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August 18, 2023

Senator Terry Rice, Co-Chair  
Representative Jeff Wardlaw, Co-Chair  
Arkansas Legislative Council  
1 Capitol Mall, Fifth Floor  
Little Rock, AR 72201

***RE: Request for Placement on Arkansas Legislative Council Agenda – ATRS Model QDRO***

Dear Senator Rice and Representative Wardlaw:

On June 5, 2023, the Board of the Arkansas Teacher Retirement System approved proposed revisions to the Arkansas Teacher Retirement System's ("ATRS") model qualified domestic relations order ("QDRO"). The ATRS QDRO is used by members of the system to divide their ATRS retirement benefits in accordance with Ark. Code Ann. § 9-18-101 et seq.

Ark. Code Ann. § 9-18-103(b)(2) requires a state-supported retirement system's uniform legal form of the qualified domestic relations order to be approved by the Arkansas Legislative Council ("ALC"). As such, the ALC must review and approve the proposed revisions to the ATRS QDRO before the revised ATRS QDRO can be provided to members of the system.

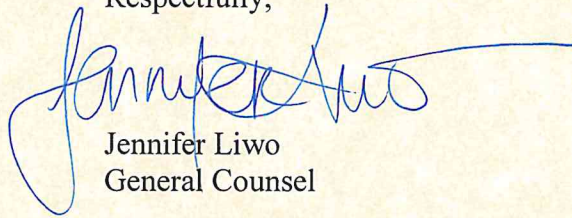
ATRS is seeking the ALC's review and approval of the ATRS QDRO. The ATRS QDRO has been revised to:

1. As required by Ark. Code Ann. § 9-18-101(4)(A), include a section for inputting the member's and alternate payee's current mailing address;
2. Clarify the manner in which an alternate payee may receive his or her share of a member's T-DROP benefits; and
3. Redraft current provisions for clarity and correct non-substantive issues such as formatting, renumbering, grammar, and spelling as appropriate.

ATRS respectfully requests placement on the ALC's next available meeting agenda, so that it may present the proposed ATRS QDRO and answer any questions that may arise. A mark-up and clean copy of the proposed ATRS QDRO is enclosed.

If you have any questions, please feel free to contact me.

Respectfully,

A handwritten signature in blue ink, appearing to read "Jennifer Liwo", with a long horizontal flourish extending to the right.

Jennifer Liwo  
General Counsel

*Cc: Marty Garrity  
Shonna Amos*

*Encls. Mark-Up Proposed ATRS QDRO  
Clean Copy Proposed ATRS QDRO*

**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**MODEL QUALIFIED DOMESTIC RELATIONS ORDER**

IN THE CIRCUIT COURT OF \_\_\_\_\_ COUNTY, ARKANSAS

PLAINTIFF

No. \_\_\_\_\_

DEFENDANT

**QUALIFIED DOMESTIC RELATIONS ORDER**

~~(Introduction describing how the case came before the Court for disposition.) This order is intended to meet the requirements of a qualified domestic relations order relating to the Arkansas Teacher Retirement System ("the Plan"). This order is prepared pursuant to the laws of the State of Arkansas as it pertains to child support, alimony, marital property, and property settlement agreements.~~

The Court finds and orders that this ~~Qualified Domestic Relations Order~~ order, prepared pursuant to ~~Act 1143 of 1993~~ Acts 1993, No. 1143 as amended, is an integral part of and is incorporated into the judgment, decree, or order of this Court entered ~~concerning the above-listed parties and entered by this Court on \_\_\_\_\_ (Date), which relates to the provisions therein for child support, alimony or martial property rights, including approval of a property settlement agreement, awarded to a spouse or former spouse, child or other dependent of \_\_\_\_\_ (Name of Plan Participant) "the Member", of the Arkansas Teacher Retirement System "the Plan."~~

**I. PARTIES TO THIS ORDER**

[MEMBER'S NAME] \_\_\_\_\_ is the Member ~~under this order~~ of the Plan whose date of birth is [MEMBER'S DATE OF BIRTH] ~~and current mailing address is \_\_\_\_\_~~ [MEMBER'S CURRENT MAILING ADDRESS].

