

## **FREE MILITARY SERVICE**

A.C.A. § 24-7-602

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A member of the Arkansas Teacher Retirement System who entered the Armed Forces of the United States between July 1, 1937, and June 30, 1973, may establish that active duty service in this System without cost, provided the following conditions are met:

1. Service must be the initial enlistment. Reenlistment or voluntary extension of the initial enlistment is not considered compulsory and shall not be allowed as service credit.
2. Military service shall not exceed five (5) years, and the years to be credited shall be those closest to the teaching service.
3. Crediting of military service will require the completion of Form M-1, provided by the System, and official military documents listing the entry and discharge dates of the first enlistment or induction.
4. Must have received an honorable discharge; and
5. The period of military service credit shall be based on 120 days of service rendered during a fiscal year, July 1 through June 30. For military service, the actual number of days in the month shall be counted. Fractional years of service cannot be credited prior to July 1, 1971. Days on both ends of the military time period may be combined to provide a year of service credited prior to July 1, 1971, if:
  - A. The minimum number of days to be combined is 120;
  - B. The maximum number of fiscal years to be counted is two (2); and
  - C. Combined military service may not be credited during fiscal years in which the member received credit for a year of teaching service.
6. All military service credited prior to July 1, 1986, is contributory service.
7. Military service may be established at any time after entrance into the System but official crediting shall be effective upon completion of five (5) years of actual service in the Arkansas Teacher Retirement System, excluding military service credit.

8. The member must not be receiving, nor be eligible to receive, federal military retirement pay (other than disability). Recertification of military service credit will be required for all service credited after 1969 at retirement.
9. Members receiving concurrent military retirement benefits and Veterans Administration disability compensation<sup>1</sup> must have a service-related Veterans Administration rating of 50% or higher in order to qualify for the disability eligibility requirement in paragraph No. 8 above.
- ~~9-10~~ The policies covering free military service credited to a member of the Teacher Retirement System apply to free military service credit under reciprocity, provided the member has five (5) years of actual service credit in the Arkansas Teacher Retirement System, excluding military service.
- ~~10-11~~. Under Act 793 of 1977, free military service may be established if membership is transferred after completing five (5) years of actual service in the Arkansas Teacher Retirement System.

**Amended:** April 26, 2007

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<sup>1</sup> Veterans Affairs compensation is a benefit paid on the basis of the kind and severity of a disability that happened as a result of active duty in military service. A Veterans Affairs pension is a benefit paid on the basis of a disability that was not a result of active service in the military and is based on income. ATRS must use VA compensation as disability eligibility, not VA pension.

# **AGE AND SERVICE (VOLUNTARY) RETIREMENT**

A.C.A. § 24-7-701 as amended by Act 297 of 2007

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## **RULES**

### **1. ELIGIBILITY QUALIFICATIONS**

- A. Any active or inactive member who attains age 60 and has five (5) or more years of actual and reciprocal service may voluntarily retire upon written application filed with the System.
- B. Any active or inactive member who has 28 or more years of credited service but has not attained age 60 years may voluntarily retire without reduction in benefits upon written application filed with the System.
  - i. For active members, annuities payable under the provisions of this rule shall commence the calendar month following the member's eligibility to receive the annuity under A.C.A. § 24-7-701.
  - ii. For inactive members, annuities payable under the provisions of this rule shall commence the calendar month following the member's eligibility to receive the annuity under A.C.A. § 24-7-707.

### **C. Separation from Service**

Effective July 1, 2001:

- i. A member who has not attained normal retirement age (65) must terminate covered employment to be eligible for retirement.
  - ii. A member shall not be considered terminated from employment for retirement purposes if the person returns to a position that would otherwise be covered by ATRS within thirty (30) days of the person's effective date of retirement.
  - iii. A person failing to meet these requirements shall not be eligible to retire and shall forfeit retirement benefits until the requirements are met. Any retirement benefits received shall be repaid to the System.
- D. The annuity shall not begin earlier than the July 1 following a fiscal year in which the member has signed an employment contract, unless his/her contract is terminated with employer consent before the year of service is rendered.

- E. The official postmark date may be used as the official date the retirement application was received by ATRS.
- F. The date of application for disability retirement benefits may be used to determine the effective date of age and service retirement benefits under the provisions of the law. The date of application for age and service retirement benefits may be used to determine the effective date of disability retirement under the provisions of the law.
- G. A member may cancel an application for retirement benefits any time prior to thirty (30) days after the later of the effective date of benefits or the receipt of the first retirement check. The member shall notify the Teacher Retirement System of such cancellation in writing within the 30-day period and shall again become eligible for active membership in the System. This shall be in effect for the 1993-94 fiscal year and thereafter.
- H. Leave earned prior to the date of termination of employment does not change the date of termination, although a lump-sum payment is made subsequent to the date of termination. The key to termination is the date the employee actually goes off the payroll.

## **2. BENEFITS**

### **A. Benefits Formula**

The retirement benefits payable shall be the total number of contributory years of credited service multiplied by 2.065% of the final average salary, plus the total number of noncontributory years of credited service multiplied by 1.305% of the final average salary

If an employer reports additional salary for a retirant, but the result does not increase or decrease the annual benefits by \$5.00 or more, the contributions will be transferred from the member's deposit account to the employer accumulation account without making any change in the member's benefit. If the additional salary does increase or decrease the retirant's annual benefit by \$5.00, the benefits will be recomputed, and necessary changes will be made in the member's benefit.

