

**ARKANSAS TEACHER RETIREMENT SYSTEM
RULES OF ORGANIZATION AND OPERATION ADOPTED PURSUANT TO
A.C.A. § 25-15-203**

I. INFORMATION FOR PUBLIC GUIDANCE

The Arkansas Teacher Retirement System (“ATRS”) is located at 1400 West Third Street, Little Rock, AR 72201. Questions about ATRS may be addressed by visiting the ATRS website (<http://www.atrs.state.ar.us>); e-mailing ATRS at info@atrs.state.ar.us; phoning ATRS at 1-800-666-2877 or 501-682-1517; or sending a fax to ATRS at 1-800-682-2663. Visits may be made to the ATRS office between 8:00 a.m. and 4:30 p.m. Monday through Friday, except on holidays. Appointments are not required but are suggested.

ATRS makes available a list of persons holding certain responsibilities for handling FOIA requests and requests by the public so that the public may obtain information about ATRS or make submissions or requests. The names, mailing addresses, telephone numbers, and electronic addresses can be obtained from the ATRS office or website.

The ATRS policies, rules and regulations, and official forms may be obtained from the ATRS office or from the ATRS website.

II. DESCRIPTION OF THE ARKANSAS TEACHER RETIREMENT SYSTEM

The Arkansas Teacher Retirement System (“ATRS”) is a cost-sharing multiple-employer, defined benefit pension plan established on March 17, 1937 by authority of the Arkansas General Assembly under Act 266 of 1937 (Ark. Code Ann. § 24-7-101 et. seq). ATRS is operated as a “qualified trust” under section 401(a) of the Internal Revenue Code. ATRS is a component unit of the State of Arkansas.

The General Assembly is responsible for setting benefits and contributions and amending plan provisions.

Ultimate authority, general administration and responsibility for the proper operation of ATRS and for making effective the provisions of A.C.A. §§ 24-7-201 et seq. are vested in a fifteen-member board of trustees. Eleven members are elected, and four members serve as ex officio members by virtue of their positions in state government. The board appoints the executive director of ATRS who serves as its chief executive officer. ~~From time to time, the board promulgates rules and regulations.~~

The Board of Trustees promulgates rules as it deems necessary from time to time in the transaction of its business and in administering the Arkansas Teacher Retirement System.

For administrative purposes, the agency is comprised of several divisions: Administration, Membership Services, Data Processing, Investments, and Fiscal Affairs.

III. ORGANIZATION AND OPERATION OF THE ATRS BOARD OF TRUSTEES

The officers of the ATRS board of trustees are a Chair and Vice Chair. Election of officers is held in the odd numbered years at the first regular meeting after the beginning of the fiscal year. These officers perform the duties prescribed by applicable law, this rule, and Robert's Rules of Order.

The business of ATRS is conducted in public meeting pursuant to Robert's Rules of Order. All meetings are conducted in conformity with the Arkansas Freedom of Information Act. Regular meetings are held at least quarterly. Special meetings may be held on the call of the chair or as scheduled by action of the Board in a regular meeting.

A quorum for the transaction of business is a majority of the number of voting members of the board.

The ATRS board of trustees may create standing and ad hoc committees whose membership is determined by the chair of the board. A quorum for the transaction of committee business is a majority of the number of voting members of the committee.

The Executive Director prepares the agenda for regular and special meetings. The agenda is distributed to Board members and made available to the public in advance of the meeting. The agenda may be amended by appropriate motion.

Trustees, members, and other individuals wishing to have additional items considered for the agenda should submit a request to the Executive Director prior to a regularly scheduled meeting.

IV. RULEMAKING

The ATRS board has been authorized by the Legislature to promulgate rules. ATRS follows the procedural requirements of the Arkansas Administrative Procedure Act, in particular A.C.A. § 25-15-203 and § 25-15-204. Additionally, ATRS is required to abide by the provisions of A.C.A. §10-3-309.

