

2026-2027 SCHOOL YEAR



Member HANDBOOK

A GUIDE TO YOUR RETIREMENT
BENEFITS

PROVIDING RETIREMENT
SECURITY FOR ARKANSAS'S
past, present, and future
public educational
professionals



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ATRS Contact Information

Physical Office and Mailing

Address:

ATRS
1400 W. Third Street
Little Rock, AR 72201

Business Hours:

Monday through Friday
8:00 a.m. to 5:00 p.m.
Closed holidays



501-682-1517



info@artsr.gov



www.artsr.gov

ATRS Member Portal:

▶ www.artsr.gov/login

▶ www.artsr.gov/registration

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To clarify unfamiliar terms, please refer to the ATRS Glossary located at the end of this handbook.

When sending information to ATRS, please make sure to include your ATRS ID, last four digits of your Social Security Number, or your Date of Birth to ensure it is placed in the correct file.

Arkansas Teacher Retirement System at a Glance

The Arkansas Teacher Retirement System (“ATRS” or “System”) is the retirement plan established by state law for public school and other public education employees in Arkansas. It is a defined benefit plan, which means that it guarantees eligible vested members a specific monthly retirement benefit for life. That benefit amount depends on the member’s final average salary, years of service credit, and contributory status.

Vesting

“Vested” means that you have earned the right to a guaranteed monthly benefit for life when you retire. You become vested once you have 5 years of actual service credit by working for an ATRS employer. You can also count reciprocal service credit toward those 5 years.

Benefits

Once you become vested in ATRS, you may be eligible for the following benefits:

Retirement: You may retire and receive a guaranteed monthly benefit for life at age 60 or when you have at least 28 years of service credit, whichever comes first. You may apply for early retirement with a reduced benefit when you have at least 25 years of service credit.

After you have been retired from ATRS for at least 1 full fiscal year, you will receive a simple cost of living adjustment of at least 3% every July 1.

If you reach 28 years of service credit and want to continue working, you may enter the Teacher Deferred Retirement Option Plan (T-DROP). T-DROP allows you to continue working while a percentage of your monthly retirement benefits are deposited into a T-DROP account that accrues interest.

Survivor: You may designate a beneficiary to receive any contributions that are remaining in your account at the time of your death (called residue).

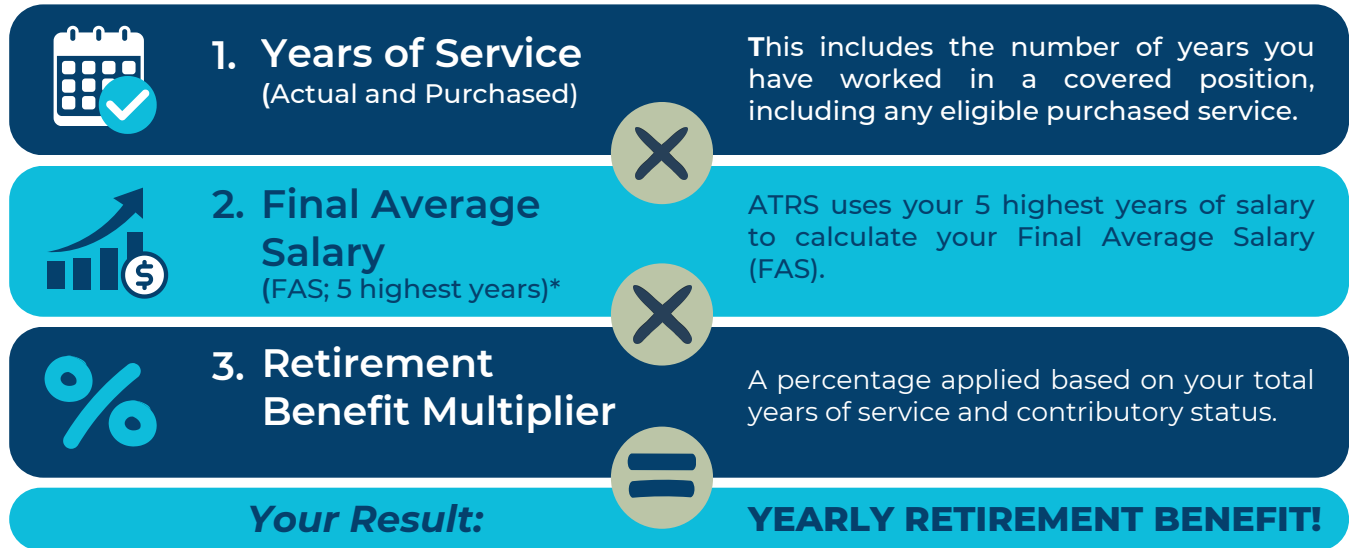
If you die while actively employed with an ATRS covered employer, your spouse and dependent children may be eligible for monthly survivor benefits. If you have at least 10 years of actual service credit at the time of your death, whether active, in T-DROP, or retired, your designated beneficiary will receive a lump-sum death benefit of at least \$6,667 and as much as \$10,000.

Disability: You may apply for disability retirement if you are an active member and become totally and permanently disabled and unable to perform your job duties.

CONTRIBUTORY STATUS – If you are a contributory member, you contribute 7% of your salary into a member deposit account. Contributory members receive retirement benefits that are significantly larger than those of noncontributory members. The retirement benefits earned in 1 year of contributory service can be more than double the amount of benefits earned in a noncontributory year. Most ATRS members are contributory. A noncontributory member can elect to be contributory.

Retirement Benefit Calculation

ATRS calculates your retirement benefit as follows:



*For members who were eligible for a benchmark 3-year FAS, this will be compared to the 5-year FAS. Refer to *Benefit Amount* for additional information.

All estimates provided by ATRS may not capture the entire picture of what your final retirement benefit will be. Estimates reflect a benefit projection based on current Arkansas laws, and are subject to change.

Retirement and Insurance

ATRS does not administer health insurance, so we cannot advise members on this issue. For information regarding state or school retiree health insurance, contact the state's Employee Benefits Division (EBD) by calling (501) 682-9656, or go to <https://my.arbenefits.org>. Soon-to-be retirees should reach out to EBD once you have submitted a retirement application.

We understand that some situations may require additional explanations or may be specific to a circumstance that you are experiencing. Please reach out to ATRS to speak with a counselor if you need further assistance with any information covered in our handbook.



Arkansas Teacher Retirement System - Overview



ATRS's mission is to provide retirement security for Arkansas's past, present, and future public education professionals.

ATRS was established on March 17, 1937. Since that time, ATRS has provided retirement benefits to Arkansas's public school and public education employees. ATRS pursues excellence in managing the pension fund. We strive to deliver exemplary service to our members, covered employers, and other stakeholders. ATRS is a defined benefit plan that is administered as a "qualified" retirement plan under the provisions of IRS § 401(a).

As of June 30, 2025, ATRS is comprised of:

- Retirees or beneficiaries currently receiving benefits - 57,492
- T-DROP participants - 2,992
- Inactive vested members (not receiving benefits) - 15,308
- Active members - 67,871

In addition, there are 338 covered employers including:

- Public and charter schools;
- Some state colleges and universities;
- State agencies; and
- Other/privatized employers.

The administration of plan benefits and the operations of the System are primarily governed by Arkansas Law under the Arkansas Teacher Retirement System Act, Ark. Code Ann, § 24-7-201 et seq., ATRS Rules, and Board Policies.

The Board of Trustees of the Arkansas Teacher Retirement System is responsible for the general administration and the proper operation of the System. The Board of Trustees (Board) is comprised of 15 trustees, 11 of whom are directly elected by ATRS members.

The Arkansas Code can be accessed through the Arkansas State Legislature website (<https://www.arkleg.state.ar.us>) by selecting the Arkansas Law tab and then selecting Arkansas Code and Constitution of 1874. A copy of the System's rules and policies can be found on the ATRS website at: <https://www.atrs.gov/board-rules/> or in the Code of Arkansas Rules at: <https://codeofarules.arkansas.gov/>.

Member Information

Q: *Where can I get general information about ATRS?*

A: The fastest and most convenient way to find information about ATRS is by visiting the ATRS website at <https://www.artrs.gov/>.

The ATRS website provides information on a wide range of topics, such as the Board of Trustees and the administration of the System, policies and rules, retirement counseling, membership milestones, retirement options, T-DROP, and survivor benefits available to our members' loved ones. You will also find a Frequently Asked Questions section, which you can use as a quick reference guide for any questions you may have.

The ATRS website has links to forms that you may need and a Calendar of Events that you can use to help keep you informed of Board of Trustees and Medical Committee meetings, and the benefit payroll schedule.

Q: *How can I get information about my ATRS member account?*

A: You can learn more about your membership and its benefits by visiting the ATRS website at <https://www.artrs.gov/>.

If you are looking for member specific information, take advantage of our in-office or virtual counseling sessions by calling ATRS at 501-682-1517 or emailing ATRS at info@artrs.gov.

You can set up your own online ATRS Member Portal account, which is the quickest and most efficient tool that you can use to review and access your account information.

Your ATRS Member Portal account can be used to perform many tasks such as reviewing your account information, updating your contact information, designating or changing your chosen beneficiaries, and calculating your estimated retirement benefits. Please visit <https://www.artrs.gov/registration> to set up your ATRS Member Portal account.

Q: *Should I update my contact information with ATRS?*

A: Yes, you are responsible for ensuring that your contact information with the system, such as your address or phone number, is correct and up to date. All correspondence and account verifications will be sent to the address on file.

Through the ATRS Member Portal account, you can update your contact information by completing and submitting a Change of Address form to ATRS. If you are a retiree who lives out of state, you can complete and submit the yearly Benefit and Address Verification Affidavit (BAVA).

Member Overview

Membership Generally

Q: *How do I become a member of ATRS?*

A: You become a member of ATRS by working for an employer that is covered under ATRS (covered employer). Membership in ATRS is automatic if you are directly employed with a public school, educational service cooperative, the Arkansas Department of Education, or another employer that participates in ATRS. Some covered employers outsource the performance of certain services to contractors, and because of this, may offer ATRS membership to the contractor's employees.

You can also become a member of the System if you work for a permissible employer that has elected to become a covered employer, and you meet any other applicable eligibility requirements.

Finally, you can become a member of the System if you work for a post-secondary higher education employer (PSHE employer) that offers ATRS as a retirement plan, and you meet the PSHE employer's eligibility requirements. Check with your employer or contact ATRS with questions about this type of membership.

Q: *What are the benefits of being an ATRS member?*

A: As a vested ATRS member, once you are eligible to retire, you will receive a lifetime monthly benefit payment from the System. Depending on your status at the time of your death, your spouse and dependent children may be eligible to receive survivor benefits when you pass away.

If you have 28 years of service credit but are not ready to retire, you have the option of participating in T-DROP. T-DROP allows you the opportunity to have a percentage of your plan benefits deposited monthly into a T-DROP account that accumulates interest.

- When you leave T-DROP and retire from the System, you will have 4 options for the distribution of your T-DROP account balance. Refer to *T-DROP* for additional information.

