

ARKANSAS REGISTER

Proposed Rule Cover Sheet



Secretary of State

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Name of Department Legal Department

Agency or Division Name Arkansas Teacher Retirement System

Other Subdivision or Department, If Applicable n/a

Previous Agency Name, If Applicable n/a

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Name of Rule 24 CAR § 10-512- Purchasable Service Credit - Gap Year Service

Newspaper Name Arkansas Democrat Gazette

Date of Publishing August 9, 2025

Final Date for Public Comment September 8 2025

Location and Time of Public Meeting 11:00 a.m., Monday, September 29, 2025, 1400 W. 3rd Street, Little Rock, AR 72201

MARK UP

24 CAR § 10-512. Purchasable service credit — ~~Gap-year~~ **Gap period** service.

(a) A member may purchase permissive service credit for one (1) or more consecutive or nonconsecutive gap years periods if the member:

~~(1) The member:~~

~~(A)~~ (1) Has five (5) years of actual service in the Arkansas Teacher Retirement System;

~~(B)~~ (2) Has left his or her position as a classroom teacher immediately before each nonconsecutive gap year period or the initial gap year period of consecutive gap years periods;

~~(C)~~ (3) Returns to his or her position as a classroom teacher after one (1) or more gap years periods;

~~(D)~~ (4) Accrues at least one-half (1/2) year of service credit after returning to his or her position as a classroom teacher;

~~(E)~~ (5) Was inactive during the gap year period or gap years periods; and

~~(F)~~ (6) Is ineligible to receive free service credit for each gap year period under another provision of the law applicable to the system; ~~and~~.

~~(2) Each gap year amounts to an entire fiscal year.~~

(b)(1) A member shall not:

~~(A) Be permitted to purchase permissive service credit unless the total gap year service for which permissive service credit is being purchased amounts to one (1) fiscal year;~~

~~(B)~~ (A) Purchase more than five (5) years of permissive service credit; or

~~(C)~~ (B) Purchase one (1) or more gap years periods after the member retires from the system.

(2) A member's purchased permissive service credit shall be credited in accordance with Arkansas Code § 24-7-601.

(c)(1) A member shall purchase permissive service credit for one (1) or more gap years periods at the actuarial cost.

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(2) At the member's request, a member's payment for permissive service credit shall be refunded by the system if the:

(A) Member ceased to be an active member before the permissive service is established as credited service in the system; or

(B) Permissive service credit is not otherwise used to establish the member's eligibility for retirement under the system.

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 24 CAR § 10-512 - Purchasable Service Credit - Gap Year Service.

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?

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.

August 8, 2025

Executive Summary
Proposed Rule Amendment
24 CAR § 10-512 — Purchasable Service Credit — Gap Year Service

I. Purpose

The Arkansas Teacher Retirement System (“ATRS” or “System”) requests the review and approval of proposed amendments to 24 CAR § 10-512 — Purchasable Service Credit — Gap Year Service.

On June 2, 2025, the Board of Trustees of the Arkansas Teacher Retirement System (“Board”) voted to proceed with the promulgation process for 24 CAR § 10-512.

II. Authority

A.C.A. § 24-7-301 provides that the Board is responsible for the general administration and proper operation of the System and for implementing the Arkansas Teacher Retirement System Act, A.C.A. § 24-7-201 et seq.

A.C.A. § 24-7-305(b) gives the Board the authority to promulgate rules as it deems necessary from time to time in the transaction of its business and in administering the System.

Acts 2025, No. 227, which amended “gap year” to read “gap period”.

III. Amendments

24 CAR § 10-512 has been amended revise “gap year” to read “gap period”.

IV. Recommendation

The System recommends that the proposed amendments to 24 CAR § 10-512 be approved as proposed.

Mark-Up Color Code

- Blue – Non-substantive changes by ATRS staff.
- Green – Substantive changes by ATRS staff.
- Red – Required legislative changes.
- Brown – Non-substantive changes where the rule was transferred from one rule to another.

NOTICE OF INTENDED ATRS BOARD ACTION

At a meeting of the Board of Trustees of the Arkansas Teacher Retirement System (Board) to be held at **11:00 a.m. on Monday, September 29, 2025**, at 1400 West Third Street, Room 300, Little Rock, Arkansas 72201, the Board, pursuant to its authority under A.C.A. §§ 24-7-201– 24-7-1409, will consider the adoption, amendment, and repeal of certain rules concerning the Arkansas Teacher Retirement System (ATRS).

Rules to be repealed:

- 24 CAR § 10-808
- 24 CAR § 10-809

Rules to be amended:

- 24 CAR § 10-207
- 24 CAR § 10-302
- 24 CAR § 10-501
- 24 CAR § 10-512
- 24 CAR § 10-513
- 24 CAR § 10-613
- 24 CAR § 10-616
- 24 CAR § 10-710
- 24 CAR § 10-712
- 24 CAR § 10-804
- 24 CAR § 10-807
- 24 CAR § 10-811
- 24 CAR § 10-826

Rules to be adopted:

- 24 CAR § 10-329

Interested persons may submit their comments, orally or in writing, to the Executive Director of ATRS at the above address. In accordance with A.C.A. § 25-15-204, **comments should be received no later than Monday, September 8, 2025 at 4:30 p.m. and requests for an oral hearing should be received no later than Wednesday, September 10, 2025 at 4:30 p.m.,** in order for the oral hearing to be placed on the agenda.

The proposed amendments, along with the questionnaire, financial impact statement, and summaries of the changes, may be accessed on the ATRS website at <https://www.artrs.gov/board-rules>, or copies may be obtained by contacting the Executive Director's office at (501) 621-8853. The current rules may also be viewed at <https://www.artrs.gov/board-rules> or at the ATRS office Monday through Friday from 8:00 a.m. to 4:30 p.m.