### **B. Minimum Retirement Benefits (A.C.A. §§ 24-7-707 and 24-7-713)**

A member who retires under A.C.A. § 24-7-701 shall receive no less than the following benefits:

- i. A member who has at least ten (10) years of contributory credited service with ATRS will receive not less than \$1,800 per year; or

- ii. A member who has at least five (5) years of contributory credited service with ATRS will receive not less than \$1,200 per year; or
- iii. A member who has at least ten (10) years of noncontributory credited service with ATRS will receive not less than \$1,128 per year; or
- iv. A member who has at least five (5) years of noncontributory credited service with ATRS will receive not less than \$768 per year; or
- v. A member who has a mixture of contributory and noncontributory credited service greater than ten (10) years but less than the minimum credited years listed above will receive a prorated amount between \$1,128 and \$1,800 per year according to the relationship between the member's noncontributory and contributory credited service and total credited service; or
- vi. A member who has a mixture of contributory and noncontributory credited service greater than five (5) years but less than the minimum credited years listed above will receive a prorated amount between \$768 and \$1,200 per year according to the relationship between the member's noncontributory and contributory credited service and total credited service.

In addition to the minimum benefit amount, a member who meets eligibility requirements shall receive benefits applicable under A.C.A. § 24-7-713.

**C. Effective Date of Retirement Benefits (A.C.A. § 24-7-701)**

A retirement benefit shall not begin earlier than July 1 following a fiscal year in which the member has signed an employment contract unless the contract is terminated with employer consent before the year of service is rendered. If a member has signed an employment contract for a fiscal year and has been paid in full for that year, benefits shall not become effective until the next July 1.

For a member retiring with an effective date other than July 1 who has terminated employment and wants to retain credit for service within the current fiscal year, no salary earned during the fiscal year may be used in the computation of benefits, and no more than one-fourth (1/4) of a year of service credit may be given for each quarter worked regardless of the number of days worked in a quarter.

**D. Annual Cost of Living Increase**

- i. On July 1 of each year, all retirees who have received a retirement annuity for 12 months or longer shall receive a 3% cost-of-living (COLA) increase. (A.C.A. § 24-7-713)
- ii. Act 404 of 1999 grants the ATRS Board of Trustees authority to compound the cost-of-living adjustment when actuarially appropriate. (A.C.A. § 24-7-727)

**E. Compound Cost of Living Adjustment**

Effective each July 1, when actuarially appropriate, the ATRS Board may elect to compound the cost of living adjustment for all retirees who have been receiving benefits for the prior twelve-month period pursuant to A.C.A. § 24-7-727.

- i. The Compound COLA shall apply to all retirants and beneficiaries who have been receiving a monthly retirement annuity for the prior twelve-month period. The Compound COLA will also apply to T-DROP participants if the member is otherwise eligible for a retirant annuity under A.C.A. § 24-7-705.
- ii. The Compound COLA shall be calculated on 100% of the prior June 30 annuity amount times (X) 3%.
- iii. The redetermined amount will be payable for the ensuing fiscal year.
- iv. In the years that the Board elects to compound the COLA, the simple COLA shall not be payable. In a year the Board elects not to compound the COLA, the simple COLA under A.C.A. § 24-7-713 shall be given under paragraph 2D above.
- v. Each July 1 following a year in which the Board has compounded the COLA, the base amount shall be updated to include the prior June 30 annuity plus the compound COLA amount. (A.C.A. § 24-7-727)

**¶ F. Additional Benefit** (Act 400 of 1999, Acts 360 and 742 of 2001, Act 853 of 2003, and Act 297 of 2007) [A.C.A. § 24-7-713(b)(2)]

Members with five (5) or more years of actual service with ATRS retiring after July 1, 1999, but prior to July 1, 2008, and their survivors and beneficiaries, shall receive an additional benefit of \$75.00 per month over and above the regular annuity.

Members with ten (10) or more years of actual service with ATRS retiring on or after July 1, 2008, and their survivors and beneficiaries shall receive an additional benefit of \$75 per month over and above the regular annuity.

For the purpose of determining eligibility for the additional benefit, "actual service" means service rendered in a position covered by ATRS. "Actual service" does not include purchased or free credited service or reciprocal service.

**FG. Suspension of Benefits** (Act 29 of 1999 and Act 97 of 2007) [A.C.A. § 24-7-209(a)]

Subject to the minimum distribution provisions of A.C.A. § 24-7-730, anyone entitled to receive an annuity from the System may request the ATRS Executive Director in writing, for personal reasons and without disclosure, to suspend the payment of all benefits otherwise payable to him/her by the System. Upon approval to authorize suspension of benefits, the person shall be deemed to have forfeited all rights to the benefit but will retain the right to have the full benefit reinstated upon written notice to the Executive Director to revoke the request for suspension.