Membership Status

Q: *Are there different types of ATRS membership and status?*

A: Yes, membership in ATRS is either contributory or noncontributory. As a contributory or noncontributory member of the System, you may also fall into one or more of the following statuses: (a) vested, (b) non-vested, (c) active, (d) inactive, (e) deferred, (f) T-DROP participant, (g) retiree, and (h) working retiree.

Membership Status Continued



Q: *What is the difference between an active member and an inactive member?*

A: An active member is a person who currently works for a covered employer and is eligible to earn service credit with ATRS. An inactive member has not worked and earned service credit in (at least) the past fiscal year.

Q: *What is the difference between a contributory and noncontributory member?*

A: Contributory members pay 7% pre-tax on the salary they earn through covered employment to the System. Therefore, contributory members have a higher retirement benefit multiplier upon retirement, which can range between 1.75% and 2.15%. The multiplier is dependent on the number of years of service credit and when they were earned.

Noncontributory members do not pay contributions on the salary they earn through covered employment. Therefore, noncontributory members have a lower retirement benefit multiplier upon retirement, which can range between 1.00% and 1.39%. The multiplier is dependent on the number of years of service credit and when they were earned.

Q: *Can I elect to become contributory or noncontributory?*

A: If you are a noncontributory member of ATRS, you can elect to become a contributory member. However, contributory members cannot elect to become noncontributory.

Q: *How do I know if I am contributory or noncontributory, or whether I can make an election to become a contributory member?*

A: If you have an ATRS Member Portal account, you can view your member data, including your contributory status. This is included on your Annual Statement as well. The law concerning contributory and noncontributory membership has evolved over time. If you have any questions concerning your status as a contributory or noncontributory member, or whether you can make an election to become contributory, please contact ATRS.

Vesting and Service Credit

All active members of ATRS are eligible to earn service credit. ATRS uses service credit for several purposes such as determining whether a member is vested, retirement eligible, and calculating retirement benefits.

Vesting

Q: *What does it mean to be a vested member of ATRS?*

A: To be vested means that you have earned the right to a monthly benefit from ATRS when you retire. A vested member is a member who has earned at least 5 years of actual service credit with ATRS, or 5 years of credited service with ATRS from both actual service credit and reciprocal service credit. Only vested members may retire from the System.

Earning Service Credit

Q: *How is service credit earned?*

A: You earn service credit by working for an ATRS covered employer. The amount of service credit you earn is based on the number of days that you work in a fiscal year (July 1 – June 30). Refer to Appendix A for additional information.

Q: *How many days do I have to work to earn 1 year of service credit?*

A: You must work at least 160 days in a fiscal year to earn 1 year of service credit. Refer to Appendix A for additional information.

Q: *Can I earn more than 1 year of service credit in a fiscal year?*

A: No, you cannot earn more than 1 year of service credit with ATRS in a fiscal year. Even if you work more than 160 days in a fiscal year, you can only earn a maximum of 1 year service credit.

Q: *Is there any other way that I can earn or be given service credit?*

A: The only way you can earn service credit in ATRS is by working for a covered employer of the System before you retire or enter T-DROP. However, you may be eligible to receive service credit if you purchase service credit, are eligible for free military service credit, or work(ed) for an employer of an Arkansas state-supported reciprocal system.



Free and Purchased Service Credit

Q: *What types of service credit can I purchase from ATRS?*

A: There are various types of service credit that you may be able to purchase from ATRS if you meet the eligibility requirements. Refer to *Appendix B - Purchasable Service Credit* for additional information.

Q: *How is the cost calculated when purchasing service credit and what are the payment requirements?*

A: All purchases are computed using a formula and must be paid in a lump-sum payment. Payment can be in the form of a rollover from a qualified retirement plan, or personal check, cashier's check, or money order. The cost to purchase service credit changes at the beginning of a new fiscal year, or July 1. Refer to *Appendix B - Purchasable Service Credit* for additional information.

Q: *How will service credit I purchased be used to my benefit?*

A: You can use your purchased service credit to meet the eligibility requirements for Age and Service Retirement, early Age and Service Retirement, and participation in T-DROP. ATRS will also use your purchased service credit to calculate your monthly retirement benefit.

Q: *How can I get free service credit?*

A: You may be eligible to receive free military service credit if you served in United States Armed Forces during a period that a federal military draft was in effect. Please contact ATRS if you think you may be eligible for free service credit.

Q: *Can I use purchased service credit or free military service credit to become vested in ATRS?*

A: No, you cannot use purchased service credit or free military service credit to vest in ATRS. Additionally, purchased service credit and free military service credit **DO NOT** count toward the 10-year lump-sum death benefit or the retirement benefit stipend.

Reciprocal Service Credit

Many members of ATRS may have previously worked for an employer that participates in a reciprocal system. Reciprocal service credit is service credit that a person earns in one or more Arkansas state-supported retirement systems (the preceding reciprocal system) and is honored by another Arkansas state-supported retirement system (the succeeding reciprocal system). Reciprocal service can be established early on in your career; however it cannot be fully certified until you apply for benefits. At that time, ATRS will reverify all reciprocal service information with the reciprocal retirement system. Once you are ready to retire, you must apply to each retirement system separately.

Q: *What are the reciprocal systems in Arkansas?*

A:

- The Arkansas Public Employees' Retirement System (APERS);
- The Arkansas State Highway Employees' Retirement System (ASHERS);
- The Arkansas State Police Retirement System (ASPRS);
- The Arkansas Judicial Retirement System (AJRS);
- The Arkansas Local Police and Fire Retirement System (LOPFI); and
- Alternate Retirement Plans (ARP) offered by certain institutions of higher education, the Division of Higher Education, and the Career Education and Workforce Development Board.

Reciprocal Service Credit Continued

Q: *How can I establish, or receive, reciprocal service credit?*

A: If you previously worked for an employer that participates in a reciprocal system, you may receive reciprocal service credit in ATRS by submitting a request for the reciprocal service credit on an ATRS-approved form. Please contact ATRS to begin the process of establishing reciprocal service credit.

Concurrent Service Credit

Q: *What is concurrent service?*

A: Concurrent service occurs when a person works for more than one employer in a fiscal year, and all the employers are not covered by the same retirement system. In this situation, the person will earn concurrent service credit in more than one reciprocal system within that fiscal year. In some cases, concurrent service credit earned in more than one reciprocal system will cause the member to earn more than 1 year of service credit in a fiscal year.

A member cannot be credited with more than 1 year of service credit in a fiscal year between two or more Arkansas state-supported retirement systems or alternate retirement plans, regardless of whether the member's service between the two systems would exceed 1 year (e.g., 0.75 with ATRS and 0.5 with an alternate retirement plan).

Q: *Can I be a member of ATRS and another Arkansas state-supported retirement system at the same time?*

A: No, unless you are a member of the Arkansas General Assembly, you cannot be a member of ATRS and another Arkansas state-supported retirement system at the same time.

Q: *How does ATRS handle concurrent service credit with other Arkansas retirement systems?*

A: ATRS recognizes concurrent service credit earned in the National Guard or reciprocal systems apart from APERS or alternate retirement plans (ARP). Reciprocal service credit helps you meet retirement eligibility, but ATRS will not combine salaries from different retirement systems within the same fiscal year to calculate your benefits. If you have non-qualifying concurrent service credit (such as APERS), you must choose which system to keep it in. This requires either forfeiting the service credit with the other plan to keep it in ATRS or formally waiving (forfeiting) the service credit with ATRS to keep it in the other plan.

Q: *Do the other reciprocal systems allow their members to earn concurrent service credit?*

A: Every reciprocal system is different and subject to varying laws and regulations. You are strongly encouraged to contact the other reciprocal systems for information on how they handle concurrent service credit.

Contributions

All covered employers and contributory members pay contributions to the System. Contributory members must pay 7% in contributions on a pre-tax basis on any salary they earn. Covered employers pay 15% in contributions for every member under their employment. Employer contributions are not refundable and go toward funding the System. The contribution rates are set annually by the Board of Trustees.

Member Contributions

Q: *Do I have to make contributions to ATRS?*

A: All contributory members pay contributions to ATRS. You do not pay contributions if you are a noncontributory member of ATRS.

Q: *What does ATRS do with my contributions?*

A: Your contributions are deposited into your member deposit account. Employer contributions are not deposited into your member deposit account. Both employer and employee contributions are invested by the System and are used to pay benefits to members and their beneficiaries after the member retires or passes away.

Q: *How does ATRS receive my contributions?*

A: Your covered employer automatically deducts your contributions from your salary on a pre-tax basis and pays ATRS your contributions on your behalf.

Q: *Will I still receive service credit if my contributions are not paid?*

A: No, you will only receive service credit for the time your contributions are paid. In order to receive service credit for the period of time during which your contributions were not paid, you will need to pay the unpaid contributions to ATRS, or convert (forfeit) the contributory service credit to noncontributory service credit.

Refunding Service Credit

Q: *Can my contributions ever be refunded to me?*

A: Yes, member contributions may be refunded. You may request a refund of your contributions if you meet all applicable requirements. You can request a refund of your contributions if you terminate your employment with an ATRS covered employer. The purpose of a refund is that you do not intend to return to ATRS covered employment.

By electing to take a refund, you cancel all of your contributory and noncontributory service credit along with all membership rights and beneficiary designations. A vested member who requests and receives a refund is therefore not eligible for retirement benefits. If you are an inactive member of the System and would like to request a refund of your contributions, please contact ATRS.

Refunding Service Credit Continued

Q: *If I receive a refund of my member contributions, will I also receive the employer contributions that my covered employer paid?*

A: No, employer contributions will not be refunded to you.

Q: *Can I borrow money from my deposit account?*

A: No, you cannot borrow money from your member deposit account. Additionally, you cannot receive any money from your member deposit account until you retire from the System, or terminate all ATRS covered employment by requesting a refund of your contributions.

Q: *How do I see my contribution balance?*

A: ATRS sends you an annual statement in the fall, which includes the total amount of your member contributions and your information from the previous fiscal year, which is July 1 through June 30. You can also view your contribution balance in your online ATRS Member Portal account.

Your annual statement is sent to your address on record with ATRS. It is important for you to keep your information up to date with ATRS.

Cash and Savings Help Program

The Cash and Savings Help (CASH) program is a voluntary program in which eligible members may choose to cancel their membership and forfeit their retirement benefit rights in exchange for receiving a one-time lump-sum payment from ATRS.

Q: *When is the CASH program offered?*

A: The Board of Trustees decides when the CASH program will be offered. If the Board decides that the CASH program should be offered, eligible participants will be sent a CASH application from ATRS. This typically occurs annually in October.

Q: *What are the requirements to participate in the CASH program?*

A: If the Board of Trustees decides that the CASH program should be offered, you will be eligible to participate if you:

- Are vested and eligible for deferred retirement; and
- Have been inactive with an ATRS covered employer for at least 1 year following the last fiscal year in which you worked for a covered employer and received at least a quarter, or 0.25, year of service credit.

Q: *Can I still participate in the CASH program if I am not an inactive member who is eligible for deferred retirement?*

A: No, under current laws, participation in the CASH program is limited to inactive members who are eligible for deferred retirement. The Board of Trustees may decide in the future to offer the CASH program to an additional group of members, survivors, or alternate payees who meet the requirements of the group.