The process of adopting a new rule or amending or repealing an existing rule (hereinafter referred to as "rulemaking") may be initiated by request of the board or the ATRS staff. Additionally, persons outside the agency may petition for the issuance, amendment, or repeal of any rule.

ATRS will give public notice of proposed rulemaking to be published pursuant to A.C.A. § 25-15-204. The notice will set any written comment period and will specify the time, date, and place of any public hearing, if any.

Before finalizing language of a proposed new rule or an amendment to, or repeal of, an existing rule, ATRS will receive public input through written comments and/or oral submissions. ATRS will designate in the public notice the format and timing of public comment.

A public hearing may be held; if so, it will provide affected persons and other members of the public a reasonable opportunity for presentation of evidence, arguments, and oral statements within reasonable conditions and limitations imposed by the agency to avoid duplication, irrelevant comments, unnecessary delay, or disruption of the proceedings.

Thirty days before the public comment period ends, ATRS will file with the Bureau of Legislative Research the text of the proposed rule or amendment as well as a financial impact statement and a Bureau of Legislative Research questionnaire as provided by §10-3-309. In addition, a copy of the public notice, the text of the proposed rule or amendment, and a summary will be filed with the Secretary of State. Also, a copy of the public notice and the text of the proposed rule or amendment will be published on the ATRS website, if available.

Generally, proposed rules or amendments will be reviewed by the appropriate committee of the ATRS Board of Trustees for recommendation prior to submission to the full Board for consideration and final action.

ATRS will not finalize language of the rule or decide whether to adopt a rule until the period for public comment has expired.

After the ATRS board formally adopts a new rule or amends a current rule or repeals an existing rule, and after the rule change has been reviewed by the Legislative Council, ATRS staff will file final copies of the rule with the Secretary of State, the Arkansas State Library, and the Bureau of Legislative Research, or as otherwise provided by A.C.A. § 25-15-204(d).

Proof of filing a copy of the rule, amendment, or repeal with the Secretary of State, the Arkansas State Library, and the Bureau of Legislative Research will be kept in a file maintained by the Executive Director's Office.

Notice of the rule change will be posted on the agency website, if available, and rules will be made available to interested persons.

V. EMERGENCY RULEMAKING

Upon receipt of a written statement requesting emergency rulemaking or other evidence to support an assertion that an emergency exists, ATRS will make an independent judgment whether the circumstances and facts constitute an imminent peril to the public health, safety, or welfare requiring adoption of the rule with fewer than 30 days notice. If it is determined that the circumstances warrant emergency rulemaking, a written determination setting out the reasons for the finding that an emergency exists will be made. Upon making this finding, the ATRS board may proceed to adopt the rule without any prior notice or hearing, or it may determine to provide an abbreviated notice and hearing.

The emergency rule will be effective immediately upon filing, or at a stated time less than ten (10) days thereafter, if ATRS finds that this effective date is necessary because of imminent peril to the public health, safety, or welfare. ATRS will file with the rule its written findings justifying the determination that emergency rulemaking is appropriate and, if applicable, the basis for the effective date of the emergency rule being less than ten days after the filing of the rule pursuant to A.C.A. § 25-15-204(e).

VI. APPEALS

An ATRS member, beneficiary, survivor, retiree or employer may request a review of an administrative decision made by the Executive Director or an ATRS staff member concerning membership, benefits, service, contributions or refunds. A description of the appeals process may be obtained by contacting ATRS or from the ATRS website.

NOTE: These are general rules for the organization and operation of the system. Additional and more specific information is provided in the Policies, Rules and Regulations of ATRS, which may be found on the ATRS website (www.atrs.state.ar.us under "Publications") or which may be obtained by contacting the Executive Director's office at 501-682-1517 or 1-800-666-2877).