[ALTERNATE PAYEE'S NAME] \_\_\_\_\_ is "the Alternate Payee" ~~under this order~~ whose date of birth is [ALTERNATE PAYEE'S DATE OF BIRTH] ~~and current mailing address is \_\_\_\_\_~~ [ALTERNATE PAYEE'S CURRENT MAILING ADDRESS]. The Member and the Alternate Payee were married on [DATE

OF MARRIAGE]. The parties received a divorce or other final marriage dissolution on [DATE OF DIVORCE].

## II. MEMBER'S RETIREMENT ANNUITY – MONTHLY BENEFITS

(Choose either A or B)

A. Marital Portion. -The Alternate Payee is awarded [\_\_\_\_\_%] of the Member's accrued retirement annuity from the date of the marriage to the date of divorce. The marital portion shall be paid to the Alternate Payee as an annuity, payable for the Member's lifetime. All annuity benefits paid to the Alternate Payee shall be paid as a straight life annuity. ~~No survivor or other death benefits will be payable upon the Alternate Payee's death.~~ Survivor benefits, death benefits, and any other benefits shall not be payable upon the Alternate Payee's death.

[OR]

B. Set Amount. The Alternate Payee is awarded [\$\_\_\_\_\_] of the Member's monthly retirement benefit as of the date of divorce. The set amount of the Member's monthly benefit assigned to the Alternate Payee under this ~~Order~~ order may not exceed the Member's total monthly benefits payable as of the date of divorce. The set amount will be paid monthly to the Alternate Payee for the Member's lifetime. ~~No survivor or other death benefits will be payable upon the Alternate Payee's death.~~ Survivor benefits, death benefits, and any other benefits shall not be payable upon the Alternate Payee's death.

## III. TEACHER DEFERRED RETIREMENT OPTION PLAN (T-DROP)

[Include this section only if: (i) the Member participated in the ~~deferred retirement option plan~~ Teacher Deferred Retirement Option Plan ("T-DROP") during the marriage and (ii) the Member has not received ~~his/her/his or her deferred retirement option plan distribution prior to~~ T-DROP account balance before the entry of this QDRO.]

[Choose A or B]

]

A. Marital Portion. The Alternate Payee is awarded \_\_\_\_ % of the Member's ~~T-DROP~~ T-DROP plan deposits and plan interest deposited in the Member's T-DROP account from the date of marriage to the date of divorce. The Plan shall calculate interest in the T-DROP account by totaling the amount of T-DROP plan deposits and plan interest deposited during the marriage and multiplying that amount by the percentage stated above.

Any T-DROP benefits paid to the Alternate Payee under this order ~~will~~ shall be paid upon the ~~Member's distribution of~~ distribution of the Member's T-DROP plan benefits in accordance with the Plan. ~~The distribution shall be paid to the Alternate Payee under the same distribution option elected by the Member.~~ The Alternate Payee shall receive his or her percentage of the Member's T-DROP account as a lump-sum payment, regardless of the Member's elected distribution option.

B. Set Amount. The ~~alternate payee~~ Alternate Payee is awarded \$\_\_\_\_\_ of the Member's ~~T-DROP~~ T-DROP plan deposits and plan interest deposited in the Member's T-DROP account as of the date of divorce. The set amount of the Member's T-DROP account assigned to the Alternate Payee under this ~~Order~~ order may not exceed the Member's T-DROP account balance, credited by the Plan, as of the date of divorce.

Any T-DROP benefits paid to the Alternate Payee under this order ~~will~~ shall be paid upon the ~~Member's distribution of his/her~~ distribution of the Member's T-DROP plan benefits in accordance with the Plan. ~~The distribution shall be paid to the Alternate Payee under the same distribution option elected by the Member.~~ The Alternate Payee shall receive his or her set amount of the Member's T-DROP account as lump-sum payment, regardless of the Member's elected distribution option.