Cash and Savings Help Program Continued



Q: How will my CASH program payment be paid to me?

A: You may have the CASH payment rolled over to a qualified retirement plan such as an IRA or 401(b) plan, or payment can be made directly to you by check. If you do not roll over the full payment to a qualified retirement plan in a timely manner, there may be significant tax consequences. Consult with your tax advisor for guidance.

Q: What if I participate in the CASH program and then later return to work for a covered employer?

A: If you participate in the CASH program and later return to work for a covered employer, you become a new member of ATRS again. All previous retirement benefits, service credit, and other rights that were cancelled when you participated in the CASH program will not be reinstated. However, you may purchase your cancelled service credit as contributory service after becoming an active member of ATRS again.

Q: What do I need to do to participate in the CASH program?

A: If you are eligible to participate in the CASH program, ATRS will send you a letter with instructions for participation indicating the deadline for returning paperwork and the CASH applications.

Q: If I participate in the CASH program, what will my membership status be with ATRS?

A: Participation in the CASH program does not mean that you have retired from the System. You will not be a member of ATRS once ATRS issues you the one-time lump-sum CASH program payment. You will not be able to receive retirement benefits from ATRS. Your participation in the CASH program cancels any past service credit, both contributory and noncontributory.

Q: Will my CASH program payment include payment for my reciprocal service?

A: No, your CASH program payment will not include a payment for reciprocal service. A CASH program payment can only be made for actual service credit that you have with ATRS.



T-DROP

The Teacher Deferred Retirement Option Plan (T-DROP) is an opportunity available to eligible members who are not ready to retire. If eligible, you may elect to participate in T-DROP instead of retiring and drawing your monthly retirement check. You can only enter T-DROP on July 1, with applications only accepted between March 1 and May 31. Upon your exit from T-DROP, you select your retirement annuity option and elect how you want to distribute your accumulated T-DROP balance.

T-DROP Enrollment

Q: *When am I eligible to participate in T-DROP?*

A: If you have at least 28 years of service credit, you may elect to participate in T-DROP with an additional reduction for early participation (6% reduction for each year early). If you have at least 30 years of service credit, you may elect to participate in T-DROP with no additional reduction.

You must be actively employed by an ATRS covered employer, or have established state-supported reciprocal service credit prior to entry and be active in a reciprocal plan. If you are active in a reciprocal plan, you must also enter their DROP in order to enter T-DROP. Members who are active with an Alternative Retirement Plan (ARP) are not eligible to participate in T-DROP.

Q: *How does T-DROP work?*

A: When you elect to participate in T-DROP, you do not officially retire from the System. You continue to work for and be paid by your covered employer. You will not directly receive a monthly retirement benefit. Instead, your retirement benefit amount is calculated and set, with a portion of benefits being deposited once a month into your T-DROP deposit account.

Your T-DROP deposit is based on what your monthly retirement benefit would be if you retired, reduced by 1% for each year of service credit. Early participation at 28 years will have an additional 6% reduction for each year less than 30 years of service credit, or 12% at 28 years and 6% at 29 years.

Interest accrues on your T-DROP deposit account balance at the rate of 3% compounded annually. The Board of Trustees may authorize an increased incentive interest rate depending on the System's investment returns and actuarial condition.

You do not earn and cannot be given any additional service credit when you elect to participate in T-DROP since your retirement benefit is already calculated. This means that your final average salary (FAS) is calculated. Any purchased service or reciprocal service credit must be paid for and established prior to entering.

You do not pay contributions to ATRS while participating in T-DROP since your retirement benefit is already calculated. Any salary that you earn after entering the T-DROP program cannot be used to recalculate your final average salary.

T-DROP Enrollment Continued

Q: *How do I participate in T-DROP?*

A: To participate in T-DROP, you must submit a T-DROP application to ATRS. T-DROP participants are enrolled once a year on July 1. Because of this, you can only submit your application to ATRS between March 1 and May 31 immediately preceding the July in which you wish to begin your participation in T-DROP. **You are solely responsible for making sure that your T-DROP application has been submitted to ATRS by the May 31 deadline.** Refer to *What's New in ATRS* for additional information on postmark deadlines.

Q: *What happens if I submit a T-DROP application after the May 31 deadline?*

A: If you submit your T-DROP application after the May 31 deadline, you will not be allowed to participate in T-DROP that upcoming July. You will be allowed to reapply to participate in T-DROP on July 1 of the following year, provided you submit an application and meet the May 31 deadline.

T-DROP Participation Years

Q: *Do I have to work full-time while participating in T-DROP?*

A: No, you do not have to work full-time for an ATRS covered employer when you are a T-DROP participant. However, there are a minimum number of days that you must work every quarter in order to continue your monthly T-DROP deposits.

QUARTER	MONTHS	MINIMUM DAYS YOU MUST WORK TO RECEIVE MONTHLY DEPOSITS
1 st Quarter	July, August, September	15 DAYS
2 nd Quarter	October, November, December	25 DAYS
3 rd Quarter	January, February, March	25 DAYS
4 th Quarter	April, May, June	15 DAYS

Q: *What if I stop working for an ATRS covered employer while participating in T-DROP?*

A: If you stop working for an ATRS covered employer while participating in T-DROP, monthly retirement benefit deposits will not be made to your T-DROP deposit account. Interest will continue to accrue and be deposited into your T-DROP deposit account.

Q: *Can I borrow money from my T-DROP deposit account?*

A: No, you cannot borrow money from your T-DROP deposit account. Additionally, money from your T-DROP deposit account cannot be distributed until you stop participating in T-DROP and retire from the System, or pass away.

Exiting T-DROP

Q: *How many years can I participate in T-DROP?*

A: You can participate in T-DROP for up to 10 consecutive years. Years are calculated from the time you begin participating in T-DROP.

Q: *How do I leave, or exit, T-DROP?*

A: You leave T-DROP when you elect to retire from the System, or pass away. Once you retire out of T-DROP, you cannot participate again.

Q: *What if I do not leave T-DROP after 10 consecutive years?*

A: If you do not leave T-DROP after 10 consecutive years, the monthly retirement benefit deposits to your T-DROP deposit account will stop. However, interest will continue to accrue and be deposited to your T-DROP deposit account once a year on June 30. The interest rate varies from a minimum of 4% to a maximum of 6%.

Q: *What happens to my T-DROP deposit account after I retire from the System?*

A: When you leave T-DROP and retire from the system, you must decide how you would like to receive your T-DROP deposit account balance. You have 4 distribution options for your T-DROP account balance:

- Receive a monthly T-DROP deposit benefit that is annuitized and added into your already calculated monthly retirement benefit;
- Receive your T-DROP account balance in a lump-sum payment that is paid directly to you;
- Transfer your T-DROP account balance into the Cash Balance Account (CBA) maintained by ATRS; or
- Transfer your T-DROP account balance into a qualified retirement plan such as an IRA or 403(b).

You must submit your choice regarding how you would like to receive your T-DROP deposit account balance on an ATRS-approved form. You can elect to receive your T-DROP account balance in 1 of the 4 above options or divide the balance among multiple options. The total allocation must equal 100%.

Please note that if you receive any portion of your T-DROP deposit account balance in a lump-sum payment, there may be significant tax consequences. Consult with your tax advisor for guidance.

Q: *What if I change my mind or make a mistake when selecting how I would like to distribute my T-DROP account balance?*

A: If you change your mind or make a mistake when selecting how you would like to distribute your T-DROP account balance, you may be able to cancel your previous election and select another option. However, you cannot change your previous election if you chose to receive your T-DROP account balance as a rollover into a qualified retirement plan.

To change your previous election, you will need to complete and submit a new distribution election form to ATRS by the end of the second full calendar month immediately following your effective retirement date. You will need to repay ATRS any amount that you are no longer entitled to have received due to the change you are making.

Cash Balance Account

Q: What is a Cash Balance Account (CBA)?

A: A CBA is an account maintained by ATRS into which you can have all or a portion of your T-DROP deposit account balance deposited instead of receiving a lump-sum distribution or other aforementioned distribution options.

Q: Do CBAs earn interest?

A: Yes, CBAs are credited monthly with T-DROP CBA interest at a rate that grows over time. Refer to Appendix C for additional information.

Q: Can I withdraw my money from my CBA?

A: Yes, you can withdraw money from your CBA up to 6 times in a quarter. More than 6 withdrawals can be made with approval from the ATRS Executive Director. You can also set up recurring monthly withdrawals.

Q: Do I have to make withdrawals from my CBA?

A: A required minimum distribution (RMD) is mandatory for individuals with a CBA account who have reached age 73. However, a minimum distribution will not be required if you are a rehired retiree or have continued to work for a covered employer without a break in service and your covered employer reports you to the System and pays employer contributions on your behalf. RMD requirements are governed by federal tax law and IRS rules. Consult your tax advisor for guidance.

NOTE: At the time of publication, the required minimum distribution age is 73 under the federal tax law and IRS rules.

Retirement

ATRS offers several retirement options, allowing members the flexibility to choose a retirement benefit that best fits their lifestyle. Members cannot retire from the System until they have paid all their required contributions and any other amounts owed to ATRS such as underpayments, overpayments, and purchased service. Generally, a member who files an Application for Age and Service Retirement will receive their first monthly benefit in the same month as their effective retirement date, provided the member has submitted all required documents to ATRS in a timely manner. Once a member retires, the System pays the member monthly retirement benefits for their lifetime.

Eligible members may apply for retirement online via the ATRS Member Portal. Members can register for, or access your ATRS Member Portal account, on the ATRS website at <https://www.artgs.gov/login>. Access and download the Application for Age and Service Retirement on the website, or request paperwork be mailed or emailed to you. **It is always the member's responsibility to ensure that a completed Application for Retirement has been submitted to ATRS.** Refer to *What's New in ATRS* for additional information on postmark deadlines.

Age and Service Retirement and Early Age and Service Retirement

Q: When am I eligible for full Age and Service Retirement?

A: You are eligible for full Age and Service Retirement if you are an active or inactive member and you:

- Have at least 28 years of service credit at any age; or
- Are vested in ATRS and are at least 60 years old.

Q: When am I eligible for Early Age and Service Retirement?

A: You are eligible for Early Age and Service Retirement if you are an active or inactive member and you:

- Are vested in ATRS; and
- Have a total of 25 to 27.75 years of service credit; and
- Are not age 60 yet.

Q: Do I have a reduction on my retirement benefit if I retire early?

A: Yes, if you retire under Early Age and Service Retirement, your monthly retirement benefit will be subject to a permanent early retirement annuity reduction. The reduction is 10% for each year less than 28 years of service credit or 10% for each year the member lacks being age 60, whichever is smaller.

Q: When can I file an application for Age and Service Retirement?

A: If you are an active member and eligible for Age and Service Retirement, you can file your application no earlier than 4 months before your anticipated effective retirement date and no later than 1 month before your anticipated effective retirement date. Refer to *Appendix D* for additional information.

If you are a deferred inactive member who is not yet age 60, you may file your application for Age and Service Retirement up to 3 full months before turning age 60. Benefits will be effective the first month after turning age 60, or the month following receipt of your application, whichever is later.

