

**EXECUTIVE DIRECTOR UPDATE**  
**2015 BILLS AFFECTING ATRS**  
**January 30, 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**

<u>Bills</u>	<u>Sponsor</u>	<u>Description</u>	<u>Status</u>
SB38	Sen. B. Johnson	<i>Compliance with Law allowing Direct Rollover</i>	Filed
SB48	Sen. Sample	<i>Disability Retirement Benefit</i>	Filed
SB50	Sen. Cheatham	<i>Technical Corrections</i>	Filed
SB75	Sen. Lindsey	<i>How Private School Service is Recorded</i>	Filed
SB137	Sen. Rapert	<i>Member Annuities Paid as Lifetime Benefit</i>	Filed
HB1078	Rep. Deffenbaugh	<i>Option C Clarification</i>	Filed
HB1132	Rep. Hodges	<i>Recycling Tax Credit Clarification</i>	Filed

**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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**SHELL BILLS ON BEHALF OF ATRS**

<u>Bills</u>	<u>Sponsor</u>	<u>Description</u>	<u>Status</u>
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

**OTHER SHELL BILLS 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
HB1215	Rep. Eubanks	<i>Amend Law Concerning Reporting Requirements</i>	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:**

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:**

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:**

1/26/2015 2:00:00 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 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:**

1/30/2015 8:44:00 AM - Senate—Filed

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**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 ENROLOLED 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 ENROLOLED BILLS  
1/29/2015 1:47:00 PM - House -- Filed

## IMPACT AND ANALYSIS OF OTHER SHELL BILLS 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

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

Emergency Clause: N/A

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

**ACTION:**

1/30/2015 11:30:00 AM - House – Filed