Adopted: December 6, 2005

Amended:

BOARD OF TRUSTEES COMPOSITION AND ELECTIONS
(Amended by Acts 418 of 1997, 866 of 1999, and 97 of 2007)

~~Section 3 of Act 427 of 1973, as amended, (A.C.A. §24-7-301)~~ A.C.A. § 24-7-301 provides that the general administration and responsibility for the proper operation of the Arkansas Teacher Retirement System and for making effective the provisions of the Teacher Retirement laws are vested in the Board of Trustees of 15 persons. The Bank Commissioner, the Treasurer of the State, the Auditor of the State, and the Director Commissioner of the Department of Education ~~shall be the~~ serve as ex officio trustees. ~~Act 418 of 1997 provides~~ E ~~eleven (11) members shall be~~ serve as elected trustees to the Arkansas Teacher Retirement Board of Trustees; seven (7) ~~of whom shall be~~ who are active members of the system with at least five (5) years of ~~credited~~ actual service in force, one (1) who is a member of a racial ethnic group and is either an active or ~~retired~~ retirant member, and three (3) who are retirant members ~~and reside in the State of Arkansas.~~

For these ~~purposes of this act~~, participants in the Teacher Deferred Retirement Plan (T-DROP) will be considered active members. ~~Survivors of ATRS members who receive survivor benefits from the System are not eligible to participate in the election of Board of Trustee members. (Revised November 18, 1997.)~~ The ~~member~~ active and retirant trustees shall be elected in accordance with such rules and regulations as the Board shall from time to time adopt to govern such elections.

ACTIVE MEMBER TRUSTEES

1. There shall be four (4) active member trustees each of whom must be employed in a position requiring state teaching ~~certification~~ licensure or employed by an ATRS-covered agency in a position between Grades 17-23. Such a trustees shall NOT be employed as a school administrator (superintendent, assistant superintendent, principal, vice principal, president, chancellor or director of a state institutions of higher education, community/technical colleges, or vocational centers/cooperatives), or employed in a position Grade 24 and above with an ATRS covered agency. One (1) active member trustee will be elected from each of the four (4) congressional districts of the State of Arkansas.

Active m~~Members~~ employed in positions requiring state ~~certification~~ licensure, but not an administrator's ~~certificate~~ licenses, will elect these trustees. Such members must NOT be employed in positions as a school administrators (superintendent, assistant superintendent, principal, vice principal, president, chancellor, or director of a state institutions of higher education, community/technical colleges, or vocational centers/cooperatives) or employed by an ATRS-covered agency in a position Grade 24 and above.

2. There shall be two (2) active member trustees each of whom must be employed in a position requiring as a school administrator licensure (superintendent, assistant superintendent, principal, vice principal, president, chancellor, or director of a state institutions of higher education, community/technical colleges, or vocational centers/cooperatives), or employed by an ATRS-covered agency in a position Grade 24 and above, one (1) of which must be a superintendent.

These trustees will be elected by members employed as a school administrators (superintendent, assistant superintendent, principal, vice principal, president, chancellor, or director of a state institutions of higher education, community/technical colleges, or vocational centers/cooperatives) or employed by an ATRS-covered agency in a position Grade 24 and above.

3. There shall be one (1) active member trustee who is employed in a position that does not require state teaching ~~certification~~ licensure or ~~who~~ is employed by an ATRS-covered agency in a position Grade 16 and below.

This member trustee shall be elected by members who are employed in positions not requiring state teaching ~~certification~~ licensure or are employed by an ATRS-covered agency in a position Grade 16 and below.

MINORITY TRUSTEE

4. There shall be one (1) member trustee of a minority racial ethnic group who is either an active or a retired member of the system. This member trustee shall be elected by the active and retired membership of the system.

RETIRANT MEMBER TRUSTEES

There shall be three (3) retirant member trustees who receive an annuity paid by the system. These trustees shall be elected by the retired membership of the system. Retirant trustees must reside in Arkansas.

TERM OF OFFICE

The term of office of each member and retirant trustee elected after July 1, 1997, shall be six (6) years. Each trustee shall continue to serve as trustee until his or her successor is elected and has qualified.

