

**EXECUTIVE DIRECTOR UPDATE**  
**2015 BILLS AFFECTING ATRS**  
**February 6, 2015**

**ATRS Board's Legislative Package**

The ATRS Board of Trustees has unanimously voted to support a seven (7) bill package for this legislative session. In addition, the *ATRS appropriation bill*\* has been filed on behalf of ATRS by the Joint Budget Committee.

- Non-Spousal Rollover:** Makes ATRS law comply with IRS code that allows a beneficiary that is not the spouse of a member to be eligible for certain rollovers.  
Now **SB38**  
Senator Blake Johnson
- Disability Retirement:** To allow members to retire on disability as they currently do, but require additional requirements for continued eligibility after retirement.  
Now **SB48**  
Senator Bill Sample
- Technical Corrections:** Minor clarifications of existing laws.  
Now **SB50**  
Senator Eddie Cheatham.
- Private School Service:** Allow ATRS to make the determination of eligibility to purchase this service credit.  
Now **SB75**  
Senator Uvalde Lindsey
- Member Annuities Paid:** Repeal the law that allows a reserve payout of benefits of less than \$20 per month.  
Now **SB137**  
Senator Jason Rapert
- Option C Clarification:** To allow members who retirement with a benefit option C, which guarantees 120 payments, to change beneficiaries after retirement if the option beneficiary is a spouse and the marriage ends in divorce or other marriage dissolution.  
Now **HB1078**  
Representative Gary Deffenbaugh
- Recycling Tax Credits:** To extend the transferability of recycling tax credits within equity owners of certain investment projects in Arkansas, to encourage more specialized projects and enhance investment returns.  
Now **HB1132**  
Lead Sponsor: Representative Monte Hodges,  
Co-Sponsors: Senator David Burnett, Senator Keith Ingram
- \*ATRS Appropriation:** *ATRS appropriation for the 2015-2016 fiscal year*  
Now **SB113**  
*Sponsor: Joint Budget Committee*

ATRS closely follows bills that could impact ATRS during the 2015 Legislative Session. ATRS has a 7 bill package. At this time, all 7 bills have been formally introduced and have a listed sponsor and bill number. ATRS appreciates the assistance of all legislators who are sponsoring bills in the ATRS Board's legislative package. The Sponsors include:

Senator Blake Johnson	Senator Uvalde Lindsey
Senator Eddie Cheatham	Senator Keith Ingram
Senator David Burnett	Representative Lanny Fite
Senator Jason Rapert	Representative Monte Hodges
Senator Bill Sample	Representative Gary Deffenbaugh

This summary provides a brief title and explains the potential impact of all 7 bills in the package and any other bills that impact ATRS. (Shell bills may be filed on behalf of ATRS to act as place holders in the event action is needed beyond the current legislative package.) Some bills have an emergency clause that would make the bill effective July 1, 2015. Some bills have an emergency clause that makes the bill become effective immediately. A bill without an emergency clause would become effective 90 days after the session ends.

**ATRS PACKAGE BILLS FOR THE 2015 SESSION**

<b><u>Bills</u></b>	<b><u>Sponsor</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
SB38	Sen. B. Johnson	<i>Compliance with Law allowing Direct Rollover</i>	Passed Senate
SB48	Sen. Sample	<i>Disability Retirement Benefit</i>	Committee
SB50	Sen. Cheatham	<i>Technical Corrections</i>	Committee
SB75	Sen. Lindsey	<i>How Private School Service is Recorded</i>	Passed Senate
SB113	JBC	<i>ATRS Appropriation for 2015-2016 fiscal year</i>	JBC
SB137	Sen. Rapert	<i>Member Annuities Page as Lifetime Benefit</i>	Committee
HB1078	Rep. Deffenbaugh	<i>Option C Clarification</i>	Actuarial Study
HB1132	Rep. Hodges	<i>Recycling Tax Credit Clarification</i>	Passed House

**BILLS ON BEHALF OF ATRS OUTSIDE OF ATRS PACKAGE**

SB134	Sen. D. Johnson	<i>Technical Corrections to Title 24 of the AR Code Concerning Public Retirement (no substantive change)</i>	Filed
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**NON-ATRS FORMER SHELL BILL NOW AFFECTS ATRS & OTHERS**

HB1215	Rep. House	<i>Amend Law Concerning Reporting Requirements</i>	Amended
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**SHELL BILLS ON BEHALF OF ATRS**

<b><u>Bills</u></b>	<b><u>Sponsor</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
SB171	Sen. B. Sample	<i>Concerning the Arkansas Teacher Retirement System</i>	Filed
SB189	Sen. D. Johnson	<i>Amend Statutes Concerning ATRS</i>	Filed
HB1107	Rep. Gossage	<i>Amend Statutes Concerning ATRS</i>	Filed
HB1200	Rep. Leding	<i>Amend Statutes Concerning ATRS</i>	Filed