**GH.** Benefits are payable through the month in which the retirant's death occurs.

**Amended:** June 15, 2004  
February 7, 2006  
April 26, 2007

# DISABILITY RETIREMENT

A.C.A. § 24-7-704, Act 487 of 2007

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## DEFINITIONS

1. **Active member** means any member rendering service to an employer that is covered by the System.
2. **Actual service** means service rendered in a position covered by the System and does not include purchased, free, or reciprocal service.
3. **Board** means the Arkansas Teacher Retirement System (ATRS) Board of Trustees.
4. **Full-time employment** for a disability retirant is working for a covered employer at least 480 hours in a fiscal year.
5. **Medical Committee** is a committee of three physicians appointed by the Board under A.C.A. § 24-7-303 for the purpose of evaluating disability applications.
6. **Part-time employment** for a disability retirant is working for a covered employer less than 480 hours in a fiscal year.
7. **Reciprocal service** means credited service rendered under a reciprocal system as defined by A.C.A. § 24-2-401.
8. **Retirant** means a former member receiving an ATRS annuity.
9. **System** means the Arkansas Teacher Retirement System.

## RULES

### 1. Eligibility and Review of Disability Retirement Applications

- ~~1. A member who becomes totally and permanently physically or mentally incapacitated for the performance of job duties as a result of personal injury or disease may be retired by the Board.~~
- ~~2. An active member must terminate employment to become eligible for disability retirement benefits.~~



- A. Once the System receives a completed disability application from an active member who has 5 or more years of actual and reciprocal service, the disability application will be evaluated by the System's Medical Committee.
- AB. To qualify for disability retirement, a member who as the result of a personal injury or disease must become totally and permanently incapacitated for the performance of his or her job duties. Members who meet this standard under A.C.A. § 24-7-704(a)(1) may be retired by the Board.
- C. To be eligible for disability retirement, The the member must have been an active member of the System or a reciprocal system at the onset of the disability. Active membership continues beyond the fiscal year in which actual service is rendered provided the employing institution certifies continued employment. Leave of absence with pay, upon which the member is reported as an active member, also continues active membership. Disability protection continues for deferred members, provided the applicant's physician presents medical information to attest that the onset of the disability occurred while last employed in a position covered by the System. For purposes of disability retirement, a member will be considered an active member for an additional fiscal year following the last fiscal year that actual service was rendered to a covered employer.
3. D. Disability benefits shall be granted upon affirmative vote of the Board after a medical examination recommendation is made by or under the direction of the System's Medical Committee, and the Medical Committee reports by majority opinion in writing to the Board that the member is:
- Ai. Physically or mentally incapacitated;
- Bii. ~~The member is~~ Unable to perform his or her current work duties;
- Ciii. ~~That the~~ The incapacity will most likely be permanent; and
- Div. ~~That the~~ The member should be retired.
- 4E. If approved by the Board, Disability retirement benefits shall become effective commence the first day of the calendar month following the date the member is granted disability by the Board under A.C.A. § 24-7-704. Termination of active membership for disability benefits shall be the last date of employment with the member's covered employer. Paid sick leave, Family Medical Leave Act (FMLA) leave, if granted for the disability applicant, and other medical leave granted by the employer shall extend the date of active membership; however, service credit and shall only be

included the days of service credit if it was for paid sick leave from the covered employer. ;~~or~~

~~A. For an active member, his/her termination of active membership.~~

~~Termination of active membership for disability benefits shall be the last date of employment.~~

~~B. For a deferred member, no earlier than six months prior to the date written application is filed with the System; or~~

~~C. The date of application for age and service retirement benefits may be used as the date of application for disability benefits; or~~

~~D. For a reciprocal member, see Rule No. 6-2 (Reciprocity, No. 2, Disability, on page 6-2-3).~~

G. For applicants who are eligible and approved by the Board, retirement benefits shall be paid in arrears back to the effective date of benefits. Disability retirement shall be effective the first day of the calendar month following the later of:

i. The member's date of termination of active membership; or

ii. Six (6) months prior to the date the disability application is received by the System.

5 H. If the application for disability retirement benefits is denied, the date of application for disability retirement benefits may be used as the date of application for age and service retirement benefits, if applicable eligible.

6I. If an active member dies after applying for disability retirement, the following will apply:

Ai. If the member dies before receipt of the first disability retirement check but after receiving final approval for disability retirement, the benefits will be paid under the disability retirement option selected by the member.

Bii. If the member dies after the disability application is received by the System but before disability retirement is approved, then the System shall consider the member to have died in "active" service and survivor benefits under A.C.A. § 24-7-710 shall be paid.

7J. The annuity formula for computing disability retirement benefits is the same as for age and service retirement.

