



**2025-2026**

**Employer  
Retirement  
Planner**



*Mark White, Executive Director*

# Congratulations!

On behalf of the Board of Trustees and the entire team at the Arkansas Teacher Retirement System (ATRS), I want to extend my heartfelt congratulations to your employees on reaching this monumental milestone in their career. Their years of dedicated service have shaped the lives of countless Arkansas students and strengthened our communities. It is our privilege to support your staff as they transition into this well-deserved next chapter. We are committed to ensuring their retirement is secure and rewarding, and we look forward to serving your retirees with the same excellence they provided to our state’s education system for so many years.

Included in our 2025-2026 Retirement Planner is information regarding July 1 retirement and entering the Teacher Deferred Retirement Option Plan (T-DROP). We highlighted a few topics, such as the termination separation period, Normal Retirement Age, annuity options, Disability Retirement, beneficiary designation, and the expected 2026-2027 fiscal year contribution rates and multipliers. You can find additional retirement information by visiting our website at [www.artrs.gov](http://www.artrs.gov) or reading our Member Handbook, which can be accessed at [www.artrs.gov/publications](http://www.artrs.gov/publications). We encourage everyone to manage their upcoming benefits while staying connected with us through the ATRS Member Portal.

Our team of retirement counselors is here to help you and your employees along the way with any questions that arise. I appreciate your tireless dedication to our students, and I look forward to making this a great retirement season!

Mark White  
Executive Director, ATRS

# Highlights

The freedom of retirement



## July 1 Retirement Highlights:

We focus a lot on July 1 retirement since most education professionals retire at the end of the fiscal year, which runs July 1 through June 30. ATRS begins accepting applications for July 1 retirement on March 1, 2026, and stops accepting them May 31, 2026. Applications submitted after May 31, 2026, result in employees being an August 1 retiree or later. If an employee changes their mind about becoming a July 1 retiree, they must change or cancel their effective retirement date before August 31, 2026. **It is the employee's responsibility to ensure that their application is received by ATRS on time.**

Below are the requirements to be eligible to retire effective July 1, 2026:

- ✓ Vested with at least 5 years of service credit with ATRS, which may include reciprocal service credit
- ✓ Age 60 with at least 5 years of service credit OR at any age with at least 28 years of service credit
- ✓ Early retirement with a reduced benefit at any age with 25 - 27.75 years of service credit
- ✓ No underpayments or open purchase accounts; all must be paid in full
- ✓ Active member must complete and submit an [Application for Retirement Form #245](#) by May 31, 2026 to be a July 1, 2026 retiree

## July 1 T-DROP Highlights:

Employees with a minimum of 28 years of service credit can enter T-DROP only on July 1. ATRS begins accepting applications for July 1 T-DROP on March 1, 2026 and stops accepting them May 31, 2026. Applications submitted after May 31, 2026, will not be accepted, and employees will have to wait until the next fiscal year to apply. If an employee changes their mind about participating in T-DROP, they must cancel their Application to Participate in T-DROP by August 31, 2026. **It is the employee's responsibility to ensure that their application is received by ATRS on time.**

Below are the requirements to be eligible to apply for T-DROP:

- ✓ At least 28 years of service credit with ATRS, which may include established reciprocal service credit
- ✓ Must be active in ATRS or state supported retirement system (reciprocal plan)
- ✓ No underpayments or open purchase accounts; all must be paid in full
- ✓ Applicant must complete and submit an [Application to Participate in T-DROP Form #221](#), with completed employer section for active ATRS employees, by May 31, 2026 to enter T-DROP on July 1, 2026

# Breaking Down Retirement

It is easy to get caught up in the excitement of retirement season, which often stirs up questions about what an employee can and cannot do once they retire. We are providing information to help clarify things for your employees. It is the employee's responsibility to ensure that their application is received by ATRS on time.

## ATRS Overview

ATRS is a defined benefit plan that provides vested employees with a lifetime retirement benefit. Once employees are retired for one full fiscal year (July 1 to June 30), they are eligible for an annual 3% Cost of Living Adjustment (COLA). This occurs every July 1.

