

**MINUTES**  
**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**BOARD OF TRUSTEES MEETING**

Dr. Richard Abernathy, Chair

**Monday, August 8, 2011**

**9:15 a.m.**

**1400 West Third Street**  
**Little Rock, AR 72201**

**Board Members Present**

Dr. Richard Abernathy, Chair  
Robin Nichols\*, Vice Chair  
Lloyd Black  
David Cauldwell\*  
Hazel Coleman  
Peggy Gram, designee for Honorable  
Charlie Daniels  
Danny Knight  
Bobby Lester  
Susannah Marshall\*, designee for Candace  
Franks  
Donna Morey\*  
Janelle Riddle  
Honorable Martha Shoffner\*  
Jeff Stubblefield\*

**Board Members Absent**

Dr. Tom Kimbrell  
Beverly Leming

**Staff Present**

George Hopkins, Director  
Gail Bolden, Deputy Director  
Brent Barrett, Senior Software Support  
Bob Berry, Chief Fiscal Officer  
Kay Daniel, Director's Assistant  
Laura Gilson, General Counsel  
Amy Glavin, Administrative Assistant  
Manju, Dir. Data Processing  
Tammy Porter, Paralegal  
Michael Ray, Dir. Member Services  
Gaye Swaim, Operations Administrator  
Brenda West, Internal Audit/Risk Mgmt.

**Guests Present**

Chris Caldwell, Division of Leg. Audit  
Erika Gee\*, Attorney General's Office

**Reporters Present**

Mike Wickline, Arkansas Democrat Gazette

*\*via teleconference*

- I. **Call to Order/Roll Call.** Chair, Dr. Richard Abernathy, called the Board of Trustees meeting to order at 9:15 a.m. Roll call was taken. Dr. Tom Kimbrell and Beverly Leming were absent.
- II. **Motion to Excuse Absences.** Mr. Hopkins explained that, due to the Board meeting being called under special circumstances, absences did not need to be excused
- III. **Adoption of Agenda.**

**Mr. Lester moved for adoption of the Agenda. Ms. Coleman seconded the motion the Board unanimously approved the motion.**

IV. **Executive Summary.** The Executive Summary was provided for reference with no questions or expansions on the written summary.

V. **Operations Committee Report.** Mr. Lester gave a report on the Operations Committee meeting.

A. **Proposed Rule Changes.** The Emergency Rules and Regulations adopted at the May 23, 2011, ATRS Board meeting became effective on July 1, 2011. Under the Administrative Procedure Act (APA), these 39 rules are effective for 120 days. During the 120 days, ATRS must submit the 39 rules through the full APA process to become permanent rules. During this process and timeframe, a 30 day public comment period was held. Only policies 7-1, 8-1, 8-4, 9-2, and 9-7 had comments or staff concerns.

**Mr. Lester moved to adopt Resolution 2011-27, approving the policies listed by consent agenda as final rules to submit for review and approval by the Legislative Council Rules and Regulations Committee. Ms. Coleman seconded the motion, and the Board unanimously adopted the resolution.**

1. **4-2 Election Procedures and Terms of Office for Elected Trustee Positions.**
2. **6-1 Membership Definitions and Rules.**
3. **6-3 College Alternate - (Part I).**
4. **6-4 College Alternate - (Part II).**
5. **6-5 College Alternate (Part III).**
6. **6-6 Technical and Community Colleges.**
7. **6-7 Alternate Plan for Vocational Education.**
8. **6-8 Department of Health Rehabilitation Services Transfer Act 793 of 1977.**
9. **6-12 College Plan.**

**10.7-1 CALCULATION OF FINAL AVERAGE SALARY.** Although the listing of partial years was intended as examples and not a as a limitation, there are partial years of service for more reasons than were originally listed. The partial year listing has been updated to ensure all partial years are treated the same to prevent confusion and to apply the real intent of the law and policy.

**11.7-2 Proof of Service Credit.**

**12.8-1 DEFINITIONS CONCERNING PURCHASE OF SERVICE CREDITS /REPAYMENT OF REFUNDS.** By not considering that salary for a service year may have been unusually high due to a special event, a member may have been unfairly impacted when purchasing service. Some comparison to actual salaries of the member should be considered. Policy changes have been made to take into consideration anomalies in salary by averaging salaries when an unusual salary spike exists. It is also important to ensure that members who do not have full service years would have a reasonable salary year to purchase service. The policy has been modified to allow a partial year to be used as a prorated full year to determine the annual salary for the purchase of service.

**13.8-2 Refund of Member Contributions.**

**14.8-4 ROLLOVER ACCEPTANCE AND DISTRIBUTION.** Concern was expressed that the rule as written did not clarify whether the person had to have an active CPA license at the time of the representation and further did not prohibit an interested party from verifying the status of the account. These valid concerns have been addressed and clarified with changes to the policy.

**15.8-7 Free Military Service.**

**16.8-9 Purchase of Back Contributions.**

**17.8-10 Purchase of Additional Contributions.**

**18.8-11 Purchase of Non-Contributory Service as Contributory.**

**19.8-12 Purchase of Military Service.**

**20.8-13 Purchase of National Guard.**

**21.8-14 Purchase of Out-of-State Service.**

**22. 8-15 Purchase of Overseas Service.**

**23. 8-16 Purchase of Sabbatical Leave.**

**24. 8-17 Purchase of Private School Service.**

**25. 8-18 Purchase of Domestic Federal Service.**

**26. 8-19 Purchase of Federal Retirement.**

**27. 8-20 Contract Buyout or other Court Ordered Payments.**

**28. 9-1 Retirement/Benefits Definitions.**

**29. 9-2 AGE AND SERVICE (VOLUNTARY) RETIREMENT.** ATRS should clearly specify what documents must be submitted to have a fully final retirement application submittal. Members should know up front what documents are mandatory and which documents are not mandatory for an effective submittal. A listing of mandatory documents has been included in the policy.

**30. 9-4 Disability Retirement.**

**31. 9-5 Deferred Retirement.**

**32. 9-6 Early Retirement.**

**33. 9-7 ANNUITY OPTIONS.** The concern was that the ATRS Board was given authority to make changes in option beneficiaries which expanded the options available for retirees marrying after retirement. Concern was expressed that members who retired before the effective date and who chose the only available option should be able to elect the same options as a retiree after the effective date of the rule. Through changes to this policy, ATRS has given a window of opportunity for such benefit elections. It is appropriate for retirees who were given the single option to change to the second option available to new retirees.

**34. 9-8 Error Corrections and Collection of Overpayments.**

**35. 10-1 Rescinding Retirement.**

**36. 10-3 Teacher Deferred Retirement Option Plan (T-DROP).**

**37. 11-1 Survivor Benefits.**

**38.11-2 Lump Sum Death Benefit.**

**39.14-1 Retirement Fund Asset Accounts.**

VI. **Other Business.**

VII. **Adjourn.**

**Mr. Lester *moved to adjourn* the Board of Trustees Meeting. Mr. Knight *seconded the motion*, and the Board *unanimously approved the motion*.**

**Meeting adjourned at 9:16 a.m.**

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George Hopkins,  
Executive Director

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Dr. Richard Abernathy, Chair  
Board of Trustees

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Amy Glavin,  
Recorder

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Date Approved