

ARKANSAS TEACHER RETIREMENT SYSTEM

December 4, 2023

1400 West Third Street

BOARD ROOM

Little Rock, AR 72201

Board of Trustees Meeting

11:00 a.m.

Trustees

Danny Knight, Chair

Shawn Higginbotham, Vice Chair

Kelsey Bailey

Anita Bell

Susan Ford

Dr. Mike Hernandez

Michael Johnson

Bobby G. Lester

Chip Martin

Jeff Stubblefield

Vacant

Ex Officio Trustees

Susannah Marshall, State Bank Commissioner

Jacob Oliva, Secretary, Dept. of Education

Honorable Dennis Milligan, State Auditor

Honorable Larry Walther, State Treasurer

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES

December 4, 2023
11:00 a.m.
1400 West Third Street
Little Rock, AR 72201

- I. ***Call to Order/Roll Call.** page 1.
- II. ***Adoption of Agenda.** page 2.
- III. Executive Summary. (Attachment No. 1) page 7.
- IV. ***Approval of Prior Meeting Minutes.**
 - A. ***June 2, 2023, Minutes.** (Attachment No. 2) page 19.
 - B. ***September 25, 2023, Minutes.** (Attachment No. 3) page 21.
 - C. ***November 1, 2023, Minutes.** (Attachment No. 4) page 31.
- V. Executive Director Report. (Attachment No. 5) page 34.
- VI. ***Commending Ms. Kathy Clayton for her service to Arkansas Teacher Retirement System.** *Danny Knight, Board Chair*
 - A. ***Resolution 2023-44.** (Attachment No. 6) page 36.
- VII. Preliminary Active Actuarial Valuation. *Judy Kermans, Brian Murphy and Heidi Berry of Gabriel, Roeder, Smith and Company* (Attachment No. 7) page 37.
- VIII. Statement of Financial Interest. *Mark White, Executive Director* (Attachment No. 8) page 85.
- IX. ***Proposed 2024 Board of Trustees Schedule.** *Mark White, Executive Director* (Attachment No. 9) page 103.
- X. ***2024 Board Election.** *Mark White, Executive Director and Tammy Porter, Board Secretary*

* Action Item

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- A. Election Timeline. (Attachment No. 10) page 104.
- B. ***Vendor Selection for Board Election.**
 - 1. ***Resolution 2023-51.** (Attachment No. 11) page 105.

- XI. Report of Member Interest Waived Under A.C.A. Sec. 24-7-205. None this reporting period. *Mark White, Executive Director*

- XII. ***Approval of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411.** *Mark White, Executive Director and Jennifer Liwo, General Counsel* (Attachment No. 12) page 106.
 - A. ***Resolution 2023-50.** (Attachment No. 13) page 108.

- XIII. ***Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year.** *Mark White, Executive Director*
 - A. ***In Re: Employer 00593.**
 - B. ***In Re: Employer 00493.**

- XIV. Manifest Injustice Report. *Mark White, Executive Director* (Attachment No. 14) page 110.

- XV. Investment Committee Report. *Chip Martin, Investment Committee Chair*
 - A. ***Election of Vice Chair.**
 - B. Arkansas Related and Investment Update.
 - 1. List of Fund Closings.
 - a. Highland LP and associated entities, the Board authorized commitment of up to \$40 million dollars in a promissory note on September 25, 2023 was accepted and closed on September 26, 2023.
 - b. Post Road Special Opportunity Fund III, LP, a fund specializing in telecommunications and digital infrastructure, the Board authorized commitment of up to \$30 million dollars on September 25, 2023 with Imminent Need was accepted and closed on October 3, 2023.
 - 2. Board Policies Report. (Attachment No. 15) page 114.
 - C. General Consultant Report.
 - 1. Performance Report for the Quarter Ending September 30, 2023. (Attachment No. 16) page 117.
 - 2. Preliminary Performance Report for the Month Ended October 31, 2023. (Attachment No. 17) page 268.

