty seven dollars~~
4 ~~(\$6,667)~~ ten thousand dollars (\$10,000).

5 (3) If upon his death, the member had a combination of credited
6 service of both contributory and noncontributory, the lump sum will be
7 prorated according to the relationship between his noncontributory credited
8 service and his total credited service.

9

10 SECTION 2. Arkansas Code 24-7-720(b), concerning the lump-sum death
11 benefit for members of the Teacher Retirement System, is amended to read as
12 follows:

13 (b)(1)(A) Upon the death of a retirant whose annuity is paid by the
14 system, a lump sum of up to ~~ten thousand dollars (\$10,000)~~ fifteen thousand
15 dollars (\$15,000) shall be paid to such persons as he or she shall have
16 nominated by written designation duly executed and filed with the board.

17 (B) If there are no designated persons surviving the
18 retirant, the lump sum shall be paid in the following statutory succession:

- 19 (i) Spouse;
- 20 (ii) Children;
- 21 (iii) Parents; and
- 22 (iv) Estate.

23 (2) If the retirant had only noncontributory credited service,
24 then the lump sum shall be up to ~~six thousand six hundred and sixty seven~~
25 ~~dollars (\$6,667)~~ ten thousand dollars (\$10,000).

26 (3) If upon his death, the retirant had a combination of credited
27 service of both contributory and noncontributory, the lump sum will be
28 prorated according to the relationship between his noncontributory credited
29 service and his total credited service.

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31 SECTION 3. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO
32 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall
33 be implemented if it would cause the publicly supported retirement system's
34 unfunded actuarial accrued liabilities to exceed a thirty (30) year
35 amortization. No benefit enhancement provided for by this act shall be
36 implemented by any publicly supported system which has unfunded actuarial

1 accrued liabilities being amortized over a period exceeding thirty (30) years
2 until the unfunded actuarial accrued liability is reduced to a level less than
3 the standards prescribed by Arkansas Code, Title 24.

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5 SECTION 4. Emergency Clause. It is found and determined by the Eighty-
6 third General Assembly of the State of Arkansas that deceased members of the
7 Teacher Retirement System leave families in need of financial support, that
8 there is a necessity of financial stability for families during this time of
9 crisis, that the death benefit provisions of the retirement system can most
10 effectively be managed at the beginning of the state's fiscal year, and
11 therefore this act should take effect with the beginning of the state's fiscal
12 year. Therefore an emergency is declared to exist and this act being
13 immediately necessary for the preservation of the public peace, health and
14 safety shall become effective on July 1, 2001.

15 */s/ Fari s*

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18 APPROVED: 2/22/2001
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