An active member trustee shall be ineligible to serve after becoming inactive or upon retiring. An active member trustee in ~~Positions 1 through 7~~ shall be ineligible to serve if ~~they~~ he or she changes employment category during ~~their~~ his or her term of office, i.e., an administrator becomes a classroom teacher. A retirant member trustee shall be ineligible to serve after becoming active.

A vacancy will occur if a member or retirant trustee is absent for three (3) consecutive regular board meetings, unless the absence is excused by a majority of the members of the Board. Attendance on either day of a two-day board meeting is sufficient ~~in to meeting the~~ attendance requirement. The Executive Director will notify the Board member of this policy after the second consecutive absence. (Revised May 15, 2001.)

When a vacancy occurs in the office of a member or retirant trustee, the vacancy will be filled during the next annual ATRS election, utilizing approved election requirements and procedures for that position. (Revised May 15, 2001.)

~~Each~~ In any year in which the six (6) year term of an active member and/or retirant member trustee expires, the position shall be filled either by election or reelection.

BOARD POSITIONS

Position #1 (1st Congressional District)
Position #2 (2nd Congressional District)
Position #3 (3rd Congressional District)
Position #4 (4th Congressional District)
Position #5 (Administrator - Superintendent only)
Position #6 (Administrator)
Position #7 ~~(Noncertified)~~ (Nonlicensed)
Position #8 (Minority)
Position #9 ~~(Retiree)~~ (Retirant)
Position #10 ~~(Retiree)~~ (Retirant)
Position #11 ~~(Retiree)~~ (Retirant)

DEFINITIONS OF POSITION QUALIFICATIONS AND ELIGIBLE VOTERS **ELIGIBILITY IN EACH ELECTION**

1. Positions #1-#4 (Active Member Trustees from Congressional Districts)

A. Qualifications for candidacy:

- i. Must be an active member of ATRS (includes T-DROP participants);
- ii. Must have five (5) years of ~~credited~~ actual service in ATRS;
- iii. Must be employed in a position requiring a state teaching ~~certificate~~ license or employed by an ATRS-covered agency in a position between Grades 17-23. Such ~~trustee~~ candidate shall not be employed as a school administrator (superintendent, assistant superintendent, principal, vice-principal, president, chancellor, or director of a state institution of higher education, community/technical colleges, or vocational centers/cooperatives), or employed in a position Grade 24 and above with an ATRS-covered agency;
- iv. Must be employed in the congressional district from which he/she is elected ~~seeking election~~; and

- v. If a candidate holds two or more positions, i.e., works as a teacher and bus driver, eligibility shall be determined by his/her primary employment.

B. Eligible voters include:

Active ATRS members (includes T-DROP participants) who are employed in the congressional district. Such members must also be employed in a position that requires a state teaching ~~certificate~~ license or employed by an ATRS-covered agency in a position between Grade 17-23. Such members must not be employed in positions as school administrators (superintendent, assistant superintendent, principal, vice principal, president, chancellor, or director of a state institution of higher education, community/technical colleges, or vocational centers/cooperatives) or employed in an ATRS-covered position Grade 24 and above.

2. Position #5 (Administrator - Superintendent only)

A. Qualifications for candidacy:

- i. Must be an active member of ATRS (includes T-DROP participants);
- ii. Must have five (5) years of ~~credited~~ actual service in ATRS;
- iii. Must be employed as an Arkansas school superintendent.

B. Eligible voters include:

Active ATRS members (includes T-DROP participants) employed as a school administrators (superintendent, assistant superintendent, principal, vice principal, president, chancellor, or director of a state institutions of higher education, community/technical colleges, or vocational centers/cooperatives), or employed by an ATRS-covered employer in a position Grade 24 or above.

