

24 CAR § 10-302. Confidentiality of member accounts.

(a) As provided by the Arkansas Teacher Retirement System's Code of Ethics, the system shall keep each member's salary, employment history, retirement account, and other personal data or other information compiled by the system for purposes of establishing and maintaining the member's retirement account confidential.

(b) All member information compiled by the system for the purpose of establishing and maintaining the member's retirement account shall not be disclosed to a third party unless:

- (1) The member provides the system with his or her written consent;
- (2) A valid legal process requires the disclosure of the member's information;
- (3) Disclosure is necessary for the proper operation and administration of the system;
- (4) A confidentiality agreement authorizing disclosure to a third-party vendor or other entity needing the information for purposes related to the proper operation and administration of the system has been executed by the system and the third-party vendor or entity that will receive the information; or
- (5) Disclosure of the member's information is authorized by statute.

(c) Individual member records that are kept for the purpose of compiling information for a member's retirement or Social Security records shall not be open to the public under Arkansas Code § 24-4-1003.



Public Comments

Proposed Rule Amendment to 24 CAR § 10-302 – Confidentiality of Member Accounts

1. 24 CAR § 10-302(b)(4)

- a. **BLR Comment:** 24 CAR § 10-305(b)(4)¹: This subdivision states that member information compiled by the system shall not be disclosed to a third party unless a confidentiality agreement authorizing disclosure to a third-party vendor has been executed by the system and the vendor. Does this agreement require member consent or authorization as well, as it pertains to member information?

- b. **Response:** No, the confidentiality agreement does not require member consent or authorization. Please note that the proposed rule permits disclosure through a confidentiality agreement only if the third-party vendor or entity requires the information for purposes related to the proper operation and administration of ATRS.

¹ The citation to 24 CAR § 10-305(b)(4) in the comment is a typographical error.

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY.

DEPARTMENT Legal

BOARD/COMMISSION Arkansas Teacher Retirement System

PERSON COMPLETING THIS STATEMENT Jennifer Liwo

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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 224 CAR § 10-302 - Confidentiality of Member 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?

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.