If you are a deferred inactive member who is age 60 or older, you may submit a completed application at any time. Benefits will be effective the first month following the receipt of your application.

Q: Can my effective retirement date be before July 1 if I am a classroom teacher?

A: In most cases, no. You cannot earn 1 year of service credit (160 days or more) and retire earlier than July 1 if you are a classroom teacher and have not reached the Normal Retirement Age. Two circumstances allow you to retire prior to July 1 and continue to work. One, if you have met the Normal Retirement Age requirements and are not separating from service. Two, if you are not licensed or otherwise certified as a classroom teacher and you are not vacating a classroom.



Age and Service Retirement and Early Age and Service Retirement Continued

Q: *Can I cancel my application for Age and Service Retirement?*

A: Yes, you can cancel your application for Age and Service Retirement. You have 2 full calendar months from your effective retirement date to cancel your retirement. If you cancel your application for Age and Service Retirement, you will have to repay the System the total amount of any monthly retirement benefit that you received.

Deferred Retirement

Q: *When are deferred members eligible for retirement?*

A: You are eligible for deferred retirement if you are an inactive member and:

- Are at least 60 years old; and
- Became inactive before you turned 60 years old; and
- Are vested in ATRS; and
- Did not receive a refund of your contributions from ATRS or any reciprocal system for service credit that you used to vest in ATRS.

A delay in submitting your Application for Retirement does not entitle you to receive retroactive pay for the months you were eligible for but did not receive retirement benefits. ATRS is not responsible for paying benefits to retirees who are eligible for retirement, but do not submit their paperwork in a timely manner before their eligibility date.

Q: *When will ATRS process my application for deferred retirement?*

A: If you are eligible for deferred retirement, you can file your application up to 4 months before your effective retirement date. Your effective retirement date is the first of the month after turning age 60, or the month following receipt of your application, whichever is later.

Q: *Can I cancel my application for deferred retirement?*

A: Yes, the same rules apply for deferred retirement as Age and Service Retirement.

Disability Retirement

The Disability Retirement process is a complicated area of law. ATRS understands that certain disability scenarios arise that are specific to a member. We encourage those who are going through the disability process to reach out to the ATRS disability counselor with questions.

Q: *Who is eligible for Disability Retirement?*

A: You are eligible for Disability Retirement if you are currently an active member or were an active member in the fiscal year immediately preceding the current fiscal year, and you:

- Have not met Age and Service Retirement requirements (age 60 or 28 years of service at any age);
- Are vested in ATRS, which includes reciprocal service; and
- Are found by the ATRS Medical Committee, with final approval from the Board, to be totally and permanently physically or mentally disabled, so that you are unable to perform your current job duties.

Disability Retirement Continued

Q: Does the benefit amount I draw if approved for Disability Retirement have a reduction or any limitations?

A: If you are approved for Disability Retirement, the amount you draw is computed the same way as if you had retired under Age and Service Retirement. You do not have a reduction on your monthly benefit. You are allowed to choose your annuity option from Straight Life Annuity, Option A, or Option B. Disability retirees do not get to choose Option C.

Q: When should I file an application for Disability Retirement?

A: If you believe that you may be eligible for Disability Retirement, you should file your application as soon as you are aware of a medical condition that may be totally and permanently disabling, therefore preventing you from being able to perform your current job duties with your ATRS covered employer.

Q: Can I still file an application for Disability Retirement if I recently became an inactive member?

A: If you recently became an inactive member, you may still file an application for Disability Retirement if you have not been inactive for more than 1 fiscal year after your last period of covered employment in which you earned at least a quarter, or 0.25, year of service credit.

Q: Can I reapply for Disability Retirement if my initial application for Disability Retirement is denied?

A: If your Disability Retirement application is denied, you may request a second review of your application. You may request a second review only once.

If you do not request a second review, or if your application for Disability Retirement is denied after a second review, you may reapply for Disability Retirement. You must either be active or have not been inactive for more than 1 fiscal year after your last period of covered employment in which you earned at least a quarter, or 0.25, year of service credit.

Q: Do I have to be approved for Social Security Disability before I can apply for Disability Retirement with ATRS?

A: No, you do not have to be approved for Social Security Disability before you apply for ATRS Disability Retirement.

However, if you are younger than 57 years old when your ATRS Disability Retirement benefits begin, you **must apply** for and receive a Social Security Disability determination within 3 years of your effective date of Disability Retirement with ATRS.

Q: What happens if my Social Security Disability claim is denied within the 3-year deadline?

A: If you are currently receiving ATRS Disability Retirement benefits but cannot secure a favorable Social Security Disability determination, ATRS has a disability review process. Members must submit their Social Security Disability denial letter, along with a Disability Review application and current medical reports. Members who are eligible for a disability review will be sent paperwork prior to the 3-year deadline.

Disability Retirement Continued

When awaiting a decision from Social Security Disability, extenuating circumstances may occur, and members should contact the disability counselor for guidance.

Q: *Who reviews Disability Retirement and Disability Review applications?*

A: The ATRS Medical Committee reviews all Disability applications. When reviewing applications, the Medical Committee will also review any supporting medical records that you provide.

The Medical Committee is made up of 3 physicians who meet monthly to review applications.

Q: *Do I have a termination separation period if I am approved for ATRS Disability Retirement?*

A: No, if you are approved for Disability Retirement, you do not have a termination separation period. However, you must still terminate your covered employment before you can begin receiving Disability Retirement benefits.

If you are finalizing work for a covered employer, you must terminate your covered employment no later than 2 full calendar months after the date on which your application for Disability Retirement was approved.

Q: *Can I work as a disability retiree?*

A: After becoming a disability retiree, you may work for an ATRS covered employer for no more than 79 days in each fiscal year. If you work for more than 79 days, your Disability Retirement benefits will stop, and you will become an active member of the System again. You may owe funds back to the System if you exceed the 79 days in a fiscal year. **It is the member's responsibility to keep up with the number of days worked in a fiscal year.**

Annuity Options

Q: *When I retire, what are my annuity options?*

A: At the time of your retirement, you may choose 1 of 4 options to receive your annuity: Straight Life Annuity (SLA), a reduced Option A annuity, a reduced Option B annuity, or a reduced Option C annuity.

Q: *What is a straight life annuity?*

A: A straight life annuity is the highest paying retirement benefit ATRS offers to its members. If you choose to receive a straight life annuity, you will receive an unreduced monthly benefit for your lifetime. However, you cannot designate a beneficiary to receive a monthly annuity when you pass away.

Q: *What is an Option A annuity?*

A: If you choose an Option A annuity, you will receive a reduced monthly annuity for your lifetime - approximately an 18% reduction from SLA. If you choose Option A, you can designate 1 or more beneficiaries who will receive a monthly annuity for their lifetime when you pass away. A beneficiary can be a spouse, an incapacitated child, or both.

Annuity Options Continued

When you pass away, 100% of your reduced annuity will be paid to your designated beneficiary(ies) for their lifetime. Refer to *Annuity Option Beneficiaries* for additional information.

Q: What is an Option B annuity?

A: If you choose an Option B annuity, you will receive a reduced monthly annuity for your lifetime - approximately a 10% reduction from SLA. If you choose Option B, you may designate 1 or more beneficiaries who will receive a monthly annuity for their lifetime after you pass away. A beneficiary can be a spouse, an incapacitated child, or both.

When you pass away, 50% of your reduced annuity will be paid to your designated beneficiary(ies) for their lifetime. Refer to *Annuity Option Beneficiaries* for additional information.

Q: What is an Option C annuity?

A: If you choose an Option C annuity, you will receive a reduced monthly annuity - approximately a 4% reduction from SLA. Option C guarantees 120 monthly retirement benefit payments to you, or your designated beneficiary(ies) if you pass away before 120 payments. If you choose Option C, you may designate 1 or more beneficiaries who will receive a monthly annuity when you pass away if a monthly annuity can be paid.

If you receive 120 monthly retirement benefit payments, an annuity will not be paid to your designated Option C beneficiaries. After you receive 120 payments, you will “pop up” to SLA benefit amount in the 121st month, and will receive that monthly benefit for the remainder of your lifetime.

However, if you pass away before receiving 120 monthly retirement benefit payments, the remaining balance of the payments will be paid to your designated Option C beneficiary(ies). Annuity payments to your Option C beneficiary(ies) will stop once the remaining balance of the 120 monthly retirement benefit payments have been made. A beneficiary can be any person, entity, or trust. Refer to *Annuity Option Beneficiaries* for additional information.

Q: Can I change the annuity option I chose after I retire?

A: Yes, you may change the annuity option you chose when you retired within 1 year of your effective retirement date. You may have to repay ATRS some of the retirement benefits you previously received if you change your annuity option.

Generally, you may only change your selected annuity option once within the first year of retirement. ATRS understands that circumstances change, which is why there are some statutory (legal) exceptions that allow members to make an election change more than 1 year after their effective retirement date. However, as these scenarios are very fact-dependent, please contact ATRS to find out if you qualify.

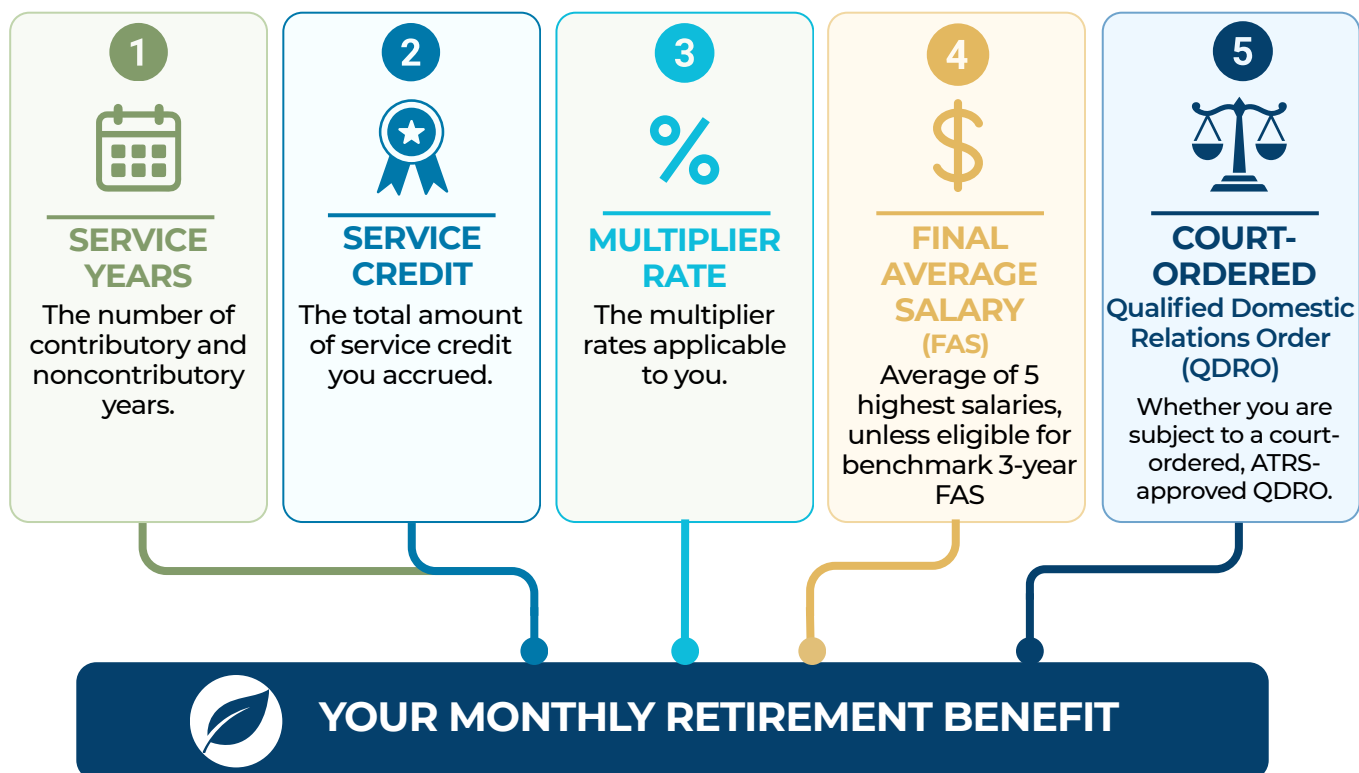
Q: If I change the annuity option I selected, when will the change take effect?