3. Position #6 (Administrator)

A. Qualifications for candidacy:

- i. Must be an active member of ATRS (includes T-DROP participants);
- ii. Must have five (5) years of ~~credited~~ actual service in ATRS;
- iii. Must be employed as a school administrator (superintendent, assistant superintendent, principal, vice principal, president, chancellor, or director of a state institutions of higher education, community/technical colleges, or vocational centers/cooperatives), or employed by an ATRS-covered employer in a position Grade 24 or above.

B. Eligible voters include:

Active ATRS members (includes T-DROP participants) employed as a school administrators (superintendent, assistant superintendent, principal, vice principal, president, chancellor, or director of a state institutions of higher education, community/technical colleges, or vocational centers/cooperatives) or employed by an ATRS-covered employer in a position Grade 24 or above.

4. Position #7 (~~Noncertified~~) (Nonlicensed)

A. Qualifications for candidacy:

- i. Must be an active member of ATRS (includes T-DROP participants);
- ii. Must have five (5) years of ~~credited~~ actual service in ATRS;
- iii. Must be employed in a position that does not require a state teaching ~~certificate~~ license (includes school secretaries, school bus drivers, school cafeteria and maintenance workers) or employed by an ATRS-covered agency in a position Grade 16 and below.

B. Eligible voters include:

Active ATRS members (includes T-DROP participants) employed in a positions that does not require a state teaching, ~~certificate~~ license (includes school secretaries, school bus drivers, school cafeteria and maintenance workers) or employed by an ATRS-covered agency in a position Grade 16 and below.

5. Position #8 (Minority)

A. Qualifications for candidacy:

- i. Must be an active member of ATRS (includes T-DROP participants) or a ~~retiree~~ retirant member receiving an annuity paid by ATRS;
- ii. Must have five (5) years of ~~credited~~ actual service in ATRS;
- iii. Must be of a racial ethnic minority group.

B. Eligible voters include:

Active ATRS members (includes T-DROP participants), and ~~retirees~~ retirant members receiving an annuity paid by ATRS.

6. Positions #9-#11 (Retirant Member Trustees)

A. Qualifications for candidacy:

- i. Must be a ~~retiree~~ retirant member receiving an annuity paid by ATRS;
and
- ii. Must be a resident of Arkansas.

B. Eligible voters include:

ATRS ~~retirees~~ retirant members receiving an annuity paid by ATRS.

Survivors of ATRS members who receive survivor benefits from the System are not eligible to participate in the election of Board of Trustee members. (Revised November 18, 1997)

Amended:

ELECTION PROCEDURES FOR MEMBER AND RETIRANT TRUSTEES**ADVERTISEMENT OF VACANCY**

During the month of December prior to the year in which a trustee is to be elected, a notice of such election shall be submitted to the Arkansas Association of Educational Administrators (AAEA), the Arkansas Education Association (AEA), the Arkansas State Employees Association (ASEA), and the Arkansas Retired Teachers Association (ARTA). The System shall also publish a Public Notice in the Arkansas Democrat-Gazette, which will run for five (5) days. This announcement shall include the trustee position number and description of the position for which the election is to be held, a listing of counties if election is for a congressional district, voter qualifications/eligibility to vote, the procedure for nominating a candidate, and an announcement indicating that nominating petitions can be obtained from the Teacher Retirement System.

NOMINATIONS

1. Nomination for election shall be upon petition signed by not less than twenty-five (25) voters eligible to vote in the specified election. Such petitions must also have the Social Security number of the nominee and each signer in order for the Retirement System to verify the petition. Nominating petitions and a candidate information form must be filed with the Executive Director of the Teacher Retirement System not later than January 31 of the year in which the member's or retirant trustee's term expires.
2. Should only one qualified candidate file a timely and verified petition, that person shall be declared by the Board of Trustees as elected to fill the vacant trustee position.