#### **IV. EFFECTIVE DATE OF MONTHLY RETIREMENT BENEFITS UNDER THIS ORDER**

The Plan shall begin benefit payments to the Alternate Payee in accordance with applicable Plan provisions governing distributions to ~~its~~ the Plan's members. Payments to the Alternate Payee ~~will occur~~ shall begin upon the earlier of: (1) when the Member retires and begins receiving retirement benefits, or (2) when the Member ceases to be an active participant of the Plan and requests a refund of ~~his/her deposit account~~ this or her deposit account. If the Member is already retired ~~upon when~~ the Plan's receipt of a Plan receives the QDRO, benefits to the Alternate Payee ~~will commence~~ shall begin on the month following the date on which the Plan ~~has accepted and processed~~ accepts and processes the order.

#### **V. MEMBER'S DEPOSIT ACCOUNT – PAYMENT OF EMPLOYEE CONTRIBUTIONS ~~and~~ AND INTEREST UPON MEMBER'S REFUND**

[Choose A or B]

A. Marital Portion. If the Member discontinues covered employment and withdraws ~~his/her~~ this or her contributions, including interest deposited by the Plan as a ~~lump sum~~ lump-sum, the Alternate Payee shall receive [\_\_\_\_\_%] of the Member's contributions and interest deposited from the date of marriage to the date of divorce.

[OR]

B. Set Amount. If the Member discontinues covered employment and withdraws ~~his/her~~his or her contributions, including interest deposited by the Plan as a ~~lump sum~~lump-sum, the Alternate Payee shall receive the set amount of [\$\_\_\_\_\_] from the Member's ~~deposits upon distribution of the refund by the Plan~~contributions and interest deposited as of the date of divorce. The set amount of the Member's deposit account assigned to the Alternate Payee in this ~~Order~~order shall not exceed the Member's account balance plus interest credited by the Plan as of the date of divorce.

## VI. MEMBER'S DEATH ~~PRIOR TO~~BEFORE RETIREMENT

[Choose A or B]

A. Marital Portion. If the Member dies ~~prior to~~before retirement and a retirement or survivor annuity is not payable by the Plan because of the Member's death, the alternate Payee shall receive [\_\_\_\_\_%] of the Member's contributions and interest deposited from the date of marriage to the date of divorce.

[OR]

B. Set Amount. If the Member dies ~~prior to~~before retirement and a retirement or survivor annuity is not payable by the Plan because of the Member's death, the Alternate Payee shall receive the set amount of [\$\_\_\_\_\_] from the Member's contributions and interest deposited by the Plan. The set amount of the Member's deposit account assigned to the Alternate Payee in this order ~~may~~shall not exceed the Member's account balance and interest credited by the Plan as of the date of divorce.

## VII. ADDITIONAL LIMITATIONS OF THIS ORDER

A. If the Alternate Payee dies ~~prior to the receipt of benefits~~ before receiving the initial benefit payment issued to him or her by the Plan in accordance with ~~under this Order~~order, the entire amount that ~~may~~would be due to the Alternate Payee under this order reverts to the Member.

B. All cost of living adjustments or other benefit enhancements adopted by the Arkansas General Assembly or the Plan's Board of Trustees after the date of this order shall be credited to the Member and shall not be included in the calculations under this ~~Order~~order or otherwise ~~be~~ assigned to the Alternate Payee.

C. If the Member or Alternate Payee receives any distributions that should not have been paid to him or her under this ~~Order~~order, that party is designated a constructive trustee for the amount received and shall immediately notify the Plan. The Plan shall not be liable for any distributed amounts held by either party as constructive trustee for the other party. The Plan reserves all rights to adjust payments or otherwise collect amounts owed to the Plan under ~~Arkansas Code~~Ark. Code Ann. § 24-7-205.

