

1 State of Arkansas

A Bill

2

3 Regular Session, 2025

HOUSE BILL 1154

4

5 By: Representative Warren

6 By: Senator K. Hammer

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8

For An Act To Be Entitled

9 AN ACT TO ENACT THE ARKANSAS TEACHER RETIREMENT
 10 SYSTEM'S GENERAL OMNIBUS; TO AMEND THE LAW CONCERNING
 11 RECOGNITION OF FEDERAL RETIREMENT PROGRAMS,
 12 CONTRIBUTORY AND NONCONTRIBUTORY MEMBERSHIP STATUS,
 13 TEMPORARY WAIVERS FOR ELECTRONICALLY REPORTING AND
 14 PAYING CONTRIBUTIONS TO THE ARKANSAS TEACHER
 15 RETIREMENT SYSTEM, OPTION A AND OPTION B ANNUITY
 16 ELECTIONS AND DISTRIBUTIONS UNDER THE ARKANSAS
 17 TEACHER RETIREMENT SYSTEM, THE EFFECTIVE DATE OF
 18 SURVIVOR BENEFITS UNDER THE ARKANSAS TEACHER
 19 RETIREMENT SYSTEM, RESIDUE DISPOSITIONS UNDER THE
 20 ARKANSAS TEACHER RETIREMENT SYSTEM, ELIGIBILITY TO
 21 PARTICIPATE IN A PSHE PLAN, AND OTHER VARIOUS
 22 PROVISIONS APPLICABLE TO THE ARKANSAS TEACHER
 23 RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR
 24 OTHER PURPOSES.

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Subtitle

28 TO ENACT THE ARKANSAS TEACHER RETIREMENT
 29 SYSTEM'S GENERAL OMNIBUS; AND TO DECLARE
 30 AN EMERGENCY.

31

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

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34 SECTION 1. Arkansas Code § 24-1-107(b)(1)(B)(i), concerning the
 35 recognition of federal retirement programs, is amended to read as follows:

36 (B)(i) A member of the Arkansas Teacher Retirement System



1 shall receive credit for the member's federal service upon the payment of the
 2 ~~cost of service under § 24-7-502(b) and as actuarial equivalent of the~~
 3 ~~member's benefits to the Arkansas Teacher Retirement System and the~~
 4 ~~fulfillment of all other requirements as may be~~ prescribed by the Board of
 5 Trustees of the Arkansas Teacher Retirement System.

6
 7 SECTION 2. Arkansas Code § 24-7-406(e)(1)(C)(iii), concerning
 8 contributory and noncontributory status under the Arkansas Teacher Retirement
 9 System, is amended to read as follows:

10 (iii) ~~Effective July 1, 2021, From July 1, 2021, to~~
 11 ~~June 30, 2025,~~ regardless of an earlier election to be a noncontributory
 12 member of the system, an active member whose status later changes from
 13 nonteacher status to administrator or teacher status under a contract for one
 14 hundredeighty-five (185) days or more shall become a contributory member of
 15 the system otherwise provided for in this section.

16
 17 SECTION 3. Arkansas Code § 24-7-411(f), concerning temporary waivers
 18 for electronically reporting and paying contributions to the Arkansas Teacher
 19 Retirement System, is repealed.

20 ~~(f)(1) An employer shall submit a written request for a temporary~~
 21 ~~waiver to the board by July 1, 2022, when the employer is unable to:~~

22 ~~(A) Report contributions electronically through the~~
 23 ~~system; or~~

24 ~~(B) Pay contributions to the system by electronic~~
 25 ~~transfer.~~

26 ~~(2) A request for a temporary waiver submitted under subdivision~~
 27 ~~(f)(1) of this section shall include a timeline for when the employer will be~~
 28 ~~able to comply with the payment and reporting requirements under this~~
 29 ~~section.~~

30
 31 SECTION 4. Arkansas Code § 24-7-706(a)(4)(B)(iii), concerning the
 32 distribution of an Option B annuity under the Arkansas Teacher Retirement
 33 System, is amended to read as follows:

34 (iii) Upon the death of a retiree, if more than one
 35 (1) dependent child is designated as the retiree's Option B beneficiary and a
 36 spouse is not designated as the retiree's Option B beneficiary, ~~the retiree's~~

1 ~~reduced annuity~~ one-half (1/2) of the retiree's reduced annuity shall be paid
2 in equal shares to each dependent child designated as the retiree's Option B
3 beneficiary.