## Qualifying for Retirement

Employees who accrue a full year of service credit (160 days or more) in a fiscal year will be a July 1 or later retiree except under two circumstances. One, employees who are Normal Retirement Age (see section below for additional information) and are **not** separating from service. Two, employees who are not licensed or otherwise certified as classroom teachers and are not vacating a classroom.

## Cancelling Retirement

Retirees have **two full calendar months** to cancel their retirement. For July 1 retirees, the deadline for cancellation is August 31, 2026. After the two-month timeframe, the effective retirement date cannot be changed. If a retiree elects to cancel their retirement within the two-month timeframe, they must repay any retirement benefits that have been received.

## Changing Annuity Options

Retirees have **one full calendar year** from their effective retirement date to change their annuity option. Retirees may only change their annuity option once within the one-year time frame. Retirees must complete and submit a Change of Annuity Option-Within One Year of Retirement Form #335 to ATRS for this to be done. Retirees may have to repay ATRS some of the retirement benefits received upon electing to change their annuity option.

## Four Month Separation Period

July 1, 2026 employees must terminate from their positions by June 30, 2026. Unless employees are the Normal Retirement Age, they will have a four-month termination separation period from any ATRS covered employment beginning on their effective retirement date. These employees may work outside of ATRS covered employment. However, employees **cannot engage in any substitute, part-time, or full-time work, or be paid for any work or professional development training, by any ATRS covered employer for four months.** We strongly encourage employees to contact ATRS if they have questions regarding the termination separation period, or to obtain written clearance if they are considering working during their termination separation period.

## Normal Retirement Age

Some July 1, 2026 employees meet the Normal Retirement Age requirements. This means upon retirement they do NOT have to terminate and separate from their position. Employees are the Normal Retirement Age if they meet one or both of these conditions:

- Are at least 65 years old before their July 1, 2026, retirement; or
- Are at least 60 years old before their July 1, 2026, retirement and the sum of their age and combined years of service in ATRS, T-DROP, and from established reciprocal service totals at least 98 (example: 60 years old + 38 years of service = 98)

We encourage employees and bookkeepers to contact ATRS if they have questions pertaining to the Normal Retirement Age.



# The Many Rewards of T-DROP

## **T-DROP Overview**

Instead of retiring, many employees elect to participate in T-DROP. This allows employees to continue working while growing their retirement savings. In lieu of retiring, employees elect to “freeze” their would-be retirement, and a portion of their retirement benefit is deposited monthly into their T-DROP account where it earns interest. Employees can participate for 10 consecutive years while receiving monthly deposits and accruing interest on the balance yearly.

## **Applying for T-DROP**

It is important to note that employees must be active in ATRS, or another state supported retirement system, to be eligible to participate in T-DROP. The one-page Application to Participate in T-DROP Form #221 must be completed and submitted by May 31, 2026, to enter T-DROP. **It is the school’s responsibility to keep a copy of this form for their records to ensure that the employee is reported correctly at the beginning of the 2026-2027 fiscal year. It is the employee’s responsibility to ensure that their application is received by ATRS on time.**

## **Qualifying for T-DROP**

Active employees with at least 30 years of service credit (ATRS, purchased, and established reciprocal service) are eligible for full participation without a reduction. Employees with at least 28 years of service credit are eligible for early participation with a reduction for early entry.

## **Calculating T-DROP**

The monthly deposit for T-DROP will be based on what the employee’s regular monthly benefit would be if they had actually retired, less 1% for each year of service credit. If an employee enters T-DROP early at 28 years, their monthly deposit is further reduced by an additional 6% for each year less than 30 years of service credit, or 12% at 28 years and 6% at 29 years.

## **Cancelling T-DROP**

Upon entry, T-DROP employees have two full calendar months, or through August 31, 2026, to cancel their T-DROP election. After August 31, 2026, they cannot withdraw their election to participate in T-DROP.

## **Continuing T-DROP**

Employees participating in T-DROP receive a 3% COLA each July 1, which is reflected on their benefit once retired. Employees are allowed to change jobs while in T-DROP, with monthly deposits occurring, as long as they continue working for an ATRS covered employer or established reciprocal system employer.

If employees do not retire and instead remain in T-DROP for more than 10 years, their monthly deposits will come to an end after 10 years. They will continue to receive annual interest on the T-DROP balance each June 30. Once an employee leaves T-DROP, they may not participate again.