D. Both parties ~~are ORDERED to~~ shall provide the Plan with prompt written notification of any changes in their respective mailing addresses. The Plan shall not make payments to the ~~alternate payee~~ Alternate Payee under this order until the Plan ~~has received such documentation as it determines to be~~ receives all documentation that the Plan determines is necessary for the proper administration of the Plan, ~~and the~~. The Plan will shall not be liable for failing to make payments to Alternate Payee if the Plan does not have a current mailing address for Alternate Payee at the time of payment ~~the payments are due~~.

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~~ Plan shall disburse the money to the Member who shall pay the same to the Alternate Payee.

F. The Member or Alternate Payee shall furnish a certified copy of this ~~Order order~~ to the Plan. Upon acceptance of this ~~Order order~~, the Member consents to the disclosure of ~~his/her~~ his or her Plan account information to the Alternate payee or ~~his/her~~ his or her authorized representative to the extent necessary to administer this ~~Order order~~.

G. ~~Both parties to this Order~~ The Member and Alternate Payee agree to provide the Plan all required forms and elections necessary for it to administer the provisions of this ~~Order order~~.

H. The Court retains jurisdiction to amend this ~~Order 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 Plan 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 the Court for reformation of the Order. If the Plan determines and notifies the Member or Alternate Payee that changes in the law, the administration of the Plan, or any other circumstances will make it impossible to calculate the portion of the distributions awarded to the Alternate Payee under this order, the Member, Alternate Payee, or both the Member and Alternate Payee shall immediately petition the Court for a reformation of this order.~~

I. In no event shall this ~~Order order~~ require the Plan to provide increased benefits or any benefits to the parties other than those benefits ~~provided under applicable Plan benefits~~ available under the Plan as of the entry of this ~~Order order~~. Any provision of this ~~Order order~~ which appears to ~~be otherwise~~ provide otherwise shall be void and have no effect.

J. This ~~Order order~~ shall not require the Plan to provide any type or form of benefit, or option not otherwise available to the Member or the Alternate Payee; This

Arkansas Teacher Retirement System  
Model Qualified Domestic Relations Order

~~order~~ ~~nor~~ shall ~~it~~not require the payment of any benefits to the ~~alternate payee~~Alternate Payee which are required to be paid to another alternate payee of another order previously determined by the Plan to be a qualified domestic relations order. Any provision of this ~~Order~~order that ~~provides~~appears to provide otherwise shall be void and have no effect.

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

\_\_\_\_\_  
CIRCUIT JUDGE



IN THE CIRCUIT COURT OF \_\_\_\_\_ COUNTY, ARKANSAS

\_\_\_\_\_

PLAINTIFF

No. \_\_\_\_\_

\_\_\_\_\_

DEFENDANT

**QUALIFIED DOMESTIC RELATIONS ORDER**

This order is intended to meet the requirements of a qualified domestic relations order relating to the Arkansas Teacher Retirement System (“the Plan”). This order is prepared pursuant to the laws of the State of Arkansas as it pertains to child support, alimony, marital property, and property settlement agreements.

The Court finds and orders that this order, prepared pursuant to Acts 1993, No. 1143, is an integral part of and is incorporated into the judgment, decree, or order concerning the above-listed parties and entered by this Court on \_\_\_\_\_(Date).

**I. PARTIES TO THIS ORDER**

[MEMBER'S NAME] \_\_\_\_\_ is the Member of the Plan whose date of birth is [MEMBER'S DATE OF BIRTH] and current mailing address is \_\_\_\_\_ [MEMBER'S CURRENT MAILING ADDRESS].

[ALTERNATE PAYEE'S NAME] \_\_\_\_\_ is “the Alternate Payee” whose date of birth is [ALTERNATE PAYEE'S DATE OF BIRTH] and current mailing address is \_\_\_\_\_ [ALTERNATE PAYEE'S CURRENT MAILING ADDRESS]. The Member and the Alternate Payee were married on [DATE OF MARRIAGE]. The parties received a divorce or other final marriage dissolution on [DATE OF DIVORCE].

