

Adopted November 7, 2019

ARKANSAS JUDICIAL RETIREMENT SYSTEM

Board of Trustees' Rules

<u>RULE</u>	<u>YEAR</u>	<u>MONTH</u>	<u>TITLE</u>
1	1983	(06)	Amortization Period for UAAL
2	1983	(06)	Pro-Rata Benefit
3	1983	(09)	Number of Trustees Required to Make Investment Decisions- (Repealed February 5, 1998)
4	1984	(04)	Recipient Benefit
5	1984	(08)	Appoint Judges Optional Participation (Repealed 1985)
6	1984	(10)	Board Meeting Dates-Amended February 5, 1998
7	1986	(01)	Installment Payment
8	1990	(07)	Direct Deposit
9	1990	(10)	Refund Repayment
10	1995	(01)	Investment Allocation Ratio- (Replaced by Investment Policy February 5, 1998)
11	1996	(10)	Interest Rate for Prior Service A.C.A. 24-8-207
12	1996	(04)	Approval of Requests for Retirement Benefits
13	1996	(07)	Purchase of Previous Service By a Judge
14	1998	(05)	Quorum Requirements
15	2001	(11)	Contributions For Military Service Credit
16	2003	(08)	Mandatory Direct Deposit
17	2003	(08)	Reciprocal Members Numerator
18	2004	(05)	Qualified Domestic Relations Order (QDRO)
19	2008	(09)	Reassessment of Disability Determination & Termination of Disability Benefits
20	2009	(05)	Implementation of Act 744, Retirement Incentive Benefits
21	2010	(02)	Suspension of judicial retirement benefits during resumption of full-time judicial service
22	2017	(08)	Declaratory Orders

ARKANSAS JUDICIAL RETIREMENT SYSTEM

BOARD RULES

RULE 1 - June 29, 1983- **AMORTIZATION PERIOD FOR UAAL** – Adopted amortization period for actuarial purposes (unfunded liabilities) of 30 years.

RULE 2 – June 29, 1983 – **PRO-RATA BENEFIT**- Authorized pro-rata benefit payments when eligibility begins on some date other than the first of the month.

RULE 3 – September 9, 1983 – **NUMBER OF TRUSTEES REQUIRED TO MAKE INVESTMENT DECISION** – Repealed February 5, 1998.

RULE 4 – April 12, 1984 – **RECIPIENT BENEFIT** – In the event that a retiree or a survivor of a retiree dies, the recipient shall be entitled to benefits for the entire month in which death occurs.

RULE 5 – August 17, 1984 – **APPOINTED JUDGES OPTIONAL PARTICIPATION** (Repealed 1985)

RULE 6 – October 25, 1984 – **BOARD MEETING DATES** (Amended February 5, 1998) – The Board shall meet on the first Thursday of the second month of each quarter and at such other times as called by chair.

RULE 7 – January 16, 1986 – **INSTALLMENT PAYMENT** (as amended April 21, 1988) The Board adopted an installment payment plan as follows.

1. A member may enter in an agreement with the Judicial Retirement System to pay the total amount due in 24 equal monthly installments.
2. The service will not be credited to the member's retirement account until full payment is received by the System.
3. Full payment must be made before a member makes application for monthly benefits.
4. The System will refund to a member the amount paid if the member does not pay in one lump-sum the balance due within six months after termination of covered employment.
5. The System will refund, to the survivor eligible for the refund, the amount paid if a member dies before completing payment.

RULE 8 – July 23, 1990 – **DIRECT DEPOSIT** – Authorized direct deposit of annuity payments to retirees and beneficiaries who elected to receive payments in such a manner.

RULE 9 – October 11, 1990 – **REFUND REPAYMENT** – Board approved Repayment of Refund Policy as follows:

An active judge may receive credit for a previous period of service by repaying the contributions refunded to him, plus 6% interest compounded annually from the date he received the refund to the date of repayment to the Judicial Retirement System; and the Staff will notify the judge of this policy at the time he requests a refund.

RULE 10 – January 19, 1995 – **INVESTMENT ALLOCATION RATIO** – Replaced by Investment Policy adopted February 5, 1998.

RULE 11 – January 18, 1996 – **INTEREST RATE FOR PRIOR SERVICE 24-8-207** Board adopted 7.5% as the interest rate to charge on prior service purchases under A.C.A. 24-8-207.

RULE 12 – April 18, 1996 – **APPROVAL OF REQUESTS FOR RETIREMENT BENEFITS** – The Board adopted a resolution authorizing the Executive Director of the Judicial Retirement System to approve all applications for retirement benefits, including requests for purchasing service, transferring service, and obtaining free service. A member may appeal a decision by the Executive Director in writing within 30 days of the decision. The notice should include references to specific Sections of the Arkansas Code supporting the appeal. The appeal will be placed on the agenda for the next regular Board meeting.