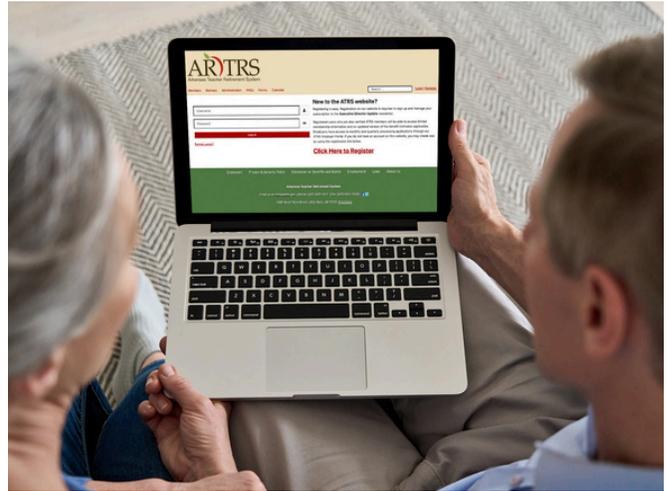


The beauty of retirement

# Submitting an Application

## Making it Easy

ATRS wants to make it easy for employees to submit their retirement or T-DROP application. Employees may apply online in minutes via their ATRS Member Portal account. Employees may register for and access their ATRS Member Portal account on the ATRS website at <https://www.artrs.gov/login>. This is the most efficient way to apply and ensure the deadline is met.



Retirement applications are available at [www.artrs.gov](http://www.artrs.gov) and may be submitted via fax at **501-682-2359** or emailed to [Info@artrs.gov](mailto:Info@artrs.gov). Hard-copy applications must be postmarked by **May 31, 2026**, and mailed to the following address:

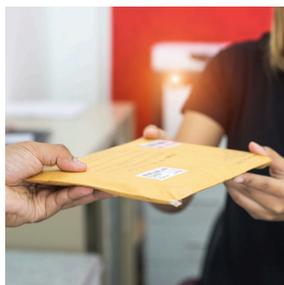
**Arkansas Teacher Retirement System  
1400 West Third Street  
Little Rock, AR 72201**



# Changes to the Postmark Rules

Major changes stemming from the United States Postal Services (USPS), which were effective December 24, 2025, will significantly impact postmarking rules and mailing timelines. **The implementation clarified that postmarks will now reflect the date mail is first processed at a regional facility, NOT when it is dropped off at a local office.** This change means mail could be postmarked days after it was dropped off at a local office, creating the potential for missed deadlines. To ensure a specific date is noted on a retirement or T-DROP application, or any other document that is required to be submitted to ATRS by a specific deadline, employees can request a free manual postmark at a retail counter or get proof via Certified Mail or a Certificate of Mailing.

**Ways to get a guaranteed postmark to ensure an application or paperwork meets mailing deadlines:**



**Manual Postmark:** Take your mail to a local USPS retail counter and ask for a free manual (hand-stamped) postmark on the current date.



**Certificate of Mailing:** A paid service (\$2.40) providing official proof the USPS accepted the item on a specific date.



**Certified Mail:** Offers proof of mailing and delivery confirmation for a fee.

Employees are strongly encouraged to submit their application and documents early to ensure deadlines are met, particularly in light of the USPS postmark rule changes.

ATRS is open for member visits 8:00 a.m. to 5:00 p.m., Monday through Friday. Appointments are not required to meet with a retirement counselor but are encouraged. To schedule a meeting to discuss retirement or T-DROP, email our info line at [info@artsgov](mailto:info@artsgov). Zoom counseling sessions can also be scheduled. We have a fully staffed call center with retirement counselors who can assist with questions daily. Our retirement counselors can be reached at 501-682-1517.

# ATRS Annuity Options

When an employee is ready to become a retiree, they have four options for drawing their monthly retirement benefit: Straight Life Annuity (SLA), Option A, Option B, and Option C.

## SLA

This is the highest-paying unreduced monthly benefit that a retiree receives for their lifetime. Upon their passing, payments cease and any remaining account contributions are paid as a lump sum to the retiree's designated residual beneficiary.