**II. MEMBER’S RETIREMENT ANNUITY – MONTHLY BENEFITS**

(Choose either A or B)

A. Marital Portion. The Alternate Payee is awarded [\_\_\_\_\_] % of the Member's accrued retirement annuity from the date of the marriage to the date of divorce. The marital portion shall be paid to the Alternate Payee as an annuity, payable for the Member’s lifetime. All annuity benefits paid to the Alternate Payee shall be paid as a straight life annuity. Survivor benefits, death benefits, and any other benefits shall not be payable upon the Alternate Payee’s death.

[OR]

B. Set Amount. The Alternate Payee is awarded [\$\_\_\_\_\_] of the Member's monthly retirement benefit as of the date of divorce. The set amount of the Member’s monthly benefit assigned to the Alternate Payee under this order may not exceed the Member’s total monthly benefits payable as of the date of divorce. The set amount will be paid monthly to the Alternate Payee for the Member’s lifetime. Survivor benefits, death benefits, and any other benefits shall not be payable upon the Alternate Payee’s death.

**III. TEACHER DEFERRED RETIREMENT  
OPTION PLAN (T-DROP)**

[Include this section only if: (i) the Member participated in the Teacher Deferred Retirement Option Plan (“T-DROP”) during the marriage and (ii) the Member has not received his or her T-DROP account balance before the entry of this QDRO.]

[Choose A or B]  
]

A. Marital Portion. The Alternate Payee is awarded \_\_\_\_\_ % of the Member's T-DROP plan deposits and plan interest deposited in the Member’s T-DROP account from the date of marriage to the date of divorce. The Plan shall calculate interest in the T-DROP account by totaling the amount of T-DROP plan deposits and plan interest deposited during the marriage and multiplying that amount by the percentage stated above.

Any T-DROP benefits paid to the Alternate Payee under this order shall be paid upon the distribution of the Member’s T-DROP plan benefits in accordance with the Plan. The Alternate Payee shall receive his or her percentage of the Member’s T-DROP account as a lump-sum payment, regardless of the Member’s elected distribution option.

B. Set Amount. The Alternate Payee is awarded \$\_\_\_\_\_ of the Member's T-DROP plan deposits and plan interest deposited in the Member’s T-DROP account as of the date of divorce. The set amount of the Member’s T-DROP account assigned to the

Alternate Payee under this order may not exceed the Member's T-DROP account balance, credited by the Plan, as of the date of divorce.

Any T-DROP benefits paid to the Alternate Payee under this order shall be paid upon the distribution of the Member's T-DROP plan benefits in accordance with the Plan. The Alternate Payee shall receive his or her set amount of the Member's T-DROP account as lump-sum payment, regardless of the Member's elected distribution option.

**IV. EFFECTIVE DATE OF MONTHLY RETIREMENT  
BENEFITS UNDER THIS ORDER**

The Plan shall begin benefit payments to the Alternate Payee in accordance with applicable Plan provisions governing distributions to the Plan's members. Payments to the Alternate Payee shall begin upon the earlier of: (1) when the Member retires and begins receiving retirement benefits, or (2) when the Member ceases to be an active participant of the Plan and requests a refund of his or her deposit account. If the Member is already retired when the Plan receives the QDRO, benefits to the Alternate Payee shall begin on the month following the date on which the Plan accepts and processes the order.

**V. MEMBER'S DEPOSIT ACCOUNT –  
PAYMENT OF EMPLOYEE CONTRIBUTIONS AND INTEREST  
UPON MEMBER'S REFUND**

[Choose A or B]

A. Marital Portion. If the Member discontinues covered employment and withdraws his or her contributions, including interest deposited by the Plan as a lump-sum, the Alternate Payee shall receive [\_\_\_\_\_%] of the Member's contributions and interest deposited from the date of marriage to the date of divorce.

