

**16-1**  
**CASH AND SAVINGS HELP PROGRAM**  
**FOR MEMBERS**

A.C.A. § 24-7-505 & A. C. A. § 24-7-707(a)(1)

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I. This plan is called the "Cash and Savings Help Program (CASH Program).

**II. AUTHORITY**

This rule is promulgated under the authority granted in Act 606 of 2013.

**III. 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 nor shall the member combine reciprocal service with ATRS service in order to qualify 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.
  - i. 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.
  - ii. 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.
  - iii. 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.

#### **IV. THE 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:
  - i. 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.

- ii. 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.
  - iii. The signature of the member ; and
  - iv. The date.
- 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.

## **THE 2013 CASH PROGRAM FOR INACTIVE, VESTED, EXCLUSIVELY NONCONTRIBUTORY MEMBERS**

### **V. APPLICABLE TO VESTED, NONCONTRIBUTORY MEMBERS ONLY**

- A. This offering is limited to vested, exclusively non-contributory members that are inactive. The CASH Program payment, once the CASH Program Election Form is properly submitted to ATRS, will be paid within a reasonable time or rolled out to another administrator at the direction of the member. The acceptance of a CASH Program payment by the member does not make the member a retiree.

- B. This offering is limited to members of ARTS who:
- i. Have vested, exclusively noncontributory service credited in ATRS; and
  - ii. Are currently inactive and have remained inactive for at least one (1) year after the last fiscal year that the member rendered actual service to a covered employer, but not retired, during the offering period set forth in the Rule, and whose membership in ATRS is exclusively noncontributory.

## VI. THE OFFERING PERIOD

The offering period for this CASH Program opportunity begins upon the effective date of these Rules and ends June 30, 2014, unless extended by the Board through a properly adopted resolution.

## VII. THE CASH PROGRAM FORMULA

- A. Final Average Salary is defined under A.C.A. § 24-7-202(15) and calculated using the formula set in A.C.A. § 24-7-736.
- B. The member's age shall be determined on the date the CASH Program Election Form is received by ATRS.
- C. The CASH Program Payment is calculated on the following formula:

**Step 1:** (Final Average Salary) x (Years and partial years of Non-contributory Service) x (ATRS Non-contributory multiplier of .0139%) + (\$900.00 if the member has more than 10 years of Service) = Assumed Annual Benefit

**Step 2:** Assumed Annual Benefit ÷ 12 = Assumed Monthly Benefit Amount.

**Step 3:** Assumed Monthly Benefit Amount x Applicable Accrued Liability Factor for the Member as listed in the Accrued Liability Factor Table = Assumed Current Value.

**Step 4:** Assumed Current Value x 30% (.30) = CASH Program payment.

**VIII. ACCRUED LIABILITY FACTOR TABLE**

<b>Sample Attained Ages</b>	<b>Accrued Liability Factor</b>	<b>Sample Attained Ages</b>	<b>Accrued Liability Factor</b>
20	6.97	60	156.92
21	7.53	61	154.09
22	8.13	62	151.18
23	8.79	63	148.18
24	9.49	64	145.12
25	10.25	65	141.98
26	11.07	66	138.76
27	11.96	67	135.50
28	12.92	68	132.15
29	13.96	69	128.70
30	15.08	70	125.17
31	16.29	71	121.55
32	17.60	72	117.85
33	19.01	73	114.07
34	20.54	74	110.20
35	22.19	75	106.28
36	23.98	76	102.30
37	25.91	77	98.25
38	28.00	78	94.21
39	30.26	79	90.17
40	32.70	80	86.13
41	35.33	81	82.11
42	38.19	82	78.14
43	41.27	83	74.24
44	44.61	84	70.37
45	48.21	85	66.60
46	52.11	86	62.92
47	56.33	87	59.38
48	60.90	88	56.07
49	65.83	89	52.97
50	71.18	90	50.09
51	76.95		
52	83.21		
53	89.99		
54	97.35		
55	105.31		
56	113.97		
57	123.39		
58	133.63		
59	144.78		

**Approved by Board:** July 26, 2013

**Adopted:** October 9, 2013

**Effective:** November 8, 2013