* Action Item

- D. Real Assets Consultant Report.
1. Performance Report for the Quarter Ending June 30, 2023. (Attachment No. 18) page 293.
 2. ***Recommendation to approve for Board adoption Resolution 2023-45 authorizing an investment of up to \$50 million dollars in KKR Real Estate Partners Americas IV SCSp.** (Attachment No. 19) page 345.
 - a. ***Resolution 2023-45.** (Attachment No. 20) page 353.
 3. ***2024 Real Assets Commitment Pacing (Total Pacing \$450 Million Dollars).** (Attachment No. 21) page 354.
 - a. Core Real Estate \$250 Million Dollars.
 - b. Value Added and Opportunistic Real Estate (Non-Core) \$150 Million Dollars.
 - c. Infrastructure \$50 Million Dollars.
- E. Private Equity Report.
1. Preliminary Private Equity Portfolio Review for the Quarter Ended June 30, 2023. (Attachment No. 22) page 358.
 2. ***Recommendation to approve for Board adoption Resolution 2023-46 authorizing an investment of up to \$35 million dollars in Beekman Investment Partners V, L.P.** (Attachment No. 23) page 404.
 - a. ***Resolution 2023-46.** (Attachment No. 24) page 408.
 3. ***Recommendation to approve for Board adoption Resolution 2023-47 authorizing an investment of up to \$35 million dollars in Clearlake Capital Partners VIII, L.P.** (Attachment No. 25) page 409.
 - a. ***Resolution 2023-47.** (Attachment No. 26) page 413.
 4. ***2024 Private Equity Pacing Schedule (Total Pacing \$385 Million Dollars).** (Attachment No. 27) page 414.
 - a. Five Small or Mid Buyout/Growth/Turnaround \$35 Million Dollars Each Primarily in the U.S. (Total \$175 Million Dollars).
 - b. Two Debt/Distressed Assets \$35 Million Dollars Each (Total \$70 Million Dollars).
 - c. Franklin Park International Fund XI No New Allocation.
 - d. Franklin Park Co-Investment Fund VI \$60 Million Dollars.
 - e. Franklin Park Venture Fund XV \$40 Million Dollars.
 - f. Franklin Park Venture Capital Opportunity Fund No New Allocation.

* Action Item

- g. Franklin Park Corporate Finance Access Fund III \$40 Million Dollars.
- 5. ***Recommendation to approve for Board adoption Resolution 2023-48 authorizing an additional investment of up to \$60 million dollars in Franklin Park Co-Investment Fund VI, L.P.** (Attachment No. 28) page 420.
 - a. ***Resolution 2023-48.** (Attachment No. 29) page 431.
- 6. ***Recommendation to approve for Board adoption Resolution 2023-49 authorizing an investment of up to \$40 million dollars in Franklin Park Venture Capital Fund XV, L.P.** (Attachment No. 30) page 432.
 - a. ***Resolution 2023-49.** (Attachment No. 31) page 442.

XVI. Operations Committee Report. *Bobby Lester, Operations Committee Chair*

- A. Open Forum for Potential Rule or Law Changes by Committee Members and Board Members in Attendance.
 - 1. Open Forum.
- B. ***Rules Promulgation Status Update.**
 - 1. ***Rule 0-1: ATRS Rules of Organization and Operation.** (Attachment No. 32) page 443.
 - 2. ***Rule 4: Election of Board of Trustees.** (Attachment No. 33) page 450.
 - 3. ***Rule 6: Membership and Employer Participation.** (Attachment No. 34) page 469.
 - 4. ***Rule 7: Service Credit, Contributions, Reporting, and Final Average Salary.** (Attachment No. 35) page 505.
 - 5. ***Rule 8: Free Service Credit, Purchasable Service Credit, and Purchase Accounts.** (Attachment No. 36) page 527.
 - 6. ***Rule 9: Retirement and Benefits.** (Attachment No. 37) page 554.
 - 7. ***Rule 10: Return to Service and Teacher Deferred Retirement Option Plan.** (Attachment No. 38) page 595.
 - 8. ***Rule 11: Survivors and Domestic Relations Orders.** (Attachment No. 39) page 615.
 - 9. ***Rule 12: Protection of "Qualified Trust" Status of ATRS Under Internal Revenue Code 401(a).** (Attachment No. 40) page 648.
 - 10. ***Rule 13-1: Administration Adjudication: Staff Determinations and Appeals.** (Attachment No. 41) page 651.