RULE 13 – July 18, 1996 – **PURCHASE OF PREVIOUS SERVICE BY A JUDGE** – A judge may purchase previous service for time served as a Circuit judge, Chancery judge, Court of Appeals judge, or Supreme Court justice, and the judge will then be considered a member of the Judicial Retirement System as of the beginning date of the purchased service.

RULE 14 – May 7, 1998 - **QUORUM REQUIREMENT, CONCURRING VOTES, AND PROXY VOTING** – Three (3) trustees shall constitute a quorum at any meeting of the Board, and at least three (3) concurring votes shall be necessary for a decision by the Board at any of its meetings. The chairperson shall be a voting member. Members of the Board may vote on specific issues by written proxy provided to the Chairman in advance of any meeting of the Board. A proxy vote shall not be counted to meet the quorum requirement, but can be counted as one of the three (3) concurring votes required for a decision.

RULE 15 – November 1, 2001 – **CONTRIBUTIONS FOR MILITARY SERVICE CREDIT** – In those instances where federal law requires that a member receive credit in the Retirement System for service and earnings that the member would have received had the member not been called to active military duty, the employer shall be required to pay the employer contributions that would have been due for the earnings to be credited.

RULE 16 – August 14, 2003 – **MANDATORY DIRECT DEPOSIT** – Persons first receiving monthly benefits from the Arkansas Judicial Retirement System on or after September 1, 2003 shall be required to participate in the electronic direct deposit program. Persons receiving monthly benefits before September 1, 2003 shall enroll in the electronic direct deposit program on

or before December 1, 2003. Waivers may be granted to those persons who certify in writing that they do not have a savings or checking account.

RULE 17 – August 14, 2003 – **AJRS RECIPROCAL MEMBERS NUMERATOR** (Effective May 8, 2003) – In accordance with A.C.A. 24-2-402(7)(a)(i), when calculating an AJRS benefit for a reciprocal member, only actual service as a judge will be used in the numerator. Other service (i.e. purchased, military [free and purchased], etc.) will not be included in the numerator.

RULE 18 – May 6, 2004 – **QUALIFIED DOMESTIC RELATIONS ORDERS (QDRO's)** - In accordance with Act 1143 of 1993, the Arkansas Judicial Retirement System (AJRS) will comply with Qualified Domestic Relations Orders (QDRO's) issued by Circuit Courts in the State of Arkansas that meet the following conditions:

1. The QDRO is issued in accordance with all provisions of the model QDRO adopted by the AJRS Board of Trustees.
2. The QDRO, as specified in Section 1. (3)(c) of Act 1143, does not require AJRS to provide any type or form of benefit, or pay options not otherwise available under the Plan, does not require the Plan to provide increased benefits, and does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another Order previously determined to be a Qualified Domestic Relations Order.
3. The QDRO is issued on or after the effective date of Act 1143 of 1993.
4. The System will review QDRO's for compliance with this rule and notify appropriate parties of its findings.
5. Payments to the alternate payee shall commence on the earlier event: (1) participating member ceases employment in a covered position and requests a refund of contributions; or, (2) when the participating member retires.
6. The alternate payee's benefit will be based on the service covered for the duration of the marriage, member's salary at the time of divorce, and the retirement laws in effect at the time of the member's retirement.

In those instances where the alternate payee selects alternative B. under Section III. (Duration of Payments to Alternate Payee) of the model QDRO, the actuary will use the following guidelines in computing an equivalent benefit to be paid for the alternate payee's lifetime:

1. The interest rate will be the valuation rate.
2. The Mortality Table will be the "50/50 Table".
3. The age used in the computation shall be the attained age at the last birth date prior to the effective date of the QDRO.

RULE 19 – August 7, 2008 – **REASSESSMENT OF DISABILITY DETERMINATION & TERMINATION OF DISABILITY BENEFITS**

1. In the event any disability retiree under A.C.A. 24-8-217 (or any successor statute) determines that he or she is eligible to return to covered employment in a regular judicial position or in the event the Board receives credible information that a disability retiree is no longer disabled, the retirant will be required to provide to the Board of Trustees current medical information from two (2) or more physicians certifying that the incapacitating disability no longer exists.
2. In the event that a retired member who is receiving disability retirement benefits fails or refuses to supply the current medical information to the Board when requested to do so, the Board may require said member to be examined by two (2) or more physicians of the Board's choosing to determine whether the incapacitating disability still exists. Refusal or failure by said member to submit to a Board-requested medical examination by a date established by the Board may be considered as an admission that said member's incapacitating disability no longer exists. The Board may, for good cause shown, extend the time in which said member shall submit to the Board-requested examination.
3. In the event that a retired member who is receiving disability retirement benefits no longer suffers from an incapacitating disability, the Board of Trustees shall terminate the disability benefits being paid to said member effective the end of the calendar month in which said determination is made. Nothing in this rule shall be interpreted to deny any member whose disability benefits are terminated pursuant to this rule eligibility for normal retirement benefits if said member otherwise qualifies for retirement benefits under A.C.A. 24-8-215, 216 (or any successor statutes).