- Maximum benefit payable for lifetime
- When retiree pass away, benefits stop
- Residual contributions payable to designated beneficiary, if applicable

## Option A 100%

Option A (100%): This is a reduced monthly benefit that allows a retiree to elect their spouse, incapacitated child, or both as their designated beneficiary. Upon the retiree's passing, 100% of the reduced annuity will be paid to their single beneficiary, or split 50% and 50% between your spouse AND incapacitated child.

- Reduced monthly benefit (approximately 18%) for lifetime
- Elect spouse, incapacitated child, or both to receive annuity upon retiree's passing
- Designated beneficiary or beneficiaries will receive 100% of the annuity that the retiree was drawing for their lifetime

## Option B 50%

Option B (50%): This is a reduced monthly benefit that allows a retiree to elect their spouse, incapacitated child, or both as their designated beneficiary. Upon the retiree's passing, 50% of the reduced annuity will be paid to their single beneficiary, or split 25% and 25% between their spouse AND incapacitated child.

- Reduced monthly benefit (approximately 10%) for lifetime
- Elect spouse, incapacitated child, or both to receive annuity upon retiree's passing
- Designated beneficiary or beneficiaries will receive 50% of the annuity that the retiree was drawing for their lifetime

## Option C 120 payments

Option C (120 payments): This is a reduced monthly benefit that is guaranteed for 120 payments. Retirees can designate any person or entity as their beneficiary. If retiree passes away before drawing the 120 payments, their designated beneficiary receives the remaining balance of the 120 payments. If the retiree lives past the 120 payments, they "pop up" to SLA on the 121st payment and draw that amount for the remainder of their lifetime.

- Reduced monthly benefit (approximately 4%) for guaranteed 120 (10 years) payments
- Elect any person or entity to draw remaining payments, if any available, upon retiree's passing
- If retiree draws 120 payments, they "pop-up" to SLA on 121st payment

Employees may designate a spouse by selecting Option A or Option B, but they must be married for at least one year at the time of retirement to do so. ATRS requires a marriage license, along with the spouse's birth certificate or another age verification document and Social Security card. Employees may also designate an incapacitated child by selecting Option A or Option B. ATRS requires paperwork showing that the child has been deemed physically or mentally incapacitated by a court of competent jurisdiction. Both a spouse and incapacitated child can be selected for Option A or Option B.

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## ATRS Disability

ATRS offers Disability Retirement for employees who are not eligible for Age and Service Retirement (vested but are not age 60 and do not have 28 years of service credit). To qualify for Disability Retirement, employees must have a total and permanent disability that prevents them from performing their current job duties. Employees must have been active in the current 2025-2026 fiscal year or previous 2024-2025 fiscal year with at least 40 days (0.25 year) of service credit to be eligible to apply. **The deadline to apply if an employee last worked and earned service credit in the 2024-2025 fiscal year is June 30, 2026.** Employees **DO NOT** need a Social Security Disability approval to start the ATRS Disability Retirement process. If employees have questions regarding Disability Retirement, please have them contact ATRS.