- ~~8K.~~ A disability retirant shall not be considered terminated from employment for retirement purposes if the disability retirant returns to a position covered by the System within thirty (30) days of the effective date of retirement. A disability retirant failing to meet the termination requirements shall forfeit retirement benefits until the requirements are met.
- ~~9L.~~ The Board or its designee may require a disability retirant who has not attained age 60 to undergo a medical examination to be made by or under the direction of the Medical Committee at least annually during the first five (5) years following a member's disability retirement and at least once in each three (3) year period thereafter.
- ~~Bj.~~ If a disability retirant refuses to submit to the medical examination, the disability annuity may be suspended by the Board until the withdrawal of his/her refusal.
- ~~Cij.~~ If a disability retirant's refusal to submit to the medical examination continues for one (1) year, the disability benefit may be revoked by the Board.
- ~~Diii.~~ If after a retirant's medical examination, the Medical Committee reports to the Board that the retirant is physically and mentally able and capable of resuming duties in the position held at the time of disability retirement, then the disability retirement shall terminate. Disability retirants who are disapproved for further disability annuities shall be removed from the System's retirant payroll the earlier of six months following the review date or the first of the month following return to full-time employment.
- ~~40M.~~ Reciprocal Service - See Rule No. 6-2 (Reciprocity, No. 2, Disability on page 6-2-3).
- ~~44N.~~ If a member is approved for disability retirement but continues to work, he/she must terminate employment by the end of the fiscal year in which disability is approved. If covered employment is not terminated at that time, a new disability application must be submitted, and the Medical Committee's evaluation will be based on the new application.
- ~~42O.~~ If a member applies for disability retirement and is disapproved, he/she has the right to file a new disability application submitting additional information for review. The effective date of disability benefits will be determined by the filing date of the original disability application.

## **2. DISABILITY RETIRANTS RETURN TO EMPLOYMENT**

### **A. Disability Retirant Employed Full Time Prior to Attaining Age and Service Retirement Eligibility**

- 4i. When a disability retirant returns to a position covered by the System as a full-time employee prior to attaining sixty (60) years of age, his or her disability retirement shall terminate.
- 2ii. It is the responsibility of the employee and employer to report a disability retirant's return to employment to the System immediately upon employment by using forms approved by and filed with the System.
- 3iii. When a disability retirant under age sixty (60) years of age returns to full-time employment, he or she shall immediately become an active member of the System, his or her credited service at the time of disability retirement will be restored to the members' deposit account, and the member will be treated and reported as an active member for purposes of earning service credit.
- 4iv. The disability retirant shall not be given service credit during the time he or she received a disability retirement benefit.

### **B. Disability Retirant Employed Part-Time**

- 4i. When a disability retirant returns to a position covered by the System as a part-time employee prior to attaining sixty (60) years of age, his or her disability retirement will continue; however, his/her disability retirement will be subject to the same earnings limitation as age and service retirees under A.C.A. § 24-7-708.
- 2ii. A disability retiree shall not be permitted to purchase or establish service credit when employed in a part-time position.
- 3iii. A disability retiree shall not be given service credit during the time in which he/she receives a disability annuity (Act 541 of 1977).

### **C. Disability Retirant Employed Full Time After Attaining Age and Service Eligibility**

- 4i. When a disability retirant returns to a position covered by the System as a full-time member upon attaining sixty (60) years of age, the retirant shall be treated as if he or she had retired under A.C.A. § 24-7-701 and will be subject to the same earnings limitation applicable to age and service retirants.

2ii. The disability retirement benefit will not be suspended unless reaching the earnings limit under A.C.A. § 24-7-708.

3iii. The earnings limitation in A.C.A. § 24-7-708 shall apply.

See ATRS Rule No.10-2 for rules applicable to age and service retirants.

**Amended:** June 15, 2004  
July 18, 2005  
June 19, 2007

# QUALIFIED DOMESTIC RELATIONS ORDERS FOR ~~ACTIVE~~ ATRS MEMBERS

~~Act 1143 of 1993; Act 644 of 1995~~  
A.C.A. § 9-18-101-103

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## DEFINITIONS

1. **QDRO** means a court order that meets the definition of a “Qualified Domestic Relations Order” under A.C.A. § 9-18-101.
2. **Alternate payee** means a spouse, former spouse, child, or other dependent of a participant member under Arkansas law.
3. **System** means the Arkansas Teacher Retirement System.

## RULES

1. ~~The qualified domestic relations order~~ A QDRO entered by of the chancery a circuit court or other court of competent jurisdiction is authorized to specify assigns a designated percentage of a fractional interest or other interest of on any a retirement benefits payment that may be paid to an alternate payee from the System.
2. ~~Pursuant to Act 1143 of 1993 A.C.A. § 9-18-103(b), the System shall adopt a model qualified domestic relations order QDRO to be utilized by its members. is added as Addendum A to these policies. Any qualified domestic relations~~ The model order shall be a uniform form and shall be filed for approval by the Legislative Council. All QDROs issued by a court assigning retirement benefits from the System issued by a chancery court of Arkansas must comply with the content of and substantially follow the form set out in the addendum model order. (Act 1143 of 1993)
23. ~~A QDRO Qualified domestic relations orders issued by a chancery circuit court of the State of Arkansas or other court of competent jurisdiction and which apply to for a participant member of the Teacher Retirement System (retirement plan) shall be accepted by the System, subject to the following restrictions:~~
  - A. Benefits to the alternate payee shall begin when the participant member retires or ceases employment ~~in a covered position~~ with a covered employer and receives a refund of contributions.