RULE 20 – May 7, 2009 – **IMPLEMENTATION OF ACT 744, RETIREMENT INCENTIVE BENEFITS**

1. The retirement incentive benefits contemplated by Act 744 of 2009 shall apply only to actual judicial service that is rendered after the effective date of Act 744 of 2009 and shall not include any reciprocal or military service credits acquired by a member, regardless of when acquired, or any credit for purchased service as a district judge, juvenile judge or prosecuting attorney.
2. A member may receive a partial year's service credit for the retirement incentive benefits contemplated by Act 744 of 2009 for any year that he or she renders less than a full year of actual judicial service.

RULE 21 – February 4, 2010 – **SUSPENSION OF JUDICIAL RETIREMENT BENEFITS DURING RESUMPTION OF FULL-TIME JUDICIAL SERVICE**

Any judge or justice who is receiving judicial retirement benefits and who resumes full-time judicial service pursuant to an appointment under Amendment 29 of the Arkansas Constitution shall have his or her judicial retirement benefit payments, including payments

to alternate payees, if any, curtailed during the period of such full-time judicial service. Retirement benefits may be pro-rated for the month during which the appointment becomes effective.

The judicial retirement benefit payments, including those made to alternate payees, shall resume beginning the first full month following AJRS's receipt of written notice that the appointed term has been completed or that the judge or justice has resigned from the full-time appointment.

RULE 22 – August 3, 2017 – **DECLARATORY ORDERS**

A. Purpose and Use of Declaratory Orders

To the extent any retirant or member of the Arkansas Judicial Retirement System ("AJRS") has questions concerning the applicability of any rule, statute, or other order of the AJRS Board of Directors ("the Board"), the retiree or member submit a written petition for a declaratory order to the Executive Director of AJRS.

A declaratory order is a means of resolving a controversy or answering questions concerning the applicability of statutory provisions, rules, or orders over which the agency has authority. A petition for declaratory order may be used only to resolve questions as to how the statutes, rules, or orders may apply to the petitioner's particular circumstances. A declaratory order is not the appropriate means for determining the conduct of another person or for obtaining a policy statement of general applicability from the Board. A petition or declaratory order must describe the potential impact of statutes, rules, or orders upon the petitioner's interests.

B. The Petition

The process to obtain a declaratory order is begun by filing with the Executive Director of AJRS a petition that provides the following information:

1. The caption shall read: Petition for Declaratory Order Before the Arkansas Judicial Retirement System Board of Trustees.
2. The name, address, telephone number, and facsimile number of the petitioner.
3. The name, address, telephone number, and facsimile number of the attorney of the petitioner.
4. The statutory provision(s), the Board rule(s), or the Board order(s) on which the declaratory order is sought.

5. A description of how the statutes, rules, or orders may substantially affect the petitioner and the petitioner's particular set of circumstances, and the question or issue or which petitioner seeks a declaratory order.

6. The signature of the petitioner or petitioner's attorney.

7. The date.

8. Request for hearing, if desired.

C. Board Disposition

1. If the facts or circumstances provided in the petition are insufficient in detail to enable the Board to render a declaratory order, the Board has the authority to request supplemental information from the petitioner. If the supplemental information is insufficient or is not provided, the Board may so state and is authorized to not render a declaratory order based upon what the Board considers insufficient detail. The timeframes outlined in this rule shall reset on the date the Executive Director receives the supplemental information.

2. The Board may hold a hearing to consider a petition for declaratory statement. If a hearing is held, it shall be conducted in accordance with A.C.A. §25-15-208, §25-15-213 and the Board's rules for adjudicatory hearings.

3. The Board may rely on the statements of fact set out in the petition without taking any position with regard to the validity of the facts. Within ninety (90) days of the filing of the petition, the Board will render a final order denying the petition or issuing a declaratory order.

4. The Board may reconsider, withdraw, or amend a prior order upon its own motion. Written notice of the motion shall be mailed to the original petitioner at the last known address of the petitioner.