A: Any change to your annuity option will be effective the month following the System's receipt of your new annuity election form and any repayment that may be due.

Benefit Amount

Q: *How is my monthly retirement benefit amount calculated?*

A: The amount of your monthly retirement benefit depends on several factors, as shown below:



When you retire, a final retirement contract will be prepared. Your final retirement contract will include the amount of your monthly retirement benefit. This amount will never decrease.

If you would like an estimate of what your monthly retirement benefit could be before you apply for retirement, contact ATRS or use the Benefit Estimator available in your ATRS Member Portal account.

Q: *Which years of service are included in the calculation?*

A: All ATRS years of service credit including purchased service credit are used in computing your monthly retirement benefit. Reciprocal service credit is used to meet milestones; however, those years are not included in the calculation.

Q: *What is a retirement benefit stipend?*

A: A retirement benefit stipend is an amount of money that a retiree receives in addition to their monthly retirement benefit. You are eligible to receive a retirement benefit stipend if you have at least 10 years of actual service in ATRS. The amount of the retirement benefit stipend is \$50 monthly, or \$600 annually.

Q: *Will my monthly retirement benefit remain the same for the rest of my life?*

A: No. Every July 1, you will receive a simple cost of living adjustment (COLA) increase to your monthly retirement benefit if you have been retired for at least 1 full fiscal year. The annual COLA increase is 3% of your base retirement benefit. The Board of Trustees may authorize a higher COLA percentage or a compound COLA depending on the System's investment returns and actuarial condition.

Benefit Amount Continued

Q: *How will my retirement benefits be paid to me?*

A: Your monthly retirement benefits will be paid to you by an electronic fund transfer (EFT) deposit to your bank account. You are required to complete an ATRS direct deposit authorization form to start receiving your monthly retirement benefit. Direct deposits occur on the third Wednesday of the month. A schedule of the monthly retirement payment dates can be found on the ATRS website as well as our social media accounts. It is your responsibility to contact ATRS in the event of a bank change.

Q: *Do I get a report of the amount of retirement benefits I receive each year?*

A: Yes. ATRS sends you an IRS Form 1099-R annually for tax purposes. You can also access your 1099-R in your ATRS Member Portal account. The 1099-R shows the total amount of benefits that ATRS has paid to you in a calendar year.

Termination Separation Period and Post-Retirement Employment

Q: *Can I work for an ATRS covered employer immediately after retiring from ATRS?*

A: Most retirees will have a 4-month termination separation period, which begins on your effective date of retirement. **During this period, you may not work for an ATRS covered employer.** However, if you meet Normal Retirement Age requirements, you may work for an ATRS covered employer immediately after retiring from ATRS.

Q: *How do I know if I have met Normal Retirement Age requirements?*

A: You are the Normal Retirement Age if you are vested in ATRS and:

- You are at least 65 years old before you retire; or
- You are at least 60 years old before you retire and the sum of your age and your combined years of service credit in ATRS, T-DROP, and from established reciprocal service, totals at least 98. *Example: Age 61 + 37 years of service credit = 98.*

Q: *Should I contact ATRS if I am considering working during the termination separation period?*

A: Yes, you should always contact ATRS for guidance if you are considering working during your termination separation period. Contacting ATRS prior to your effective retirement date will help you avoid violating your termination separation period and possibly having to pay back benefits that you received from the System during that time.

Divorce Before and After Retirement

A Qualified Domestic Relations Order (QDRO) is the only method in which a portion of a member's benefits can be allocated to a member's former spouse, or other designee, following a divorce. While a divorce decree can grant the former spouse a portion of the member's ATRS retirement benefit or contributions, a decree alone will not be accepted. ATRS will only move forward with a qualified domestic relations order that has been approved by the System, and it should be approved **BEFORE** having the qualified domestic relations order entered and filed with the court.

Divorce Before and After Retirement Continued

Q: *If I get a divorce before or after retiring, can my former spouse receive a portion of my contributions or retirement benefits?*

A: Your former spouse may be entitled to receive a portion of your contributions or retirement benefits if you were a member of the System at any time during your marriage.

A court will need to enter an ATRS-approved qualified domestic relations order before your former spouse can receive a portion of your contributions or retirement benefits.

If your former spouse wants to receive a portion of your contributions or retirement benefits, and you would like to use an ATRS-approved qualified domestic relations order, please be aware that ATRS will not accept a qualified domestic relations order for your case if you have less than 5 years of actual service credit. If you think an ATRS-approved qualified domestic relations order is or will be needed for your divorce, please contact the ATRS Legal section for more information.

Beneficiary Designations

Beneficiary designations are an important part of planning for your future. Designating a beneficiary for your benefits can help ensure that your spouse, children, and other eligible loved ones are provided for after you pass away. Major life events, such as a divorce, marriage, or death, may impact beneficiary designations. If you are a member who has experienced a major life event, please contact ATRS so that a counselor can guide you through your options.

Beneficiary Designations Generally

Q: *What types of beneficiary designations can I make?*

A: Generally, you may designate residue (contribution) beneficiaries and lump-sum death benefit beneficiaries at any point in your membership, and an annuity option beneficiary upon retirement. You can name the same or different beneficiary(ies) for each designation.

Q: *What is a primary and a contingent beneficiary?*

A: A primary beneficiary is a person or persons first in line to receive any funds available upon your passing. A contingent beneficiary is a person or persons who serve as a backup to receive any available funds, only if all primary beneficiary(ies) have passed away before the member.

Q: *Can I designate a primary and contingent beneficiary?*

A: Yes. You are encouraged to name one or more primary and contingent beneficiaries for your residue and lump-sum death benefits. You can designate any person, entity, or trust. However, you should not list the same person, entity, or trust as both a primary and contingent beneficiary.

Beneficiary Designations Generally Continued

Q: *For my retirement annuity option beneficiary, do I have to designate a person, or can it be a trust or other entity?*

A: Your annuity Option A or Option B beneficiary can be your spouse, an eligible incapacitated child, or both. You may designate any person(s), entity, or trust as your Option C beneficiary.

Q: *Can I designate a funeral home as my beneficiary?*

A: You may designate a funeral home as your annuity Option C, lump-sum death benefit, and residue beneficiary. However, ATRS will not be responsible for paying a funeral home any remaining balance due for funeral services if the amount the funeral home receives from ATRS as a beneficiary is not enough to cover the cost of the funeral services. Additionally, ATRS will not be responsible for assisting your loved ones in recouping any amount in excess of the cost of the funeral services, nor will ATRS reimburse your loved ones for any amount in excess of the cost of the funeral services.

Q: *What happens if I do not designate a beneficiary?*

A: If you do not designate a beneficiary, the lump-sum death benefit and any remaining residue will be paid to your estate, if eligible.

Residue and Lump-Sum Death Benefit

Q: *When does a member have a residue?*

A: You may have a residue, or remaining balance of member contributions, if at the time of your death you were:

- An inactive member who did not receive a refund of your contributions;
- An active, contributory member of the System;
- A retiree and the monthly retirement benefit payments you received did not total the amount of contributions that you paid into the System including T-DROP; or
- A retiree with a balance left in your Cash Balance Account (CBA).

Q: *When will ATRS pay my residue to my residue beneficiaries?*

A: If you pass away and have a residue balance, the balance will be paid to your residue beneficiaries if:

- You do not have annuity option beneficiary(ies);
- Survivor benefits cannot be paid on your member account; and
- Your residue beneficiaries do not waive their right to receive their portion of your residue.

If you pass away and have designated 1 or more retirement annuity option beneficiaries, your residue, if any, will not be paid until after your retirement annuity option beneficiary(ies) passes away. After your option beneficiary(ies) pass away, any remaining residue will be paid to your residue beneficiaries.

Q: *How will my residue be paid if I have more than one designated beneficiary?*

A: Your residue will be paid in equal shares to your designated beneficiaries.

Q: *When do I qualify for a lump-sum death benefit?*

A: You are eligible for a lump-sum death benefit if you are an active member, T-DROP participant, or a retiree with at least 10 years of actual ATRS service credit in the System.

Residue and Lump-Sum Death Benefit Continued



Q: *How much will my lump-sum death benefit be?*

A: For a member with 10 or more years of actual contributory service credit, the benefit is \$10,000. For a member with only noncontributory service credit, the benefit is \$6,667. For members with a mix of contributory and noncontributory service credit, the benefit is prorated.

Q: *How will my lump-sum death benefit be paid if I have more than one designated beneficiary?*

A: Your lump-sum death benefit will be paid in equal shares to your designated beneficiaries.

Q: *Can my lump-sum death benefit be paid to my beneficiary if I die as an inactive member?*

A: No. If you pass away while you are an inactive member of the System, you will not be eligible for a lump-sum death benefit. For the purposes of eligibility for the lump-sum death benefit, you are considered active until the end of the fiscal year after your last period of covered employment in which you earned at least a quarter, or 0.25, year of actual service credit.

Q: *Can I change my designated residue and lump-sum death benefit beneficiaries?*

A: Yes, you can change your designated residue and lump-sum death benefit beneficiaries any time before you pass away.

Q: *Do I need to provide and update the contact information of my residue and lump-sum death benefit beneficiaries with ATRS?*

A: Yes, you are strongly encouraged to make sure that ATRS has up-to-date contact information for you and your designated beneficiaries. The information should be updated as soon as possible after there has been a change.

Q: *If I have a designated beneficiary, can I choose to have any monthly benefit payments, residue payment, or lump-sum death benefit payment they will receive paid to a special needs trust set up for them?*

A: Yes, you may choose to have any monthly benefit payments, residue payment, or lump-sum death benefit payment that your designated beneficiary may receive paid to a qualifying special needs trust that is set up for your designated beneficiary. If you pass away, a parent or a legal guardian may also choose to have your designated beneficiary's monthly benefits, residue payment, or lump-sum death benefit payment paid to a qualifying special needs trust that is set up for your designated beneficiary. If this is something you would like to do, please contact the ATRS Legal section for more information.