- ~~C-B.~~ When a ~~qualified domestic relations order~~ QDRO is received by the ~~retirement plan~~ System, the plan administrator shall:
- i. Promptly notify the ~~participant~~ member and the alternate payee of the receipt of such order, and
  - ii. Within a reasonable time after receipt of the order, determine whether the order is a ~~qualified domestic relations order~~ QDRO that complies with the System's model order and otherwise complies with System plan statutes and regulations, as set out in Addendum A to these policies and notify the participant and the alternate payee of such determination.
- D. ~~Qualified domestic relations orders~~ QDROs received prior to a ~~participant's~~ member's retirement or ~~cessation~~ termination of covered employment will be handled as set out in ~~2C-3B~~ above, but any amounts payable to the alternate payee will be held in the ~~participant's~~ member's account until due to be paid.
- E. Nothing contained in the ~~qualified domestic relations order~~ a QDRO shall ~~be construed to require~~ any of the following:
- i. The ~~retirement plan~~ System to provide an alternate payee any type or form of benefit or option not otherwise available to the ~~participant~~ member;
  - ii. The System to provide the alternate payee actuarial benefits not available to the ~~participant~~ member; or
  - iii. The System to pay any benefits to the an alternate payee that are required to be paid to another alternate payee under an existing QDRO. ~~a previous qualified domestic relations order.~~
- F. Should the alternate payee die prior to the receipt of benefits under the qualified domestic relations order, the entire amount due the alternate payee shall revert to the ~~participant~~ member.
- G. Should the ~~participant~~ member die prior to retirement, the alternate payee shall receive the same ~~percentage portion~~ percentage portion of the ~~participant's~~ member's contributions, if any, as was ~~awarded by the court in dividing the marital property assigned by the QDRO.~~ In no case shall the alternate payee receive monthly annuity benefits from the ~~retirement plan~~ System if the member has not received his/her retirement annuity at the time of his/her death.

- H. If the QDRO specifies a marital portion of M monthly annuity benefits, the portion shall be assigned paid to the alternate payee, shall be computed on the benefit formula in effect at the time of the participant's member's retirement, but shall include only service credit earned by the participant member during the marital relationship.
- I. If the QDRO assigns a marital portion or other part of a member's interest in his/her T-DROP plan deposits and interest, the benefits in the T-DROP account shall be computed as a separate calculation under the provisions in the model order.
- J. The retirement plan System shall have the right to make any necessary correction to the monthly benefit amount paid both to the participant and the alternate payee under a QDRO and to recover from either the member or the alternate payee, or both, any overpayments made if funds are overpaid and due and owing to the System.
- K. If the alternate payee fails at any time to notify the retirement plan System of any a change of mailing address change, the retirement plan System shall not be eligible required to make restitution for payments not made for failure to make the payments as due prior to receipt of a change of address.
- L. Any benefit enhancements enacted by the Legislature or the Board of Trustees after entry of a QDRO shall not be assigned to the alternate payee but shall inure to the sole benefit of the member.
- L. Qualified domestic relations order received by the retirement plan before the effective date of Act 1143 of 1993 may be honored but only if the participant or the alternate payee notifies the plan, and it is determined that the order is a qualified order as set out in Addendum A.
- M. If the member does not have 5 years actual service with the System at the time the QDRO is entered by a court, the System shall not accept the QDRO or be responsible for payment thereunder.
- N. Should the retirement plan System determine that the alternate payee's monthly benefits are less than \$20.00, the participant member shall be paid the total benefit due and shall be responsible for paying the alternate payee the amount due.
- O. No provision in a QDRO shall require the System to provide any benefit that is an actuarial cost to the System and is not otherwise contemplated in the System's benefit statutes.



P. The Board of Trustees may set a reasonable fee not to exceed \$250 per order to be paid by members and alternative payees when a QDRO is submitted to the System.

Q. No provision in this regulation or in a QDRO accepted by the System shall require the System to violate any plan qualification requirement in IRS Code § 401(a) or otherwise affect the System's requirement to operate as a governmental plan under IRS Code § 414(d).

**Adopted:** August 10, 1993

**Amended:** March 6, 1996  
February 10, 1998  
May 5, 1998  
October 7, 2003

**~~ADDENDUM: A~~**

**~~ACTIVE MEMBERS  
OF THE  
ARKANSAS TEACHER RETIREMENT SYSTEM  
MODEL QUALIFIED DOMESTIC RELATIONS ORDER~~**

~~\_\_\_\_\_ IN THE CHANCERY COURT OF \_\_\_\_\_ COUNTY,  
ARKANSAS~~

~~\_\_\_\_\_  
PLAINTIFF~~

~~\_\_\_\_\_ NO.~~

~~\_\_\_\_\_  
DEFENDANT~~

**~~QUALIFIED DOMESTIC RELATIONS ORDER~~**

~~(Introduction describing how the case came before the Court for disposition.) The Court finds and orders that this Qualified Domestic Relations Order, pursuant to Act 1143 of 1993 as amended, is an integral part of and is incorporated into the judgment, decree or order of this Court entered \_\_\_\_\_ (Date) which relates to the provisions therein for child support, alimony or marital property rights, including approval of a property settlement agreement, awarded to a spouse or former spouse, child or other dependent of \_\_\_\_\_ (Name of Party), a participant in \_\_\_\_\_ (Name of Plan), hereafter referred to as "the Plan."~~