**LAST SHELL BILL THAT COULD BE AMENDED TO AFFECT ATRS**

<b><u>Bills</u></b>	<b><u>Sponsor</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
HB1182	Rep. Ballinger	<i>Amend Law Concerning Retirement and Pensions</i>	Filed

## IMPACT AND ANALYSIS OF ATRS PACKAGE BILLS AFFECTING ATRS, MEMBERS, AND EMPLOYERS

**Bill#**            **Sponsor:** Senator Blake Johnson  
SB38              Compliance with Law Allowing Direct Rollover

Emergency Clause: Effective 07/01/2015

**Explanation:** Non-Spousal Rollover Provisions—This bill makes ATRS law comply with IRS tax code provisions that allow a beneficiary that is not the spouse of a member to be eligible for certain rollovers like those made by ATRS. This law change needs to be made to ensure ATRS remains compliant with newer IRS regulations that expand the group of family members eligible for a rollover of an ATRS residual balance.

**ACTION:**

- 2/3/2015 4:33:57 PM            - House—Read the first time, rules suspended, read the second time and placed on the CALENDAR
- 2/3/2015 4:04:54 PM            - House—RECEIVED FROM SENATE
- 2/3/2015 1:55:56 PM            - Senate—Ordered immediately transmitted to the House.
- 2/3/2015 1:55:50 PM            - Senate—EMERGENCY CLAUSE ADOPTED
- 2/3/2015 1:51:07 PM            - Senate--Read the third time and passed
- 2/2/2015 1:38:24 PM            Returned to Committee, with the recommendation that it Do Pass
- 1/13/2015 10:12:10 AM        - Senate -- Read first time, rules suspended, read second time, referred to Joint Committee on Public Retirement and Social Security Programs
- 1/12/2015 1:43:00 PM        - Senate -- Filed

**Bill#**            **Sponsor:** Senator Bill Sample  
SB48              Disability Retirement Benefits

Emergency Clause: Effective 07/01/2015

**Explanation:** Disability Retirement—This bill is to allow members to retire on ATRS disability as they currently do, but would add requirements for continued eligibility after three years of disability retirement for those still under age 60. Essentially, ATRS disability retirees under age 60 will be required to obtain Social Security Disability status within three (3) years of being approved for ATRS disability unless an extension is granted for good cause. This change is designed to allow a quick disability decision and at the same time provide more meaningful oversight after disability retirement is approved.

**ACTION:**

- 1/13/2015 10:27:43 AM - Senate -- Read first time, rules suspended, read second time, referred to Joint Committee on Public Retirement and Social Security Programs
- 1/13/2015 10:06:00 AM - Senate -- Filed

**Bill#**            **Sponsor: Senator Eddie Cheatham**  
**SB50**            **Technical Corrections**

**Emergency Clause: Effective Immediately Upon Passage**

**Explanation:** Technical Corrections— This bill makes minor changes in the wording of existing laws to clarify language and intent of laws affecting ATRS.

**ACTION:**

- 1/21/2015 1:41:54 PM - Senate -- Re-referred to Joint Committee on Public Retirement and Social Security Programs
- 1/21/2015 1:41:49 PM - Senate -- REPORTED CORRECTLY ENGROSSED
- 1/21/2015 1:41:41 PM - Senate -- Amendment # 2 read the first time, rules suspended, read the second time and adopted, ordered engrossed.
- 1/21/2015 1:40:22 PM - Senate -- Withdraw amendment #1.
- 1/21/2015 1:40:00 PM - Senate -- Withdrawn from Committee for purpose of amendment # 1
- 1/13/2015 10:28:43 AM - Senate -- Read first time, rules suspended, read second time, referred to Joint Committee on Public Retirement and Social Security Programs
- 1/13/2015 10:15:00 AM - Senate -- Filed

**Bill#**            **Sponsor:** Senator Uvalde Lindsey  
**SB75**            How Private School Service is recorded for purpose of retirement benefits.

**Emergency Clause:** Effective Immediately Upon Passage

**Explanation:** Private School Service— This bill allows ATRS to make the determination of eligibility to purchase certified teaching service credit, instead of the Department of Education due to responsibility changes at the Department of Education. The Department of Education no longer has staff responsibility to certify private school teachers, so a request was made to shift certification responsibility to ATRS. ATRS already certifies all other types of service and this will bring uniformity to the process.