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11. ***Rule 14-1: Retirement Fund Asset Accounts.** (Attachment No. 42) page 673.
12. ***Rule 15-1: Benefit Restoration Plan and Trust.** (Attachment No. 43) page 675.
13. ***Rule 16: Cash and Savings Help (CASH) Program.** (Attachment No. 44) page 682.
14. ***Rule 17-1: Manifest Injustice.** (Attachment No. 45) page 688.

XVII. ***Board of Trustees Disability Review.**

- A. ***In Re: ATRS ID#377358.** (Attachment No. 46) page 706.

XVIII. ***Staff Reports.**

- A. ***Medical Committee Report. A total of 12 Disability Retirement Applications were Approved.** *Willie Kincade, Director of Operations* (Attachment No. 47) page 709.
- B. Financial Reports. *Curtis Carter, Chief Fiscal Officer*
 1. Financial Statement Report. (Attachment No. 48) page 711.
 2. Travel Report. (Attachment No. 49) page 713.
- C. Personnel Report. *Vicky Fowler, Human Resources Director* (Attachment No. 50) page 714.
- D. ***Recommendation - Securities Litigation Lead Plaintiff.** *Mark White, Executive Director and Jennifer Liwo, General Counsel*

XIX. ***Executive Session: Fulfillment of Vacancy Pursuant to A.C.A. 24-7-302(b)(2).** (Attachment No. 51) page 715.

XX. Other Business.

XXI. ***Adjourn.**

EXECUTIVE SUMMARY

TO: Board of Trustees
FROM: ATRS Staff
RE: Executive Summary
DATE: December 4, 2023

- A. ***June 2, 2023, Minutes.** page 19.
- B. ***September 25, 2023, Minutes.** page 21.
- C. ***November 1, 2023, Minutes.** page 31.

V. **Executive Director Report.** page 34.

VI. ***Commending Ms. Kathy Clayton for her service to Arkansas Teacher Retirement System.** *Danny Knight, Board Chair*

Ms. Kathy Clayton retired from the Board on November 1, 2023. She will be recognized and honored for her service.

- A. ***Resolution 2023-44.** page 36.

VII. **Preliminary Active Actuarial Valuation.** *Judy Kermans, Brian Murphy and Heidi Berry of Gabriel, Roeder, Smith and Company* page 37.

This is a standard part of ATRS Board agenda toward the end of each calendar year. The actuarial valuation for the 2022-2023 fiscal year and the figures cited are still preliminary, but near completion.

VIII. **Statement of Financial Interest.** *Mark White, Executive Director* page 85.

This is the reminder that ATRS Trustees must file a Statement of Financial Interest (SFI) by January 31, 2024, for their financial information for calendar year 2023. Included with the portal information are the instructions for completing the SFI and a blank SFI for your use. SFIs may be completed online at the Secretary of State's website after creating a user name at the login screen: <http://www.ark.org/sos>. ATRS staff will assist in any way possible to help you file this information. ATRS staff will also follow-up from time to time with any Trustee who has not filed their SFI.

IX. ***Proposed 2024 Board of Trustees Schedule.** *Mark White, Executive Director* page 103.

ATRS Staff has attached a proposed meeting schedule for 2024. It is subject to changes requested by the Board, and will be posted on the ATRS and State of

Arkansas websites when finalized. It follows much of the same pattern as in prior years, with Monday meetings to accommodate Trustees who have to travel a long distance to Little Rock.

X. *2024 Board Election. *Mark White, Executive Director and Tammy Porter, Board Secretary*

Election of the following three (3) positions on the ATRS Board of Trustees is scheduled in March, 2024: Position No.4 (Certified Member Trustee 4th Congressional District, Requires State Licensure); Position No. 7 (Member Non Licensed) and Position No. 11 (Retiree Trustee)

Nominating petitions and a candidate information form must be filed with the Executive Director of the Teacher Retirement System by Monday, January 10, 2024. Petitions may be requested by contacting Tammy Porter by email at tammyp@artrs.gov or by phone at 501-682-6149.