[OR]

B. Set Amount. If the Member discontinues covered employment and withdraws his or her contributions, including interest deposited by the Plan as a lump-sum, the Alternate Payee shall receive the set amount of [\$\_\_\_\_\_] from the Member's contributions and interest deposited as of the date of divorce. The set amount of the Member's deposit account assigned to the Alternate Payee in this order shall not exceed the Member's account balance plus interest credited by the Plan as of the date of divorce.

**VI. MEMBER'S DEATH BEFORE RETIREMENT**

[Choose A or B]

A. Marital Portion. If the Member dies before retirement and a retirement or survivor annuity is not payable by the Plan because of the Member's death, the alternate

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Payee shall receive [\_\_\_\_\_%] of the Member's contributions and interest deposited from the date of marriage to the date of divorce.

[OR]

B. Set Amount. If the Member dies before retirement and a retirement or survivor annuity is not payable by the Plan because of the Member's death, the Alternate Payee shall receive the set amount of [\$\_\_\_\_\_\_] from the Member's contributions and interest deposited by the Plan. The set amount of the Member's deposit account assigned to the Alternate Payee in this order shall not exceed the Member's account balance and interest credited by the Plan as of the date of divorce.

### VII. ADDITIONAL LIMITATIONS OF THIS ORDER

A. If the Alternate Payee dies before receiving the initial benefit payment issued to him or her by the Plan in accordance with this order, the entire amount that would be due to the Alternate Payee under this order reverts to the Member.

B. All cost of living adjustments or other benefit enhancements adopted by the Arkansas General Assembly or the Plan's Board of Trustees after the date of this order shall be credited to the Member and shall not be included in the calculations under this order or otherwise assigned to the Alternate Payee.

C. If the Member or Alternate Payee receives any distributions that should not have been paid to him or her under this order, that party is designated a constructive trustee for the amount received and shall immediately notify the Plan. The Plan shall not be liable for any distributed amounts held by either party as constructive trustee for the other party. The Plan reserves all rights to adjust payments or otherwise collect amounts owed to the Plan under Ark. Code Ann. § 24-7-205.

D. Both parties shall provide the Plan with prompt written notification of any changes in their respective mailing addresses. The Plan shall not make payments to the Alternate Payee until the Plan receives all documentation that the Plan determines is necessary for the proper administration of the Plan. The Plan shall not be liable for failing to make payments to Alternate Payee if the Plan does not have a current mailing address for Alternate Payee at the time the payments are due.

E. If payments from the Plan to the Alternate Payee are determined to be less than \$20.00 a month, the Plan shall disburse the money to the Member who shall pay the same to the Alternate Payee.

F. The Member or Alternate Payee shall furnish a certified copy of this order to the Plan. Upon acceptance of this order, the Member consents to the disclosure of his or her Plan account information to the Alternate payee or his or her authorized representative to the extent necessary to administer this order.

G. The Member and Alternate Payee agree to provide the Plan all required forms and elections necessary for it to administer the provisions of this order.

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 Plan determines and notifies the Member or Alternate Payee that changes in the law, the administration of the Plan, or any other circumstances will make it impossible to calculate the portion of the distributions awarded to the Alternate Payee under this order, the Member, Alternate Payee, or both the Member and Alternate Payee shall immediately petition the Court for a reformation of this order.

I. In no event shall this order require the Plan to provide increased benefits or any benefits to the parties other than those benefits available under the Plan as of the entry of this order. Any provision of this order which appears to provide otherwise shall be void and have no effect.

J. This order shall not require the Plan to provide any type or form of benefit or option not otherwise available to the Member or the Alternate Payee. This order shall not 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 by the Plan to be a qualified domestic relations order. Any provision of this order that appears to provide otherwise shall be void and have no effect.

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

\_\_\_\_\_  
CIRCUIT JUDGE