Annuity Option Beneficiaries

Some retirement annuity option scenarios may be specific to your personal circumstances. We encourage you to contact ATRS for guidance in situations that may be more complex.

Q: *What is an annuity option beneficiary?*

A: An annuity option beneficiary is who you designate to continue drawing your retirement annuity once you pass away. You may designate a person(s), entity, or trust, depending on the option you select.

Q: *When do I designate an option beneficiary?*

A: You designate an option beneficiary when you retire from the System.

Q: *Am I permitted to modify or change my Option A, Option B, or Option C beneficiary designations following retirement?*

A: No, you cannot change who you have named as your designated option beneficiaries after retiring unless they pass away.

Q: *Who can I designate as my Option A or Option B beneficiary?*

A: You may designate your spouse, your incapacitated child(ren) (in the case of a retiree, an incapacitated child is also called a dependent child), or both your spouse and incapacitated child(ren) as your Option A or Option B beneficiaries. Refer to *Appendix E* for additional information.

Q: *Who can I designate as my Option C beneficiary?*

A: You may designate any person(s), entity, or trust as your Option C beneficiary.

Q: *Can I designate my spouse as an Option A or Option B beneficiary if we have been married for less than 1 year when I retire and elect to begin receiving a monthly retirement benefit?*

A: No, in this instance, you must initially select straight life annuity. You may elect to switch to Option A or Option B once you have been married to your spouse for 1 year, and within 6 months of reaching the 1 year.

If you have a spouse but have not met the marriage requirement, and have an incapacitated child who you designate as your Option A or Option B beneficiary, you cannot add your spouse after meeting the marriage requirement.

Q: *Can I designate my spouse as an Option C beneficiary if we have been married for less than 1 year before I begin receiving a monthly retirement benefit?*

A: Yes, there is not a marriage duration requirement under Option C.

Q: *Who qualifies as an incapacitated child?*

A: If you are a retiree, your child qualifies as an incapacitated child if they have been found mentally or physically incapacitated by a court of competent jurisdiction.

Annuity Option Beneficiaries Continued

Q: *How will benefits be paid if I designate both my spouse and incapacitated child as my Option A or Option B beneficiaries?*

A: If you designate both your spouse and incapacitated child(ren) as your Option A beneficiaries, then 50% of your reduced annuity will be paid to your spouse, and the remaining 50% will be paid to your incapacitated child(ren) in equal shares.

If you designate both your spouse and incapacitated child(ren) as your Option B beneficiaries, then 50% of one-half of your reduced annuity will be paid to your spouse, and the remaining 50% will be paid to your incapacitated child(ren) in equal shares.

Q: *Can my spouse choose to receive a lump-sum payment of my residue instead of receiving an annuity?*

A: Yes, your spouse may choose to receive a lump-sum payout of your residue instead of receiving an annuity. This can only occur if you did not designate other residue beneficiaries, and your spouse is designated as an option beneficiary. Your spouse must waive their right to receive the annuity in writing.

Q: *Do I need to provide and update the contact information of my annuity option beneficiaries with ATRS?*

A: Yes, you and your option beneficiaries are strongly encouraged to make sure that ATRS has up-to-date contact information. The contact information for your option beneficiaries should be updated as soon as possible after a change.

Death of Designated Beneficiary

It is important to keep all your beneficiary information up to date. If a beneficiary passes away before you do, you need to request a new beneficiary designation form. You can also login to your ATRS Member Portal account and update your designations. If you have questions specific to your beneficiary designation, please contact ATRS directly.

Q: *What happens if all of my designated primary and contingent residue and lump-sum death benefit beneficiaries die before me, and I do not have an option beneficiary?*

A: If all your designated residue and lump-sum death benefit beneficiaries die before you, any available residue will be paid to your estate.

Q: *What happens if all of my designated primary and contingent residue and lump-sum death benefit beneficiaries die before me, and I do have an option beneficiary?*

A: If you have an option beneficiary who was not your designated residue beneficiary(ies), any monthly retirement benefits will be payable to the option beneficiary(ies).

If you have an annuity option beneficiary who was also your designated residue beneficiary(ies), any available residue will be paid to your estate.

Death of Designated Beneficiary Continued

Q: *What happens if all my designated primary residue and lump-sum death benefit beneficiaries survive me, but some or all of them die after me?*

A: If all your primary beneficiaries survive you, but all of them die after you before ATRS is able to disperse any available funds, any available residue and lump-sum death benefit (if eligible) will be paid to the estate of the primary beneficiary who died last.

However, if there are any surviving primary beneficiaries, any available residue and lump-sum death benefit (if eligible) will be paid in equal shares to the surviving primary beneficiaries and the estate of the primary beneficiary who died last.

Q: *What happens if all my designated primary residue and lump-sum death benefit beneficiaries die before me, but my contingent beneficiaries survive me?*

A: If all your designated primary beneficiaries die before you, any available residue and lump-sum death benefit will be paid to any living contingent beneficiaries.

If a designated primary beneficiary passes away before you, make sure you update your designations with ATRS immediately.

Q: *What happens if all of my designated option beneficiaries die before me?*

A: If you selected an Option A, Option B, or Option C annuity and all your option beneficiaries die before you, you may change (or pop-up) from your Option A, Option B, or Option C annuity to a straight life annuity, or select a replacement option beneficiary(ies) if eligible. Pop-up means that your monthly option annuity will change to the maximum annuity payable under ATRS. The maximum annuity payable under ATRS is the straight life annuity.

Q: *If one of my designated Option A or Option B beneficiaries pass away, will their share of the annuity be paid to the surviving option beneficiaries?*

A: No, if one of your Option A or Option B beneficiary(ies) dies before the other Option A or Option B beneficiary(ies), the deceased option beneficiary's share of the annuity will not be paid to any surviving option beneficiary(ies). In this scenario, both a spouse and incapacitated child(ren) must have been selected.

Q: *If one of my designated Option C beneficiaries pass away, will their share of the annuity be paid to the surviving option beneficiaries?*

A: Yes, if an Option C beneficiary dies before any other Option C beneficiaries, the deceased option beneficiary's share of the annuity will be paid in equal shares to the surviving option beneficiaries if any of the 120 payments remain after the retiree's passing.

Q: *Can any benefits available to my beneficiaries or my estate be forfeited?*

A: Yes. If the benefit is a survivor benefit, the benefit may no longer be payable to a beneficiary if an application to receive the benefits and any necessary accompanying documents are not submitted to ATRS by the required deadline.

If the benefit is a lump-sum death benefit or residue, the benefit may be forfeited if the benefit remains unclaimed for more than 5 years after the benefit first became payable.

Divorce, Marriage, and Beneficiary Designations

Q: *Should I tell ATRS when I get married or divorced?*

A: Yes, if you get married or divorced, you should tell ATRS as soon as possible and provide us with the necessary paperwork for your file.

Q: *If I get married, can I designate my new spouse as my lump-sum death benefit and residue beneficiary?*

A: Yes, you may change your lump-sum death benefit and residue beneficiary at any time before you pass away.

Q: *What happens if I designate my spouse as my lump-sum death beneficiary and we later divorce?*

A: It is critical that you keep member information up to date with ATRS after life changes, such as a divorce or marriage.

In most scenarios, the lump-sum death benefit will be paid to your former spouse unless you complete a new designation. If you divorce and remarry, you are encouraged to designate your new spouse to make sure they receive your lump-sum death benefit.

Q: *What happens if I designate my spouse as my residue beneficiary and we later divorce?*

A: Your residue will be paid to your former spouse unless you change your residue beneficiary designation to remove them. However, your former spouse will not be paid the residue if you remarry and your former spouse's residue beneficiary designation would prevent your current spouse from receiving an annuity from the System.

Q: *If I was married for less than a year before I retired, can I designate my spouse as my Option A or Option B beneficiary?*

A: No, you may designate your spouse as your Option A or Option B beneficiary only after you and your spouse have been married for 1 year. You must designate your spouse as your Option A or Option B beneficiary within 6 months of meeting the 1-year marriage requirement.

Divorce, Marriage, and Beneficiary Designations Continued

Q: *If I get married after I retire, can I designate my new spouse as my Option A or Option B beneficiary?*

A: Yes, you may designate your new spouse as your Option A or Option B beneficiary once you have been married to your new spouse for at least 1-year. You must designate your new spouse as your Option A or Option B beneficiary within 6 months of meeting the 1-year marriage requirement.

Q: *What happens if I designate my spouse as my only Option A or Option B beneficiary and we later divorce?*

A: If your former spouse is your **only** Option A or Option B beneficiary, you may elect to keep your former spouse as your beneficiary or cancel your Option A or Option B annuity and receive a straight life annuity instead.

Q: *What happens if I designate my spouse AND incapacitated child(ren) as my Option A or Option B beneficiaries, and my spouse and I later divorce?*

A: If your former spouse was not your only Option A or Option B beneficiary and it has been **more than 1 year** since you retired:

- You cannot change your Option A or Option B annuity election;
- Your former spouse will remain as your option beneficiary if you do not choose to remove them as your beneficiary;
- You may choose to remove your former spouse as one of your designated beneficiaries, but you cannot select another beneficiary to replace your former spouse.

If your former spouse was not your only Option A or Option B beneficiary and it has been **less than 1 year** since you retired:

- You may change your annuity option election;
- If you do not choose to receive a straight life annuity, you cannot change your other option beneficiary designations.

Q: *What happens if I designate my spouse as my Option C beneficiary and we later divorce?*

A: If your former spouse is your only Option C beneficiary, you may designate another Option C beneficiary or elect to cancel your Option C annuity and receive a straight life annuity instead. If you do not designate another Option C beneficiary and you pass away before receiving all 120 monthly retirement benefit payments, the remaining balance of the 120 monthly retirement benefits will be paid to your former spouse.

If your former spouse is not your only Option C beneficiary and it has been more than 1 year since you retired, you cannot change your Option C annuity election, but you may designate another beneficiary to replace your former spouse. If you do not designate another beneficiary to replace your former spouse and you pass away before receiving all 120 monthly retirement benefit payments, the remaining balance of the benefits will be paid in equal shares to your Option C beneficiaries, including your former spouse.

Survivor Benefits

ATRS wants to ensure that your loved ones are taken care of if you pass away suddenly. If you have questions concerning the residual beneficiary designation, please inquire with ATRS.

Q: *What are survivor benefits from ATRS?*

A: Survivor benefits are monetary benefit payments made, if eligibility requirements are met, to a deceased member's surviving spouse, dependent child(ren) until the end of the last month they are 22 years of age, and incapacitated child(ren) for as long as their incapacity exists. The payments offer financial support to eligible family members of ATRS members who meet specific criteria.

Q: *Who is eligible for survivor benefits?*

A: To qualify for survivor benefits, both the member and their beneficiary(ies) must meet specific requirements.

Member Requirements		
 STATUS Must pass away while in active status, as a T-DROP participant, or as a return-to-work retiree.	 VESTED Must be vested with the system.	 RECIPROCAL SERVICE Can be used to meet vesting requirements.
Beneficiary Requirements		
 ELIGIBLE SPOUSE Must have been married for at least 1 year prior to member's passing.	 CHILD(REN) All are eligible for benefits through the last month in which they are 22 years of age.	 INCAPACITATED CHILD(REN) All are eligible and qualify for a lifetime benefit, or for as long as the incapacity exists.