**~~I.~~**

**~~BACKGROUND INFORMATION~~**

~~[MEMBER'S NAME AND SOCIAL SECURITY NUMBER] is the participating member whose last known address is [MEMBER'S ADDRESS]. The member's date of birth is [MEMBER'S DATE OF BIRTH]. [ALTERNATE PAYEE'S NAME AND SOCIAL SECURITY NUMBER] is the alternate payee whose last known address is [ALTERNATE PAYEE'S ADDRESS]. The alternate payee's date of birth is [ALTERNATE PAYEE'S DATE OF BIRTH]. The participating member and the alternate payee were married on [DATE OF MARRIAGE].~~

## **~~II.~~** **~~BENEFITS~~**

~~Benefits under the plan are distributed as follows: (Choose One)~~

- ~~1. The alternate payee is awarded [\_\_\_\_\_] % of the member's monthly retirement benefit as of [DATE OF DIVORCE].~~

~~[OR]~~

- ~~2. The alternate payee is awarded [\$\_\_\_\_\_] of [FRACTIONAL INTEREST] of the member's accrued annuity benefit as of [DATE OF DIVORCE].~~

~~[OR]~~

- ~~3. The alternate payee is awarded [\$\_\_\_\_\_] of the member's monthly retirement benefit as of [DATE OF DIVORCE].~~

## **~~III.~~** **~~TIME OF BENEFIT RECEIPT~~**

~~The plan shall begin benefit payments to the alternate payee upon the earlier event: (1) when the participating member retires, or (2) ceases employment in a covered position and requests a refund of contributions.~~

## **~~IV.~~** **~~DURATION OF PAYMENTS TO ALTERNATE PAYEE (Choose One)~~**

~~NOTE: Choose the appropriate optional language as applicable under the following alternatives:~~

~~\* Choose Option A if the benefits to the alternate payee are to be paid over the member's life under the single life annuity option with no surviving spouse annuity benefits upon the member's death.~~

~~\* Choose Option B if the benefits to the alternate payee are to be paid as an actuarial equivalent of the alternate payee's share of the benefits payable over the alternate payee's life.~~

~~A. Alternate payee shall receive a single life annuity that is equal to the alternate payee's share of the benefit payable throughout the life of the participating member.~~

~~B. Alternate payee shall receive an adjusted single life annuity that is equal to the actuarial equivalent of the alternate payee's share of the benefit payable~~

throughout the life of the alternate payee. The alternate payee's monthly benefit may not exceed the amount that would be paid under the single life annuity.

**~~V.~~**

**~~WITHDRAWAL FROM RETIREMENT SYSTEM (Choose One)~~**

- ~~A. If the participating member discontinues covered employment and withdraws the member contributions in a lump sum, the alternate payee shall receive [\_\_\_\_\_] % of the member's account balance as of [DATE OF DIVORCE] accumulated with interest as required by the Plan.~~

~~[OR]~~

- ~~B. If the participating member discontinues covered employment and withdraws the member contributions in a lump sum, the alternate payee shall receive [\_\_\_\_\_] % of [FRACTIONAL INTEREST] of the member's accrued annuity benefit of [DATE OF DIVORCE] accumulated with interest as required by the Plan.~~

~~[OR]~~

- ~~C. If the participating member discontinues covered employment and withdraws the member contributions in a lump sum, the alternate payee shall receive [\$ \_\_\_\_\_] from the member's account balance accumulated with interest as required by the Plan.~~

**~~VI.~~**

**~~LIMITATIONS OF THIS ORDER~~**

- ~~A. If the alternate payee dies prior to the receipt of benefits under this Order, the entire amount that may be due to the alternate payee reverts to the participating member.~~
- ~~B. If the participating member dies prior to retirement, the alternate payee will receive [\_\_\_\_\_] % share of the member's contributions as of [DATE OF DIVORCE], or [\_\_\_\_\_] % of [FRACTIONAL INTEREST] of the member's accrued annuity benefit as of [DATE OF DIVORCE], or [\$ \_\_\_\_\_] of the member's accrued annuity benefits as of [DATE OF DIVORCE].~~
- ~~C. The benefit enhancements provided by the Arkansas legislature for service during the marital relationship which are adopted after the end of the marital relationship apply to the alternate payee's portion of benefits under this Order.~~
- ~~D. If the participant or alternate payee receives any distribution that should not have been paid per this Order, the party is designated a constructive trustee~~

for the amount received and shall immediately notify the Arkansas Teacher Retirement System and comply with written instructions as to the distribution of the amount received.