4
5 SECTION 5. Arkansas Code § 24-7-706(d)(3), concerning a residue
6 beneficiary's eligibility to elect an Option A annuity under the Arkansas
7 Teacher Retirement System, is amended to read as follows:

8 (3) The election form must be received by the system ~~within one~~
9 ~~hundred twenty (120) days of the death of the retiree~~ by the end of the
10 fourth full calendar month following the retiree's death.

11
12 SECTION 6. Arkansas Code § 24-7-706(g), concerning the effective date
13 of survivor benefits under the Arkansas Teacher Retirement System, is
14 repealed.

15 ~~(g) A retiree's effective retirement date and the date when survivor~~
16 ~~benefits under this section are payable shall be determined by the law in~~
17 ~~effect at the time of the retiree's death.~~

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19 SECTION 7. Arkansas Code § 24-7-709(a)(4), concerning the disposition
20 of retiree residue under the Arkansas Teacher Retirement System, is repealed.

21 ~~(4) If all designated beneficiaries predecease the retiree, the~~
22 ~~residue shall be paid to the estate of the most recently deceased designated~~
23 ~~beneficiary.~~

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25 SECTION 8. Arkansas Code § 24-7-710(b)(1)(B)(i)(a), concerning the
26 effective benefit date of a surviving spouse annuity under the Arkansas
27 Teacher Retirement System, is amended to read as follows:

28 (a) Accumulated twenty-five (25) years or more
29 of credited service and qualified as eligible to receive a retirement annuity
30 under ~~§§ 24-7-701 and 24-7-702~~ § 24-7-701 or § 24-7-702; or

31
32 SECTION 9. Arkansas Code § 24-7-1605(a)(2), concerning the eligibility
33 of a new employee of a PSHE employer to participate in a PSHE plan, is
34 amended to read as follows:

35 (2) A new employee of a PSHE employer may participate in the
36 PSHE plan if the employee:

1 (A) Is benefits-eligible as determined by the PSHE
 2 employer;

3 (B) ~~Is a vested member of the Arkansas Teacher Retirement~~
 4 ~~System at the time of initial employment; Is either:~~

5 (i) A vested member of the Arkansas Teacher
 6 Retirement System at the time of initial employment; or

7 (ii) A non-vested member of the system who meets the
 8 requirements of a less restrictive PSHE plan adopted by the specific PSHE
 9 employer.

10 ~~(C) Is not a vested member of the system but meets the~~
 11 ~~requirements of a less restrictive PSHE plan adopted by the specific PSHE~~
 12 ~~employer; and~~

13 ~~(D)~~(C) Signs an irrevocable PSHE plan participation form
 14 provided by the system.

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 16 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the
 17 General Assembly of the State of Arkansas that the operations of a state
 18 public retirement system are complex; that the Arkansas Teacher Retirement
 19 System must be able to meet the needs of its members as anticipated by the
 20 General Assembly; that certain provisions of the Arkansas Teacher Retirement
 21 System Act, § 24-7-201 et seq., need immediate revision and updating to bring
 22 them into conformance with sound public pension policy and actuarial
 23 requirements; that the revisions and updates are of great importance to
 24 members of the Arkansas Teacher Retirement System and to other citizens of
 25 the State of Arkansas; that as the Arkansas Teacher Retirement System
 26 operates on a fiscal year of July 1 to June 30, an effective date of July 1,
 27 2025, is necessary in order to allow the provisions within this act to begin
 28 on the first day of the fiscal year and to allow for a structured and proper
 29 administration of the procedures referenced in this act; that the updates and
 30 revisions to the Arkansas Teacher Retirement System Act are of great
 31 importance for actuarial purposes and for the improvement and protection of
 32 member benefits under the Arkansas Teacher Retirement System; and that this
 33 act is necessary in order to maintain an orderly system of benefits for the
 34 members of the Arkansas Teacher Retirement System. Therefore, an emergency
 35 is declared to exist, and this act being immediately necessary for the
 36 preservation of the public peace, health, and safety shall become effective

1 on July 1, 2025.

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