Q: *Do I have to designate my spouse or child(ren) as a beneficiary in order for them to receive survivor benefits?*

A: No, you do not have to designate your eligible spouse or children as beneficiaries for them to receive survivor benefits. However it is important to designate your spouse as your **only** primary residue beneficiary to ensure payment of survivor benefits.

Dependent children who have not reached age 23 are always eligible for a benefit.

Survivor Benefits Continued

Q: *How do I know if my spouse is eligible for survivor benefits?*

A: If you are an eligible member who qualifies for survivor benefits, your spouse will be eligible for survivor benefits if:

- You and your spouse were married for at least 1 year prior to your passing; and
- There is no alternative residue beneficiary other than your spouse.

If there is a residue balance that may be paid to a residue beneficiary other than your spouse, your spouse will only be able to receive a survivor annuity if the other residue beneficiary waives their right to receive the residue.

Q: *When can my spouse begin receiving survivor benefits if I was eligible for retirement benefits from ATRS when I passed away?*

A: If you were an active member who was retirement eligible, and pass away, your spouse is eligible to receive benefits immediately. Benefit payments to your spouse begin the month following your death if your spouse submits an application for survivor benefits and any necessary documents to ATRS within 6 full calendar months of your death. If the application and necessary documentation are not submitted by the deadline, your spouse may begin receiving benefit payments in the month the survivor application and necessary documents are received by ATRS, provided an extension is granted by the Executive Director of ATRS.

Q: *When can my spouse begin receiving survivor benefits if I was not yet eligible for retirement benefits from ATRS when I passed away?*

A: If you qualify as a member whose survivors are eligible to receive survivor benefits, your spouse may begin receiving benefits the month following when you would have turned 60.

Benefit payments to your spouse may begin the month following when you would have been eligible to retire if your spouse submits an application for survivor benefits and any necessary documents to ATRS within 6 full calendar months of your death.

If the application and necessary documentation are not submitted by the deadline, your spouse may begin receiving benefit payments in the month the survivor application and necessary documents are received by ATRS, provided an extension is granted by the Executive Director of ATRS.

Q: *Can my eligible spouse receive a lump-sum payment of my residue if they do not want to receive a monthly survivor annuity?*

A: Yes, your eligible spouse may choose to receive a lump-sum payment of your residue instead of receiving a monthly annuity if you did not designate any other residue beneficiaries, and your spouse waives their right to the monthly annuity in writing.

Q: *How do I know if my child is eligible for survivor benefits?*

A: If you qualify as a member whose survivors may receive survivor benefits, your child is eligible for survivor benefits if your child:

- Is a minor child who is not older than 22; or
- Has been deemed physically or mentally incapacitated by a court of competent jurisdiction.

Survivor Benefits Continued

Your incapacitated child will not be eligible for survivor benefits if, as a retiree, you designated them as your annuity option beneficiary, therefore guaranteeing them a lifetime annuity upon your death.

Q: *When can my eligible child begin receiving survivor benefits?*

A: If you qualify as a member whose survivors may receive survivor benefits, your child can begin receiving benefits the month after your death if your child submits a survivor application and necessary documents to ATRS within 6 full calendar months of your death.

If the application and necessary documentation are not submitted by the deadline, your child may begin receiving benefit payments in the month the survivor application and necessary documents are received by ATRS, provided an extension is granted by the Executive Director of ATRS.

Q: *When will my dependent child stop receiving a monthly benefit?*

A: Your dependent child will stop receiving a monthly benefit after the last month in which they are 22 years of age.

T-DROP and Designated Beneficiaries

Q: *If I am active in T-DROP, what happens to my T-DROP deposit account balance if I pass away before retiring?*

A: If you pass away before retiring, your T-DROP deposit account balance will become your residue. Refer to *Beneficiary Designations Generally* for additional information.

Q: *If I was a T-DROP participant and passed away before retiring, can my spouse choose to receive an Option A annuity?*

A: Yes, your spouse may choose to receive an Option A annuity instead of a lump-sum payment of your T-DROP deposit account balance if you did not designate other residue beneficiaries. If you designated other residue beneficiaries, your spouse may choose to receive an Option A annuity only if all the other residue beneficiaries waive their right to receive their share of your residue.

Q: *What will happen to my T-DROP deposit account balance if I pass away after retiring and chose to transfer my T-DROP deposit account balance to a CBA?*

A: If you pass away after retiring and you elect to transfer your T-DROP deposit account balance to a CBA, your CBA account balance will become residue. Refer to *Beneficiary Designations Generally* and *Death of Designated Beneficiary* for additional information.

Q: *What will happen to my T-DROP deposit account balance if I pass away after retiring and chose to annuitize my T-DROP deposit account balance?*

A: If you pass away after retiring and you elect to annuitize your T-DROP deposit account balance, a monthly benefit will be paid to your designated option beneficiaries. Refer to *Annuity Option Beneficiaries* for additional information.

T-DROP and Designated Beneficiaries Continued

If you did not designate any option beneficiaries, your remaining T-DROP deposit account balance will become residue. Refer to Beneficiary Designations Generally and Death of Designated Beneficiary for additional information.

Q: *Can my spouse choose to receive a lump-sum payment of my T-DROP deposit account balance after I pass away if I annuitized my T-DROP deposit account balance and designated my spouse as an option beneficiary?*

A: Yes, your spouse may choose to receive a lump-sum payment of your T-DROP deposit account balance instead of an annuity if you did not designate any other option beneficiaries and your spouse waives their right to receive an annuity in writing.

What's New in ATRS

Postmark Deadline Change: Submitting Paperwork

The U.S. Postal Service (USPS) recently implemented a significant postmarking rule change effective December 24, 2025. **This rule change clarified that postmarks will now reflect the date on which 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 your local office, creating the potential for missed deadlines. To ensure a specific date is noted on your retirement application or T-DROP application, or any other document that is required to be submitted to ATRS by a specific deadline, you can request a free manual postmark at a USPS retail counter or get proof via Certified Mail or a Certificate of Mailing.

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

WAYS TO GUARANTEE A POSTMARK



*FREE at USPS
counter*



*a paid service
(\$2.40)*



*proof of mailing +
delivery*



Postmark Deadline Change: Submitting Paperwork Continued

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 that USPS accepted the item on a specific date.

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

If you need to submit a document to ATRS by a specific deadline, you are strongly encouraged to do so early to ensure deadlines are met, particularly in light of the USPS postmark rule changes. Last-minute retirement and T-DROP applicants can apply online via their ATRS Member Portal account at <https://www.arts.gov/login>, or submit applications via email at Info@arts.gov.

Retirement Payroll Schedule

Effective January 1, 2026, all retirees will receive their annuity benefit on the third Wednesday of the month.

Dispute Resolutions

While ATRS strives daily to ensure that its members are satisfied, it is understood that sometimes a dispute between the member and the System will arise. You are strongly encouraged to contact ATRS if you encounter an ATRS-related issue that you need help resolving.

If a dispute cannot be resolved informally, ATRS has 2 formal dispute resolution processes available to you. These are the staff determination letter and appeals process and the manifest injustice process. Please contact ATRS if you have questions regarding these processes.

Legal Disclaimer

This handbook is meant to serve as a general guide to the Arkansas Teacher Retirement System (ATRS or System) and the various benefits available to ATRS members.

This handbook does not and is not intended to constitute legal advice and does not and is not intended to create an attorney-client relationship.

Legal Disclaimer Continued

This handbook 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 Board of Trustees of the Arkansas Teacher Retirement System.

If there is a conflict between the information contained in this handbook and Arkansas Law, ATRS rules, or ATRS policies, the Arkansas Law, ATRS rules, and ATRS policies will control. If you have any questions about the information in this handbook, please contact ATRS for clarification.

Information in this handbook is current as of July 2026, and is subject to change.

Appendices

Appendix A - Service Credit Calculation

Service Credit - After July 1, 2011

 Days Worked July 1 thru June 30	 Service Credit After July 1
1-39	None
40-79	0.25 (1/4) Year
80-119	0.50 (1/2) Year
120-159	0.75 (3/4) Year
160 +	1 Year

Appendices Continued



Monthly Quarter Breakdown

1st Quarter

July, August, September

2nd Quarter

October, November,
December

3rd Quarter

January, February, March

4th Quarter

April, May, June

Appendix B - Purchasable Service Credit

Applicable criteria or provisions:

- Vested with 5 years of ATRS service credit, cannot be retired or participating in T-DROP;
- Cannot be drawing a benefit off of the years you wish to purchase from another retirement system or plan;
- Cannot use purchased service for vesting purposes (except repay refund), or toward 10-year LSDB and retirement benefit stipend; and
- Do not have to purchase all eligible years of service credit (except repay refund).

Reach out to ATRS for a cost estimate to purchase service credit.

Purchasable Service Credit

Members may purchase service credit for the following types of service, up to the maximum years shown.



DOMESTIC FEDERAL

This is service rendered as a teacher or administrator in any school or similar institution located on a military base or installation that is administered by the U.S. Department of Defense. A member may purchase up to 10 years.

UP TO
10
YEARS

FEDERAL RETIREMENT

This is service rendered in a federal government retirement system so long as no benefit is payable from the federal retirement system in which they had previously been a member. A member may purchase up to 10 years.

UP TO
10
YEARS

MILITARY

This is service rendered as active duty in the Armed Forces of the United States or in one of the reserve components of the United States Armed Forces. A member may purchase up to 5 years.

UP TO
5
YEARS

FREE MILITARY

This is service rendered by members who entered the Armed Forces between July 1, 1937, and June 30, 1973, or during a period that a federal military draft is in effect. A member may receive up to 5 years of free military service.

UP TO
5
YEARS

NATIONAL GUARD

This is service rendered in one of the reserve components of the United States Armed Forces. A member may purchase up to 5 years.

UP TO
5
YEARS

NONCONTRIBUTORY TO CONTRIBUTORY

This is ATRS credited noncontributory service that a member converts to contributory service. This can be any amount of noncontributory service that has been rendered under an ATRS covered employer.



OUT-OF-STATE

This is service rendered in another state that would have been covered by ATRS if it had been performed in Arkansas. A member may purchase up to 15 years provided that no other system would pay a benefit to the member other than Social Security.

UP TO
15
YEARS

Purchasable Service Credit continued

Members may purchase service credit for the following types of service, up to the maximum years shown.



OVERSEAS / PEACE CORP / VISTA

This is service rendered in an American-type school sponsored and approved by either the United States Department of State or the Department of Defense or service rendered in the Peace Corps or AmeriCorps VISTA (Volunteers in Service to America). A member may purchase up to 10 years.

UP TO
10
YEARS

PRIVATE SCHOOL / HEAD START

This is service rendered in a private school or agency that would have been covered if employed under ATRS. A member may purchase up to 15 years of Certified Private School Service or 5 years of Noncertified Private School Service so long as no other system would pay a benefit to the member other than Social Security.

UP TO
15
YEARS

REPAY REFUND

This is the restoration of service credit earned in ATRS that was forfeited by the member when they received a refund of their contributions or a payment under the CASH program.