- ~~E. Alternate payee is ORDERED to provide the Plan prompt written notification of any changes in alternate payee's mailing address. The Arkansas Teacher Retirement System shall not be liable for failing to make payments to alternate payee if the Arkansas Teacher Retirement System does not have a current mailing address for alternate payee at time of payment.~~
- ~~F. If payments from the Plan to the alternate payee are determined to be less than \$20.00 a month, the Court orders the Plan to disburse the money to the participating member who shall pay same to the alternate payee.~~
- ~~G. Alternate payee shall furnish a certified copy of this Order to the Arkansas Teacher Retirement System.~~
- ~~H. The Court retains jurisdiction to amend this Order so that it will constitute a qualified domestic relations order under the Plan even though all other matters incident to this action or proceeding have been fully and finally adjudicated. If the Arkansas Teacher Retirement System determines at any time that changes in the law, the administration of the Plan, or any other circumstances make it impossible to calculate the portion of the distributions awarded to alternate payee by this Order and so notifies the parties, either or both parties shall immediately petition to the Court for reformation of the Order.~~
- ~~I. This Order shall not require Arkansas Teacher Retirement System to provide any type or form of benefit, or option not otherwise available to the participating member; nor shall it require the payment of any benefits to the alternate payee which are required to be paid to another alternate payee of another order previously determined to be a qualified domestic relations order. In no event shall the alternate payee have a greater right in the retirement benefits than those, which are available to the participating member. Any provision of this Order, which appears to be, otherwise shall be null and void and have no effect.~~

IT IS SO ORDERED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
CHANCELLOR

# **~~QUALIFIED DOMESTIC RELATIONS ORDERS FOR RETIRED MEMBERS~~**

~~Act 1143 of 1993; Act 644 of 1995  
A.C.A. §§ 9-18-101-103~~

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## **DEFINITIONS**

**~~Alternate payee~~** means ~~a spouse, former spouse, child, or other dependent of a participant under Arkansas law.~~

## **RULES**

~~1. The qualified domestic relations order of the chancery court is authorized to specify a designated percent of a fractional interest on any retirement benefit payment that may be paid to an alternate payee.~~

~~2. Qualified domestic relations orders issued by a chancery court of the State of Arkansas and which apply to a participant of the Teacher Retirement System (retirement plan) shall be accepted by the System, subject to the following restrictions:~~

~~A. Pursuant to Act 1143 of 1993, a model qualified domestic relations order is added as Addendum A to these policies. Any qualified domestic relations order issued by a chancery court of Arkansas must comply with the content of and substantially follow the form set out in the addendum.~~

~~B. When a qualified domestic relations order is received by the retirement plan,~~

~~i. The plan administrator shall promptly notify the participant and the alternate payee of the receipt of such order, and~~

~~ii. Within a reasonable time after receipt of the order, determine whether the order is a qualified domestic relations order as set out in Addendum A to these policies and notify the participant and the alternate payee of such determination.~~

~~C. Nothing contained in the qualified domestic relations order shall be construed to require the retirement plan to provide an alternate payee any type or form of benefit or option not otherwise available to the participant; to provide the alternate payee actuarial benefits not available to the participant; or to pay any benefits to the alternate payee which are~~

~~required to be paid to another alternate payee under a previous qualified domestic relations order.~~

~~D. Should the alternate payee die prior to the receipt of benefits under the qualified domestic relations order, the entire amount due the alternate payee shall revert to the participant.~~

~~E. Should the participant die prior to retirement, the alternate payee shall receive the same percentage of the participant's contributions, if any, as was awarded by the court in dividing the marital property. In no case shall the alternate payee receive monthly benefits from the retirement plan.~~

~~F. The retirement plan shall have the right to make any necessary correction to the monthly benefit amount paid both to the participant and the alternate payee and to recover from either or both any overpayments made.~~

~~G. If the alternate payee fails at any time to notify the retirement plan of any mailing address change, the retirement plan shall not be liable for failure to make the payments as due.~~

~~H. Should the retirement plan determine that the alternate payee's monthly benefits are less than \$20.00, the participant shall be paid the total benefit due and shall be responsible for paying the alternate payee the amount due.~~

~~I. Qualified domestic relations order received by the retirement plan before the effective date of Act 1143 of 1993 may be honored but only if the participant or the alternate payee notifies the plan, and it is determined that the order is a qualified order as set out in Addendum A.~~

~~J. During any period while it is being determined if the order is a qualified domestic relations order, the plan administrator shall separately account for the amounts which would have been payable to the alternate payee during that time.~~

~~K. If a participating member rescinds his or her retirement, the monthly benefit for both the member and the alternate payee shall cease. Benefits for the member and the alternate payee shall resume when the member subsequently retires, or ceases employment in a covered position, or receives a refund of contributions.~~

~~Adopted: August 10, 1993~~

~~Amended: March 6, 1996~~

~~February 10, 1998~~

~~May 5, 1998~~

~~October 7, 2003~~

~~ADDENDUM: A~~

~~RETIRED MEMBERS  
OF THE  
ARKANSAS TEACHER RETIREMENT SYSTEM~~

~~MODEL QUALIFIED DOMESTIC RELATIONS ORDER~~

~~IN THE CHANCERY COURT OF \_\_\_\_\_ COUNTY,  
ARKANSAS~~

~~\_\_\_\_\_  
PLAINTIFF~~

~~\_\_\_\_\_ NO.~~

~~\_\_\_\_\_  
DEFENDANT~~

~~QUALIFIED DOMESTIC RELATIONS ORDER~~

~~(Introduction describing how the case came before the Court for disposition.) The Court finds and orders that this Qualified Domestic Relations Order, pursuant to Act 1143 of 1993 as amended, is an integral part of and is incorporated into the judgment, decree or order of this Court entered \_\_\_\_\_ (Date) which relates to the provisions therein for child support, alimony or marital property rights, including approval of a property settlement agreement, awarded to a spouse or former spouse, child or other dependent of \_\_\_\_\_ (Name of Party), a participant in \_\_\_\_\_ (Name of Plan), hereafter referred to as "the Plan."~~

