

# **ATRS Rule 16**

## **CASH AND SAVINGS HELP (CASH) PROGRAM**

A.C.A. §§ 24-7-505, 24-7-707

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### **I. Purpose and Scope**

- A. The purpose of this Rule is to allow members an opportunity to receive a one-time lump sum cash payment in exchange for terminating their membership in ATRS. The benefit offering under this Rule shall be known as the "CASH Program". The one time lump sum cash payment shall be known as "CASH Program payment". The tender of the CASH Program payment by ATRS extinguishes any service credit or future retirement benefit from ATRS to the member that would have been based upon the member's service, and for all purposes "buys out" the membership, the retirement benefit rights, and all future rights in the system of the member.
- B. The opportunity for a CASH Program payment is available only under this Rule and only for a specific and temporary period of time to a specific category of members. The CASH Program payment is calculated under a formula that is unique to that category of members and is applicable for the offering period exclusively.
- C. ATRS is under no obligation to extend the offer or to make a future, similar offer. Terms, rules and rights for any CASH Program under a specific offering period do not apply to a subsequent CASH Program offering.
- D. This CASH Program is only applicable to ATRS members for their ATRS service. Reciprocal service shall not be eligible for the CASH Program.
- E. The ATRS Board may target a CASH Program offering to a certain category of members within ATRS.
- F. A CASH Program payment may be made to a member by a check mailed to the member's address. A CASH Program payment may also be directly rolled over into a qualifying retirement plan under § 24-7-719, at the direction of the member. ATRS shall only roll over the CASH Program payment into one qualifying plan.
- G. CASH Offering Period
  - 1. The Board shall set the dates for any offering period. To qualify for the CASH Program payment in a specific offering period, the member shall deliver the CASH Program Election Form to ATRS before the end of the offering period.
  - 2. A CASH Program Election Form that is postmarked after the offering period deadline is invalid. If sent by facsimile, the date stamp shall be

before the offering period deadline. If sent as an attachment to an e-mail, the email shall be sent before the offering period deadline.

3. The Board may re-offer a previously expired buyout plan or may extend the duration of a current offering through a resolution adopted by the Board at a meeting of the Board.
- H. While ATRS may make reasonable efforts to contact members eligible for the CASH Program, ATRS is under no duty to contact members, to verify the accuracy of the addresses, or to confirm receipt of the offer by the member, to confirm receipt of the election form by members, or to confirm receipt by ATRS of the CASH Program Election Form from members.

## **II. CASH Program Election Form**

- A. To participate in the CASH Program, a member shall submit a CASH Program Election Form to ATRS during the offering period. The CASH Program Election Form shall be completed in its entirety by the member in order to be accepted as a valid CASH Program Election Form.
- B. The CASH Program Election Form shall include the following:
  1. A statement, signed by the member, that the member understands the purpose and scope of the CASH Program, and once ATRS tenders payment of CASH Program payment, the CASH Program Election Form may not be withdrawn.
  2. A member who participates in the CASH Program plan shall receive a one-time lump sum payment from ATRS that cancels the member's interest in any retirement benefit and all future rights in ATRS effective upon tender of payment by ATRS.
  3. The signature of the member; and
  4. The date signed.
- C. The CASH Program Election Form shall be made available to members using standard ATRS procedures.
- D. ATRS is not required to accept any CASH Program Election Form that is not received during the offering period in the manner prescribed in this Rule.
- E. ATRS is not responsible for the member's receipt of a CASH Program Election Form, regardless of the manner in which it is requested.
- F. The member is exclusively responsible for obtaining and submitting the CASH Program Election Form as required under this Rule.
- G. ATRS shall determine if the member is qualified to receive a CASH Program payment. Only qualifying members may receive the CASH

Program payment and any erroneous delivery of a CASH Program Election Form by ATRS to a member does not establish a right to payment.

### **III. CASH Program Offering**

The applicable members, offering period, and CASH Program formula for a particular CASH Program offering will be established and approved by the Board through a properly adopted resolution.

## FINANCIAL IMPACT STATEMENT

**PLEASE ANSWER ALL QUESTIONS COMPLETELY**

**DEPARTMENT** Arkansas Teacher Retirement System  
**DIVISION** Administration  
**PERSON COMPLETING THIS STATEMENT** Laura Gilson, General Counsel  
**TELEPHONE NO.** (501) 682-1266 **FAX NO.** (501) 682-2663 **EMAIL:** laurag@artrs.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

**SHORT TITLE OF THIS RULE** ATRS Rule 16 - Cash And Savings Help (CASH) Program

1. Does this proposed, amended, or repealed rule have a financial impact? Yes ☐ No ☒
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes ☐ No ☐
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes ☐ No ☐

If an agency is proposing a more costly rule, please state the following:

(a) How the additional benefits of the more costly rule justify its additional cost;  
N/A

(b) The reason for adoption of the more costly rule;  
N/A

(c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;  
N/A

(d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.  
N/A

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

(a) What is the cost to implement the federal rule or regulation?

**Current Fiscal Year**

General Revenue	<u>N/A</u>
Federal Funds	<u>N/A</u>
Cash Funds	<u>N/A</u>
Special Revenue	<u>N/A</u>
Other (Identify)	<u>N/A</u>

**Next Fiscal Year**

General Revenue	<u>N/A</u>
Federal Funds	<u>N/A</u>
Cash Funds	<u>N/A</u>
Special Revenue	<u>N/A</u>
Other (Identify)	<u>N/A</u>

Total N/A

Total N/A

(b) What is the additional cost of the state rule?

**Current Fiscal Year**

General Revenue	<u>N/A</u>
Federal Funds	<u>N/A</u>
Cash Funds	<u>N/A</u>
Special Revenue	<u>N/A</u>
Other (Identify)	<u>N/A</u>
Total	<u>N/A</u>

**Next Fiscal Year**

General Revenue	<u>N/A</u>
Federal Funds	<u>N/A</u>
Cash Funds	<u>N/A</u>
Special Revenue	<u>N/A</u>
Other (Identify)	<u>N/A</u>
Total	<u>N/A</u>

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

**Current Fiscal Year**

\$ N/A

**Next Fiscal Year**

\$ N/A

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

**Current Fiscal Year**

\$ N/A

**Next Fiscal Year**

\$ N/A

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes ☐ No ☐

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
  - (a) justifies the agency's need for the proposed rule; and

- (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
  - (a) the rule is achieving the statutory objectives;
  - (b) the benefits of the rule continue to justify its costs; and
  - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

## **Summary of Proposed Rule Change**

### **Arkansas Teacher Retirement System Rule 16 - Cash and Savings Help (CASH) Program**

#### **SUBSTANTIVE CHANGES:**

- Although this is technically a "new" rule because the rule has been renumbered and renamed, the language of the new rule is almost entirely imported from existing language in ATRS Rule16-1.<sup>1</sup>
- The existing rule 16-1, therefore, is proposed to be stricken and repealed, and replaced with new ATRS Rule 16 - Cash And Savings Help (CASH) Program.

#### **NON-SUBSTANTIVE CHANGES:**

- To add a section to notify members that a CASH program offering is established and adopted by the Board of Trustees by resolution, as authorized under § 24-7-505.
- To correct formatting issues, renumbering, grammar, and spelling, where appropriate.

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<sup>1</sup> Language in the new rule that remains the same as the existing rules is highlighted in blue. Any language that is different or has been relocated from its original order in the existing rules, is *italicized* and appears in black font color, for easier identification.

# ARKANSAS REGISTER

## Transmittal Sheet

Use only for **FINAL** and **EMERGENCY RULES**



Secretary of State

**John Thurston**

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For Office

Use Only:

Effective Date \_\_\_\_\_ Code Number \_\_\_\_\_

Name of Agency Arkansas Teacher Retirement System

Department Administration

Contact Clint Rhoden, Ex. Director E-mail clintr@artrs.gov Phone 501-682-1517

Statutory Authority for Promulgating Rules §24-7-305

Rule Title: Rule 16: Cash and Savings Help (CASH) Program

Intended Effective Date  
(Check One)

☐ Emergency (ACA 25-15-204)

☒ 10 Days After Filing (ACA 25-15-204)

☐ Other \_\_\_\_\_  
(Must be more than 10 days after filing date.)

Legal Notice Published .....

Final Date for Public Comment .....

Reviewed by Legislative Council .....

Adopted by State Agency .....

Date

April 19, 2019

May 20, 2019

July 19, 2019

July 19, 2019

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Tammyp Porter tammyp@artrs.gov

7-26-2019

Contact Person

E-mail Address

Date

### CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted  
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)

Signature

501-682-1517

Phone Number

clintr@artrs.gov

E-mail Address

Executive Director

Title

7-26-2019

Date