BALLOTS

1. The Board of Trustees shall employ an independent contractor to conduct all or part of the election process. ATRS will provide the contractor with compatible media containing the addresses of eligible voters and any other materials required to conduct the scope of the election process for which the contractor has been employed.
2. The order of candidates listed on the ballot(s) will be determined by a drawing from the petitions received by the Retirement System. The drawing will be conducted by representatives of the Retirement System's staff and witnessed by a representative of the group(s) from which a trustee will be elected, i.e., administrator, ~~certified licensed~~, ~~noncertified nonlicensed~~, minority, or retiree. A letter to document and verify the drawing will be signed by all in attendance.

3. Ballots will be mailed directly to the homes of eligible voters in accordance with the ATRS policies governing the schedule for active and retirant trustee elections.
4. The date the ballot is to be mailed, the word, "Ballot," and the deadline for receipt of the ballot will be printed on the ballot, along with a brief statement from each candidate. The ballot shall be returned to the contractor. Instructions on the ballots will inform voters that the ballots are not to be copied nor returned to the System office, which would render them invalid.
5. Neither the voters' addresses nor Social Security numbers will be requested, and no space will be provided for them on the ballot.
6. ~~One (1) printed list and mailing labels of eligible voters and their addresses will be furnished to each candidate upon request.~~
- ~~7-6.~~ The System's return address will be printed on the ballots in order for undeliverable pieces to be returned for correction of the System's records.
- ~~8-7.~~ In the event the post office provides corrected addresses for undeliverable ballots, ATRS will correct its records and then remail the ballot to the voter. However, should the undeliverable ballot be received by the System less than (5) days prior to the deadline for returning ballots, the System will correct its records and will not remail the ballot to the voter.
- ~~9-8.~~ The independent contractor will be instructed that ballots will be mailed no earlier, nor later, than the scheduled date ballots are to be mailed. If one of the scheduled dates is on a weekend or holiday, ballots will be mailed on the next regular work day following such weekend or holiday.
- ~~10-9.~~ Should it be determined by the Board of Trustees or its agent that the independent contractor has mailed ballots earlier or later than the contracted date, ATRS will assess the contractor a penalty of not less than five thousand dollars (\$5,000.00) in each instance and for each election the ballots are mailed early or late.
- ~~11-10.~~ The Board of Trustees has final approval of the ballot and instructions.

Approved: May 10, 2000

Amended:

**SCHEDULE FOR ACTIVE
AND RETIRANT TRUSTEE ELECTIONS**

SCHEDULE

The election schedule will be as follows:

- ◆ Deadline for nomination: January 31
- ◆ Drawing for ballot position: February 1
- ◆ Ballots mailed: March 15
- ◆ Deadline for ballots to be returned: April 15
- ◆ Results certified: April 20

If no candidate receives a majority of votes, a run-off will be held between the two candidates receiving the highest number of votes. The schedule for the run-off will be as follows:

- ◆ Run-off ballots mailed: May 1
- ◆ Deadline for ballots to be returned: June 1
- ◆ Results certified: June 5

If one of the above fixed dates is on a weekend or holiday, the above procedures will occur on the next regular work day following such weekend or holiday.

If a candidate receives a majority of the votes cast on the first ballot, he/she will be considered qualified to assume office on July 1. If a run-off is necessary, the candidate receiving the majority of the votes cast will be considered qualified and will assume office on July 1.

CHALLENGE PROCEDURES

A challenge of any ATRS trustee election shall be directed to the ATRS Executive Director within 10 calendar days of the certification of the results of the election in question. The Executive Director will issue a recommendation in writing within 10 calendar days. The Executive Director's recommendation may be appealed to the Board of Trustees within 10 additional days. The Board of Trustees will take action on the appeal within 10 days of its receipt. The challenger will pay expenses incurred by the Retirement System as a result of an election being challenged, unless the Board upholds the challenger's assertion.

TERMS FOR POSITIONS CREATED BY ACT 418 OF 1997

The terms of Position No. 6 (Administrator), Position No. 7 (~~Noncertified~~) (Nonlicensed), and Position No. 8 (Minority), shall commence on January 1, 1998, and shall expire June 30, 2003.

Amended: