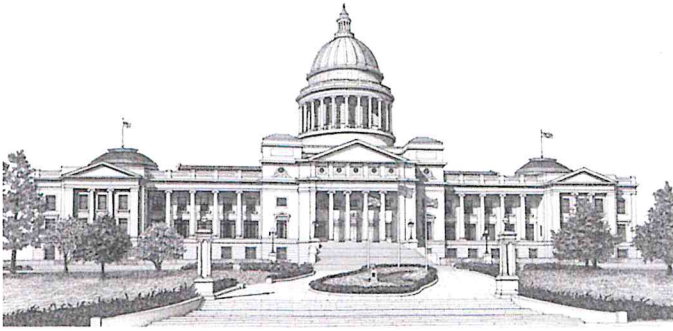


ARKANSAS REGISTER

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 Jennifer Liwo E-mail jenniferl@arts.gov Phone 501-682-1517

Statutory Authority for Promulgating Rules §§ 24-7-301 and 24-7-305 (b)

Rule Title: Rule 14-1: Retirement Fund Asset Accounts

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

12/21/2023

01/22/2024

03/14/2024

02/05/2024

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

Tammy Porter

tammyp@arts.gov

06/27/2024

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

501-588-4367

markw@arts.gov

Phone Number

E-mail Address

EXECUTIVE DIRECTOR

Title

06/27/2024

Date

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY.

DEPARTMENT Legal

BOARD/COMMISSION Arkansas Teacher Retirement System

PERSON COMPLETING THIS STATEMENT Jennifer Liwo

TELEPHONE NO. (501) 682-1517

EMAIL jenniferl@artrs.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the Financial Impact Statement and email it with the questionnaire, summary, markup and clean copy of the rule, and other documents. Please attach additional pages, if necessary.

TITLE OF THIS RULE Rule 14-1: Retirement Fund Asset Accounts

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 Does this proposed, amended, or repealed rule have a financial impact?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 no, please explain:
 - (a) how the additional benefits of the more costly rule justify its additional cost;
 - (b) the reason for adoption of the more costly rule;
 - (c) whether the reason for adoption of the more costly rule is based on the interests of public health, safety, or welfare, and if so, how; and
 - (d) whether the reason for adoption of the more costly rule is within the scope of the agency's statutory authority, and if so, how.
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? n/a

Current Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total \$0.00

Next Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total \$0.00

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

Current Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total \$0.00

Next Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total \$0.00

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

Current Fiscal Year

\$ 0.00

n/a

Next Fiscal Year

\$ 0.00

6. What is the total estimated cost by fiscal year to a state, county, or 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

\$ 0.00

n/a

Next Fiscal Year

\$ 0.00

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.

ATRS Rule 14

Retirement Fund Asset Accounts

§ 14-101. Retirement fund asset accounts.

(a) In accordance with Arkansas Code § 24-7-405, the Board of Trustees of the Arkansas Teacher Retirement establishes the following accounts to manage the Arkansas Teacher Retirement System's fund assets and liabilities:

(1) The Members' Deposit Account is the account in which members' contributions, interest, purchases of service, refunds, transfers, and other related activity are reported in accordance with current accounting processes and procedures used by the system's fiscal department;

(2) The Employer Accumulation Account is the account in which employers' contributions and transfers are reported in accordance with current accounting processes and procedures used by the system's fiscal department;

(3) The Retirement Reserve Account is the account into which transfers for the payment of benefits to retirees and beneficiaries are reported in accordance with current accounting processes and procedures used by the system's fiscal department;

(4) The Income-Expense Account is the account in which all investment income is reported and from which interest credits and other expenses of the board are reported for the administration and operation of the system in accordance with current accounting processes and procedures used by the system's fiscal department; and

(5) The Teacher Deferred Retirement Option Plan Account is the account in which T-DROP participants' T-DROP account activity is reported in accordance with current accounting processes and procedures used by the system's fiscal department.

(b) The accounts established by the board may have subaccounts as deemed necessary by the system's staff to further classify and manage the assets of the system.

Authority: Arkansas Code § 24-7-405

History

Adopted:	July 1, 2011	(Emergency)
Adopted:	August 8, 2011	
Effective:	November 11, 2011	
Effective:	TBD	Rule 14.1