~~I.~~

~~BACKGROUND INFORMATION~~

~~[MEMBER'S NAME AND SOCIAL SECURITY NUMBER] is the participating member whose last known address is [MEMBER'S ADDRESS]. The member's date of birth is [MEMBER'S DATE OF BIRTH]. [ALTERNATE PAYEE'S NAME AND SOCIAL SECURITY NUMBER] is the alternate payee whose last known address is [ALTERNATE PAYEE'S ADDRESS]. The alternate payee's date of birth is [ALTERNATE PAYEE'S DATE OF BIRTH]. The participating member and the alternate payee were married on [DATE OF MARRIAGE].~~



## **~~II.~~** **~~BENEFITS~~**

~~Benefits under the plan are distributed as follows: (Choose One)~~

~~1. The alternate payee is awarded [\_\_\_\_\_%] of the member's monthly retirement benefit as of [DATE OF DIVORCE].~~

~~[OR]~~

~~2. The alternate payee is awarded [\$\_\_\_\_\_] of [FRACTIONAL INTEREST] of the member's accrued annuity benefit as of [DATE OF DIVORCE].~~

~~[OR]~~

~~3. The alternate payee is awarded [\$\_\_\_\_\_] of the member's monthly retirement benefit as of [DATE OF DIVORCE].~~

## **~~III.~~** **~~TIME OF BENEFIT RECEIPT~~**

~~The plan shall begin benefit payments to the alternate payee upon the earlier event: (1) when the participating member retires, or (2) ceases employment in a covered position and requests a refund of contributions.~~

## **~~IV.~~** **~~DURATION OF PAYMENTS TO ALTERNATE PAYEE (Choose One)~~**

~~NOTE: Choose the appropriate optional language as applicable under the following alternatives:~~

~~\* Choose Option A if the benefits to the alternate payee are to be paid over the member's life under the single life annuity option with no surviving spouse annuity benefits upon the member's death.~~

~~\* Choose Option B if the benefits to the alternate payee are to be paid as an actuarial equivalent of the alternate payee's share of the benefits payable over the alternate payee's life.~~

~~A. Alternate payee shall receive a single life annuity that is equal to the alternate payee's share of the benefit payable throughout the life of the participating member.~~

~~B. Alternate payee shall receive an adjusted single life annuity that is equal to the actuarial equivalent of the alternate payee's share of the benefit payable throughout the life of the alternate payee. The alternate payee's monthly~~

~~benefit may not exceed the amount that would be paid under the single life annuity.~~

~~V.~~  
**~~LIMITATIONS OF THIS ORDER~~**

- ~~A. If the alternate payee dies prior to the receipt of benefits under this Order, the entire amount that may be due to the alternate payee reverts to the participating member.~~
- ~~B. The benefit enhancements provided by the Arkansas legislature for service during the marital relationship which are adopted after the end of the marital relationship apply to the alternate payee's portion of benefits under this Order.~~
- ~~C. If the participant or alternate payee receives any distribution that should not have been paid per this Order, the party is designated a constructive trustee for the amount received and shall immediately notify the Arkansas Teacher Retirement System and comply with written instructions as to the distribution of the amount received.~~
- ~~D. Alternate payee is ORDERED to provide the Plan prompt written notification of any changes in alternate payee's mailing address. The Arkansas Teacher Retirement System shall not be liable for failing to make payments to alternate payee if the Arkansas Teacher Retirement System does not have a current mailing address for alternate payee at time of payment.~~
- ~~E. If payments from the Plan to the alternate payee are determined to be less than \$20.00 a month, the Court orders the Plan to disburse the money to the participating member who shall pay same to the alternate payee.~~
- ~~F. Alternate payee shall furnish a certified copy of this Order to the Arkansas Teacher Retirement System.~~
- ~~G. The Court retains jurisdiction to amend this Order so that it will constitute a qualified domestic relations order under the Plan even though all other matters incident to the action or proceeding have been fully and finally adjudicated. If the Arkansas Teacher Retirement System determines at any time that changes in the law, the administration of the Plan, or any other circumstances make it impossible to calculate the portion of the distributions awarded to alternate payee by this Order and so notifies the parties, either or both parties shall immediately petition to the Court for reformation of the Order.~~
- ~~H. This Order shall not require Arkansas Teacher Retirement System to provide any type or form of benefit, or option not otherwise available to the participating member; nor shall it require the payment of any benefits to the~~

~~alternate payee which are required to be paid to another alternate payee of another order previously determined to be a qualified domestic relations order. In no event shall the alternate payee have a greater right in the retirement benefits than those, which are available to the participating member. Any provision of this Order, which appears to be, otherwise shall be null and void and have no effect.~~

- ~~1. If the participating member shall rescind his or her retirement, the monthly benefit for the member and the alternate payee shall cease. Benefits for the member and the alternate payee shall resume when the member subsequently retires, or ceases employment in a covered position, or receives a refund of contributions.~~

~~IT IS SO ORDERED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_\_~~

\_\_\_\_\_  
CHANCELLOR