**ACTION:**

- 2/3/2015 4:34:07 PM - House—Read the first time, rules suspended, read the second time and placed on the CALENDAR
- 2/3/2015 4:05:04 PM - House—RECEIVED FROM SENATE
- 2/3/2015 2:00:33 PM - Senate—Ordered immediately transmitted to the House.
- 2/3/2015 2:00:30 PM - Senate—EMERGENCY CLAUSE ADOPTED
- 2/3/2015 1:56:02 PM - Senate--Read the third time and passed
- 1/20/2015 1:53:02 PM - Senate -- Read first time, rules suspended, read second time, referred to Joint Committee on Public Retirement and Social Security Programs
- 1/20/2015 12:35:00 PM - Senate -- Filed

**Bill#**            **Sponsor:** Senator Jason Rapert  
**SB137**            Member Annuities are paid as a lifetime benefit by repealing lump-sum payments of reserve value of small annuities in the Arkansas Teacher Retirement System.

**Emergency Clause:** Effective 07/01/2015

**Explanation:** Lump-Sum Payments of Reserve Value of Small Annuities--- This bill repeals the law that allows a reserve payout of benefits of less than \$20 per month. Most members and ATRS now prefer to pay the member a lifetime benefit, even on smaller annuity amounts since usually the smaller annuity amounts usually are associated with the member also receiving a lifetime benefit from another retirement system, such as APERS at the same time.

**ACTION:**

- 1/26/2015 2:05:56 PM - Senate -- Read the first time, rules suspended, read the second time and referred to Joint Committee on Public Retirement and Social Security Programs
- 1/26/2015 1:31:00 PM - Senate -- Filed

**Bill#**            **Sponsor:** Representative Gary Deffenbaugh  
**HB1078**           **Option C Benefit**

**Emergency Clause: Effective Immediately Upon Passage**

**Explanation:** Option C Clarification— This bill is to allow members who retire with an Option C benefit election (guaranteed 120 monthly benefit payments even if the member dies) to change beneficiaries after retirement if the option beneficiary is a spouse and the marriage ends in divorce or other marriage dissolution before the 120 months have passed. This brings Option C in line with the other lifetime options available to ATRS members. Under current law, a divorce does not allow a member to remove a new former spouse as the Option C beneficiary.

**ACTION:**

- 1/15/2015 4:43:02 PM - House -- Read the first time, rules suspended, read the second time and referred to the Committee on PUBLIC RETIREMENT & SOCIAL SECURITY PROGRAMS-JOINT
- 1/15/2015 2:06:00 PM - House -- Filed

**Bill#**            **Sponsor:** Representative Monte Hodges  
**HB1132**           **Allocation of Recycling Tax Credit**

**Emergency Clause: Effective Immediately After Passage**

**Explanation:** Tax Credits – This bill is to extend the transferability of Arkansas recycling tax credits to another equity owner if an Arkansas public retirement system is an equity owner of a project eligible for the tax credit. This allows ATRS to share in the tax credit like other investors.

**ACTION:**

- 2/5/2015 3:00:55 PM - Senate – Received from House.
- 2/5/2015 1:57:22 PM - House – EMERGENCY CLAUSE ADOPTED
- 2/5/2015 1:57:19 PM - House – Read the third time and passed and ordered transmitted to Senate.
- 2/3/2015 10:38:54 AM House -- Returned by the Committee Do Pass
- 1/22/2015 4:31:21 PM - House -- Read the first time, rules suspended, read the second time and referred to the Committee on REVENUE & TAXATION- HOUSE
- 1/22/2015 2:14:00 PM - House -- Filed

## IMPACT AND ANALYSIS OF BILLS ON BEHALF OF ATRS OUTSIDE OF ATRS PACKAGE

**Bill#**            **Sponsor:** Senator David Johnson  
**SB134**            Technical Correction Requested by Code Revision Commission of the General Assembly

**Emergency Clause:** Effective 90 Days After Legislative Session Adjourns Sine Die

**Explanation:** This is a technical corrections bill requested by the Code Revision Commission of the General Assembly to correct minor wording, punctuation, and numbering rules for laws in Title 24 (Arkansas Public Retirement) in the Arkansas code. This is an ongoing function of this Commission to bring consistency to the laws of Arkansas. There are no substantive changes to ATRS in this bill.

**ACTION:**

- 2/4/2015 1:39:53 PM - Senate—Re-referred to Senate Committee on Judiciary
- 2/4/2015 1:39:48 PM - Senate –REPORTED CORRECTELY ENGROSSED
- 2/4/2015 1:39:44 PM - Senate—Amendment #1 read the first time, rules suspended, read the second time and adopted, ordered engrossed
- 2/4/2015 1:39:34 PM - Senate – Withdrawn from Committee for purpose of amended #1
- 1/26/2015 2:0:00 PM - Senate -- Read the first time, rules suspended, read the second time and referred to Senate Committee on Judiciary
- 1/26/2015 12:54:00 PM - Senate -- Filed



## IMPACT AND ANALYSIS OF NON ATRS FORMER SHELL BILL NOW AFFECTS ATRS AND OTHERS

**Bill#**                      **Sponsor:** Representative Douglas House  
**HB1215**                      **Amend Law Concerning Public Employee Retirement Plans to specify Reporting Requirements for all Taxpayer Funded Retirement Systems.**

**Emergency Clause:** N/A

**Explanation:** This former shell bill is now an active bill that affects ATRS and other retirement systems.

**ACTION:**

**2/6/2015 9:09:51 AM**      **House – REPORTED CORRECTLY ENGROSSED.**  
**2/6/2015 8:34:18 AM**      **House – Amendment No. 2 read and adopted and the bill ordered engrossed.**  
**2/6/2015 8:34:07 AM**      **House – Placed on second reading for the purpose of amendment.**  
**2/3/2015 4:03:58 PM**      **House – In accordance with House Rule 39 Read the second time and referred to the Committee on PUBLIC RETIREMENT & SOCIAL SECURITY PROGRAMS-JOINT**  
**2/3/2015 9:34:56 AM**      **House - - REPORTED CORRECTLY ENGROSSED**  
**2/3/2015 8:28:48 AM**      **House --Amendment No. 1 read and adopted and the bill ordered engrossed.**  
**2/3/2015 8:28:43 AM**      **House --Placed on second reading for the purpose of amendment.**  
**2/2/2015 2:25:51 PM**      **House-- In accordance with House Rule 39 Read the first time and referred to the Committee on HOUSE JOURNAL; ENGROSSED AND ENROLLED BILLS**  
**1/30/2015 11:30:00AM**      **House Filed**

## IMPACT AND ANALYSIS OF SHELL BILLS ON BEHALF OF ATRS

**Bill#**            **Sponsor:** Senator Bill Sample  
SB171            Concerning the Arkansas Teacher Retirement System

Emergency Clause: N/A

**Explanation:** This is a shell bill filed on behalf of ATRS.

**ACTION:**

1/29/2015 7:17:02 AM - Senate—Read first time, rules suspended, read second time, referred to Joint committee on Public Retirement and Social Security Programs  
1/28/2015 2:30:00 PM - Senate –Filed

**Bill#**            **Sponsor:** Senator David Johnson  
SB189            Amend Statutes Concerning ATRS

Emergency Clause: N/A

**Explanation:** This shell bill will be filed on behalf of ATRS by the Senate Co-Chair of the Public Retirement Committee. Senator Johnson will file shell bills on behalf of each of the retirement systems.

**ACTION:**

2/2/2015 1:43:59 PM - Senate --Read first time, rules suspended, read second time, referred to Joint Committee on Public Retirement and Social Security Program  
1/30/2015 8:44:00 AM - Senate—Filed

**Bill#**            **Sponsor:** Representative Bill Gossage  
**HB1107**        **Amend Statutes Concerning ATRS**

**Emergency Clause:** N/A

**Explanation:** This is a shell bill filed on behalf of ATRS.

**ACTION:**

**1/20/2015 4:50:21 PM** - House – In accordance with House Rule 39 Read the first time and referred to the Committee on HOUSE JOURNAL; ENGROSSED AND ENROLOED BILLS  
**1/20/2015 4:13:00 PM** - House -- Filed

**Bill#**            **Sponsor:** Representative Greg Leding  
**HB1200**        **Amend Statutes Concerning ATRS**

**Emergency Clause:** N/A

**Explanation:** This is a shell bill filed on behalf of ATRS.

**ACTION:**

**1/29/2015 4:30:10 PM** - House – In accordance with House Rule 39 Read the first time and referred to the Committee on HOUSE JOURNAL; ENGROSSED AND ENROLOED BILLS  
**1/29/2015 1:47:00 PM** - House -- Filed

## IMPACT AND ANALYSIS OF OTHER SHELL BILL THAT COULD BE AMENDED TO AFFECT ATRS

**Bill#**            **Sponsor:** Representative Bob Ballinger  
HB1182            Amend Law Concerning Retirement and Pensions

Emergency Clause: N/A

**Explanation:** This is a shell bill that could possibly affect ATRS.

**ACTION:**

1/27/2015 4:40:12 PM - House – In accordance with House Rule 39 Read the first time and referred to the Committee on HOUSE JOURNAL; ENGROSSED AND ENROLOED BILLS  
1/27/2015 2:30:00 PM - House -- Filed