## Beneficiary Designation Form

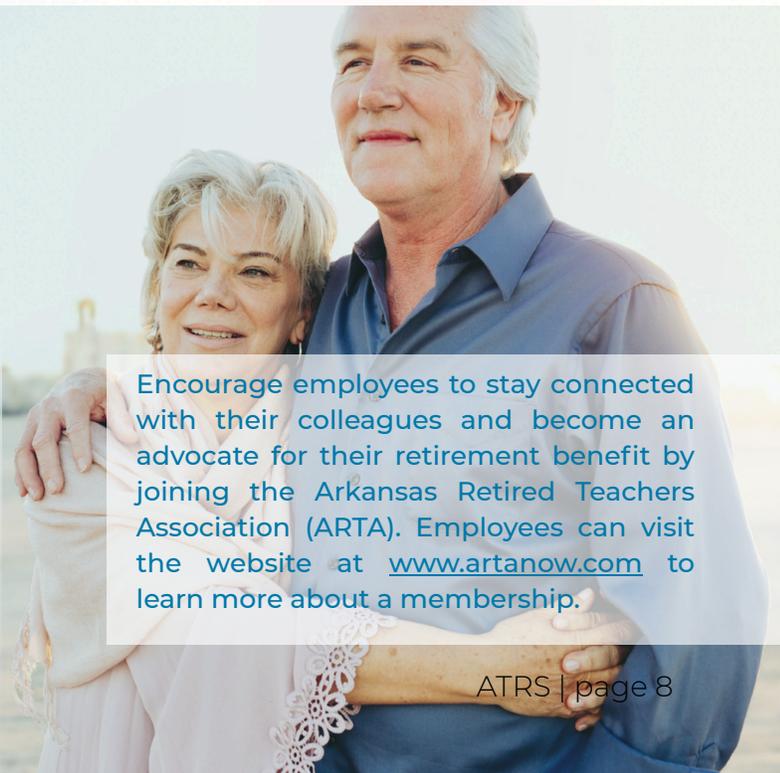
It is very important for employees to have a current beneficiary designation form on file. By designating a beneficiary, employees help ensure that their spouse, children, and other eligible loved ones are provided for after passing away. Designated beneficiaries are potentially eligible for two separate types of benefits from ATRS: residual contributions and the Lump Sum Death Benefit (LSDB).

Contributions are the funds an employee pays into ATRS by being contributory. Residual contributions are the remaining contributions that have not yet been paid out to a retiree. If an employee passes away before retiring, their residual contributions may be paid out their eligible surviving spouse and children, or to their alternate designated beneficiary.

The LSDB is available to active employees, T-DROP participants, and retirees that have at least 10 years of actual ATRS service credit. This is a non-taxable gift from the ATRS Board. Upon the employee's passing, the beneficiary is eligible to receive a LSDB of up to \$10,000. The amount depends on how many noncontributory and contributory years of service credit an employee has.

## Important Tips for Retirees

The cost of health care is a big concern in retirement. It is important that your employees understand their options and make plans for health insurance before retiring. ATRS does not administer health insurance, so we cannot advise employees on this issue. For information on retiree health insurance options that are available through the state, contact the state's Employee Benefits Division (EBD) by calling 501-682-9656 or 877-815-1017, or visit <https://my.arbenefits.org/>. For general information on Medicare, visit <https://www.medicare.gov/>. For general information on drawing Social Security, visit <https://ssa.gov/retirement>.



Encourage employees to stay connected with their colleagues and become an advocate for their retirement benefit by joining the Arkansas Retired Teachers Association (ARTA). Employees can visit the website at [www.artanow.com](http://www.artanow.com) to learn more about a membership.