GAP PERIOD

This is service for a leave of absence in which a classroom teacher leaves active employment for a period of time and then returns back to employment in a classroom. A member may purchase up to 5 years.

UP TO
5
YEARS

SABBATICAL

This is service for a leave of absence taken by a public school teacher or administrator to obtain an advanced degree at an institution of higher learning or to fulfill the requirements of a scholarship or grant on or after June 28, 1985.



Appendix C - T-DROP Cash Balance Account (CBA) Interest Rates

Cash Balance Account Years of Participation	Interest Rate
1 fiscal year of participation	2.50%
2 fiscal years of participation	2.75%
3 fiscal years of participation	3.00%
4 fiscal years of participation	3.25%
5 fiscal years of participation	3.50%
6 or more fiscal years of participation	4.00%

***Note:** The Board may approve additional incentive interest rates.

Appendix D - Retirement Filing Dates

Effective January 1, 2026, all retirees will receive their annuity benefit on the third Wednesday of the month.

RETIREMENT FILING DEADLINES: ACTIVE MEMBER

Effective Date of Retirement	Retirement Application Must be Filed In:	Last Date of Employment
January 1	September, October or November	December 31
February 1	October, November or December	January 31
March 1	November, December or January	February 28/29 (Leap year)
April 1	December, January or February	March 31
May 1	January, February or March	April 30
June 1	February, March or April	May 31
July 1	March, April or May	June 30
August 1	April, May or June	July 31
September 1	May, June or July	August 31
October 1	June, July or August	September 30
November 1	July, August or September	October 31
December 1	August, September or October	November 30

Appendix E - Items to Submit as an Option Beneficiary Designee or Survivor Recipient

Items needed for Designation Spouse

- Proof of marriage between member and spouse from a marriage license or equivalent, marriage license recording document, or other legally acceptable proof of the marriage, which indicates marriage has been for at least 1 year;
- Copy of spouse's Social Security Card; and
- Copy of spouse's birth certificate or age verification document.

Items needed for Dependent or Incapacitated Child Designation

- Proof of age indicating the child is not older than 22 years;
- Copy of child's Social Security card;
- Proof that dependent child has been deemed physically or mentally incapacitated by a court of competent jurisdiction; and
- Proof of the existence of a guardianship for a member's dependent child due to the incapacity which precedes the member's official retirement date or date of death. Authenticating documents may include the order appointing guardianship of the person, letters of guardianship, or other adequate proof of guardianship.

Upon a member's death, an original or photocopy of the member's death certificate must be submitted. A cause of death must be indicated on the certificate.

MILEstones

to Retirement

Getting you across the finish line

Appendix F - Milestones and Retirement Checklist

THE
5K



The 5K: 5 years of service credit

This is the first major milestone for members, which lays the foundation for your career.

- Vested with 5 years of service credit; eligible for Retirement, Disability Retirement, and Survivor Benefits
- Create an ATRS Member Portal account
- Update personal information in ATRS Member Portal account (address, verification of age, beneficiary designation) or by contacting ATRS

THE
10K



The 10K: 10 years of service credit

Consistent effort and long-term planning are established.

- Achieved 10 years of actual ATRS service credit, eligible for lump-sum death benefit and retirement benefit stipend
- Inquire about other service credit, such as purchasing service credit or establishing reciprocal service credit, that can count toward retirement milestones

THE
HALF-
MARATHON



The Half-Marathon: 10 to 25 years of service credit

Endurance shows you are dedicated to ATRS.

- Check beneficiary designations to ensure they are up to date
- Update account when life changes occur
- Verify years of service credit and salary are correct
- Understand eligibility requirements to retire, know where you fall within Age and Service Retirement requirements
- Explore benefits of T-DROP to see if it is the right option for you



THE MARATHON



The Marathon: 25 - 27.75 years of service credit, early retirement window

You reached the early retirement window, which demands sustained dedication and yields high-impact rewards.

- Take time to speak with a retirement counselor and review benefit estimate and retirement annuity options
- Inquire with your employer about sick and personal leave payout
- Ensure you do not have any underpayments or open purchase accounts
- Understand early retirement reductions

THE ULTRA-MARATHON



The Ultramarathon: 28 years of service credit

Full retirement benefits attained, having reached the pinnacle of dedication. Retire at any age without any reductions on your lifetime benefit.

- Familiarize yourself with the Termination Separation Period
- Know if you meet Normal Retirement Age requirements
- Take home approximately 60% of what you made while working

THE MARATHON PERSONAL RECORD



The Marathon Personal Record: T-DROP at 28+ years of service credit

Not quite done, you pushed the limits to maximize your benefit. This allows veteran education professionals the ability to continue working while building a lucrative, interest-bearing savings account for when you do retire.

- Continue to work and grow retirement
- No contributions withheld, 7% increase in take-home pay
- No change in school benefits/insurance until retirement
- Countless ways to utilize T-DROP funds once retired



Preparing for the BIG Retirement Day

*A little planning today will help you
start tomorrow with confidence.*



MONTHS
prior to
retirement

12 MONTHS PRIOR TO RETIREMENT

- ✓ Reach out for a retirement benefit estimate
- ✓ Review annuity options to see what fits your lifestyle
- ✓ Meet with a retirement counselor to review your account and ensure it is complete



MONTHS
prior to
retirement

6 MONTHS PRIOR TO RETIREMENT

- ✓ Know your application deadlines and items that must be submitted
- ✓ Review and understand what applies to you - Termination Separation Period or Normal Retirement Age
- ✓ Reach out to Employee Benefits Division (EBD) regarding insurance



MONTH
prior to
retirement

1 MONTH PRIOR TO RETIREMENT

- ✓ Make sure all required forms and necessary documents have been submitted
- ✓ Ensure all pages of the Application for Retirement have been signed
- ✓ Understand last date of employment versus first day of retirement
- ✓ Confirm tax exemptions are set correctly
- ✓ Take advantage of retirement programs, such as Arkansas Retired Teachers Association (ARTA)

Once RETIRED

Relax.
Recharge.
Enjoy the
Next Chapter.



DRAW YOUR RETIREMENT BENEFIT

Draw your retirement benefit the third Wednesday of the month.



WANT TO GO BACK TO WORK?

Make sure you know all applicable return to work requirements.



THINKING OF CHANGING YOUR ANNUITY OPTION?

It must be done within the first year from your effective retirement date.



GET INVOLVED IN YOUR COMMUNITY

and meet other retirees.



ACCESS AND CHANGE PERSONAL CONTACT INFORMATION

in your ATRS Member Portal account, and view important items such as your 1099R.



Remember, ATRS does not currently utilize text communication and will **never** contact you unsolicited to request sensitive information, such as your Social Security number, years of service credit, or ATRS Member Portal login credentials.

Glossary

Active Member: A member who is currently employed by an ATRS covered employer and eligible to earn service credit.

Actual ATRS Service Credit: Service credit earned by working for an ATRS covered employer.

Age and Service Retirement: Also referred to as voluntary retirement, this is the type of retirement in which vested members receive full retirement benefits - either at the age of 60 or with 28 years of service credit at any age.

Arkansas Teacher Retirement System (ATRS): Also referred to as the System, your retirement system.

Annuity: Your fixed monthly retirement payment that is paid out for your lifetime.

Annuity Option Beneficiary: The person(s) or entity you designate to receive your annuity option payment after you pass away, for the remainder of their lifetime or for the period specified by that option.

ATRS Covered Employer: An ATRS participating employer who contributes an amount equal to 15% of each covered employee's salary into the System.

Cash and Savings Help (CASH) Program: A program in which eligible vested, inactive members may elect to cancel their membership and forfeit their retirement benefit rights in exchange for receiving a one-time lump-sum payment from ATRS.

Cash Balance Account (CBA): An account available for members who retire out of T-DROP to place their money into and gain interest on.

Contributions: Funds that contributory members and all employers pay in to ATRS to fund the System.

Contributory Member: A member who contributes 7% (pre-tax) of their salary into the System.

Cost of Living Adjustment (COLA): A 3% increase that is added to your retirement benefit once a year on July 1 after you have been retired one full fiscal year; it is calculated as 3% percent of your base amount.

Glossary

Deferred Member: A vested member who is not currently working for an ATRS covered employer and is not currently eligible to retire due to not meeting Age or Service Retirement requirements.

Dependent Child: A member's child who is eligible for survivor benefits and is not older than 22 years of age.

Disability Retirement: A retirement option offered to active, vested members under age 60 and with less than 28 years of service credit who are found by the ATRS Medical Committee, with final approval from the Board, to be totally and permanently physically or mentally disabled and unable to perform their current job duties.

Early Age and Service Retirement: A retirement option for members with 25 years of service credit up to 27.75 years of service credit to retire early with a benefit reduction due to not meeting full Age and Service Retirement requirements.

Fiscal Year: July 1 through June 30.

Inactive Member: A member of ATRS who has not worked and earned service credit for more than one fiscal year but has not retired, if eligible.

Incapacitated Child: A child who has been determined by a court of competent jurisdiction to be unable to manage their own affairs or care for themselves due to a mental or physical condition. This is different from a medical determination, such as from Social Security.

Lump-Sum Death Benefit (LSDB) Beneficiary: A benefit of up to \$10,000 that is offered to the beneficiary(ies) of an active, T-DROP, or retired member who passes away with at least 10 years of actual ATRS service credit.

Multiplier: Used in the calculation of your retirement benefit annuity, ranges from 1.00% to 2.15%

Noncontributory Member: A member who does not pay monetary contributions into the System.

Normal Retirement Age: Age 65 with 5 or more years of credited service, or when a member is at least age 60 and their age combined with their years of credited service total 98 or more.

Glossary

Permissible Employer: An employer that the ATRS Board of Trustees has approved to become an ATRS covered employer.

Purchased Service: Service not rendered in ATRS or another Arkansas state-supported retirement system that can be purchased to count toward your overall ATRS service credit.

Reciprocal Service: ATRS credited service rendered under another designated Arkansas state-supported retirement system.

Refund: An election that a member can make if no longer employed in a position covered by ATRS, to refund their member contributions plus interest. A refund cancels all service credit and membership rights.

Residue: Balance of member contributions.

Residue Beneficiary: A designated person(s), entity, or trust that is eligible to receive accumulated member contributions, if any remain upon the members passing.

Service Credit: Credit accrued through employment with an ATRS covered employer, or through purchasing service.

Survivor Benefit: Monetary benefit payment made, if eligibility requirements are met, to a deceased member's surviving spouse, dependent child(ren) until the end of the last month they are 22 years of age, and incapacitated child(ren) for as long as their incapacity exists.

Teacher Deferred Retirement Option Plan (T-DROP): An option for eligible members with at least 28 years of service credit to participate in, providing them the opportunity to defer retirement and accrue monthly retirement benefits in a tax-deferred savings account, increasing their future retirement savings.

Termination Separation Period: The 4-month consecutive period beginning on the member's effective retirement date during which they may not work for an ATRS covered employer, unless Normal Retirement Age requirements have been met.

Vested: At least 5 years of ATRS and reciprocal service credit, which makes members eligible for a retirement benefit.



CONTACT INFORMATION

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