# ATRS Member Portal Account: Just a click away from being connected

## Create Your Online Account

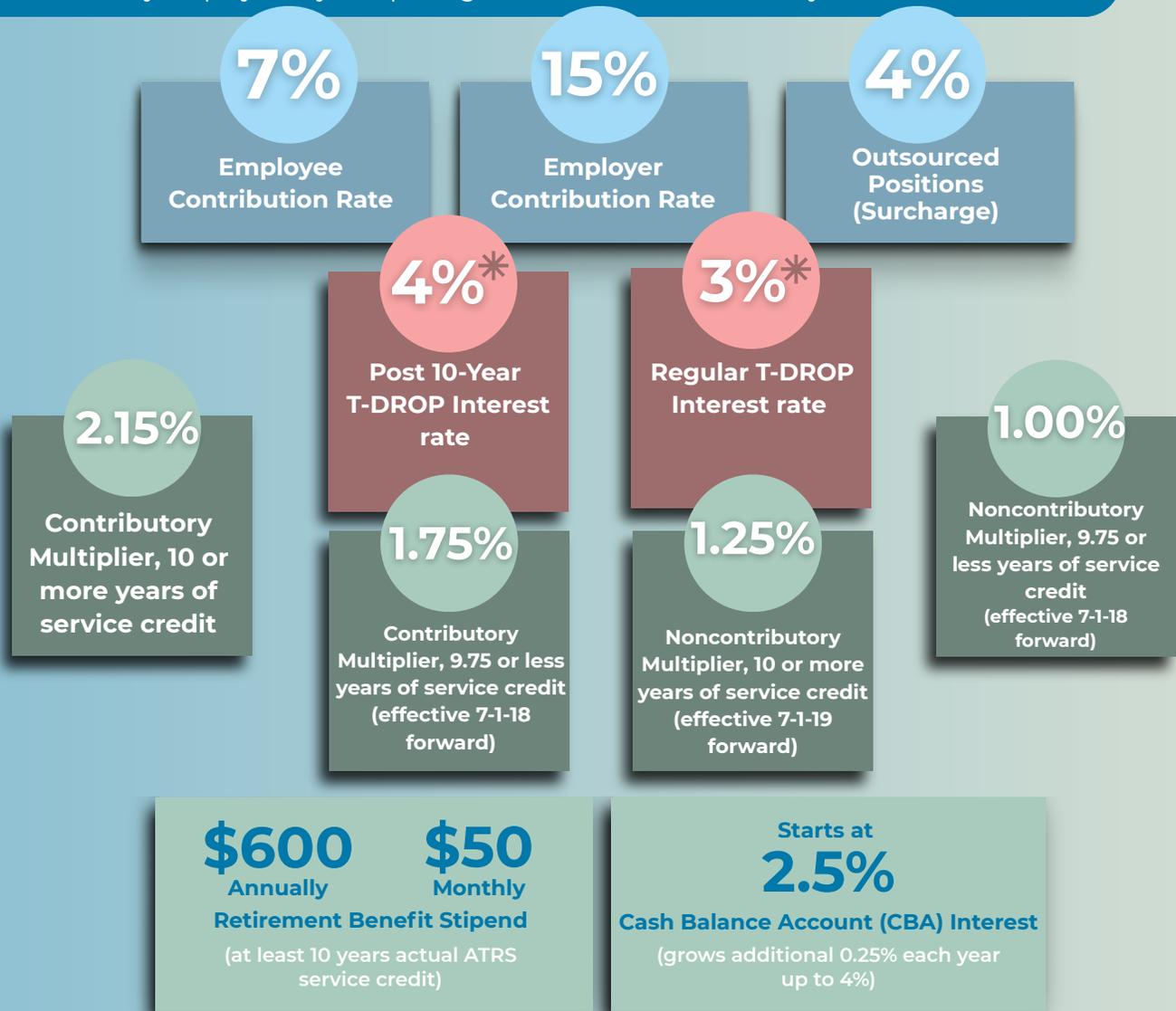
ATRS encourages all employees, whether active or retired, to create an online ATRS Member Portal account. Click on this link for steps to create an ATRS Member Portal Account: [“How to create an ATRS Member Portal account”](#)



The ATRS Member Portal gives employees instant access to their account information at the touch of a button. If employees are looking to retire with as little fuss as possible, they can apply for Age and Service Retirement or T-DROP via the portal. Employees are able to update an address, change a beneficiary, run a benefit estimate, view T-DROP and CBA balances, and view their most recent 1099R tax form. Enhancements will be coming soon to the portal, so please encourage your employees to take advantage of the opportunity to stay connected and informed!

# 2026-2027 Contribution Rates and Multipliers

It is important to note employers contribute for ALL employees: active, T-DROP, post 10-year T-DROP, and working retirees. Only active contributory employees who are eligible to earn service credit can contribute to ATRS. Employees who are in T-DROP, post 10-year T-DROP, or are working retirees DO NOT contribute to the System since they are not eligible to earn service credit. Noncontributory employees can elect to become contributory employees by completing the Irrevocable Contributory Election Form #5.



\* The Board of Trustees may authorize an increased incentive interest rate depending on the System's investment returns and actuarial condition.

**Arkansas Teacher Retirement System (ATRS) Disclaimer:**

This planner does not and is not intended to replace Arkansas Law, the ATRS rules, or the System's policies. These laws, rules, and policies are subject to change periodically through legislation enacted by the Arkansas General Assembly or changes adopted by the ATRS Board. If there is a conflict between the information contained in this planner and Arkansas Law, ATRS rules, or ATRS policies, the Arkansas Law, ATRS rules, and ATRS policies will control. If you have questions about the information in this planner, please contact ATRS for clarification.

For additional information about ATRS, please see our 2025-2026 Member Handbook [HERE](#).



Your retirement is within reach