The Board of Trustees shall employ an independent contractor who will mail ballots to eligible voters' addresses of record and will also collect, count, and certify election results.

Deadline for nomination petitions to be submitted is Wednesday, January 10, 2024. Ballots will be mailed from selection vendor on Friday, March, 15, 2024. Deadline for ballots to be returned: Monday, April 15, 2024. Results will be certified: Monday, April 22, 2024.

A. Election Timeline. page 104.

B. *Vendor Selection for Board Election.

1. ***Resolution 2023-51.** page 105.

XI. Report of Member Interest Waived Under A.C.A. Sec. 24-7-205. None this reporting period. *Mark White, Executive Director*

No member interest was waived this reporting period. This is a standard report for information and is not an action item.

XII. *Approval of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411. *Mark White, Executive Director and Jennifer Liwo, General Counsel* page 106.

Arkansas Code 24-7-411 directs the Arkansas Teacher Retirement System (ATRS) to levy late fees and interest penalties for an employer's failure to timely remit moneys or reports as required. The Code allows the "Board or its designee" to waive fees and penalties if the delinquency was not the result of the employer's nondisclosure, fraud, or misrepresentation; and if under the circumstances, requiring payment by the employer would be unduly penal, burdensome, or result in a manifest injustice. ATRS Rule 7(IV)(d)(4)(B) allows the ATRS Executive Director to waive interest penalties of up to \$1,000 for an employer but does not explicitly address waiver of late fees for untimely reports. Historically, the ATRS Executive

Director has considered and granted employer requests for waiver of late fees for untimely reports, but documentation of this authority is ambiguous and should be clarified. The Executive Director is requesting authority from the Board as the Board's designee under Arkansas Code 24-7-411 to consider and approve employer requests to waive late fees or interest penalties levied on an employer.

A. *Resolution 2023-50. page 108.

XIII. *Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year.
Mark White, Executive Director

Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year. Executive staff only has authority to waive up to \$1,000 in a fiscal year for an employer. ATRS staff has placed these two (2) items on the agenda and recommends the Board approve the waiver of penalties and interest in the total amount of \$3,348.60.

A. *In Re: Employer 00593.

Hazen School District. This employer had extenuating circumstances where the bookkeeper left and there was a period of time they were left without someone to do the reporting until a new bookkeeper was hired. The employer did everything they could to get the information submitted as quickly as possible.

B. *In Re: Employer 00493.

Pine Bluff School District. The business officer at this district did not have contract renewed and position was left vacant due to appeal. Employer was nine (9) days late on June payroll, which is usually the largest due to summer pay.

XIV. Manifest Injustice Report. *Mark White, Executive Director* page 110.

The rule on Manifest Injustice required reports to the Board at least 2 times per year. This is the second report of 2023. This report is for information purposes only and is not an action item.

XV. Investment Committee Report. *Chip Martin, Investment Committee Chair*

A. *Election of Vice Chair.

B. Arkansas Related and Investment Update.

1. List of Fund Closings.

a. Highland LP and associated entities, the Board authorized commitment of up to \$40 million dollars in a promissory note on September 25, 2023 was accepted and closed on September 26, 2023.

The ATRS full commitment of \$40 million dollars was

negotiated, accepted, and closed on September 26, 2023.

- b. **Post Road Special Opportunity Fund III, LP, a fund specializing in telecommunications and digital infrastructure, the Board authorized commitment of up to \$30 million dollars on September 25, 2023 with Imminent Need was accepted and closed on October 3, 2023.**

The ATRS full commitment of \$30 million dollars was negotiated, accepted, and closed on October 3, 2023.

2. **Board Policies Report.** page 114.

C. **General Consultant Report.**

1. **Performance Report for the Quarter Ending September 30, 2023.** page 117.

PJ Kelly and Katie Comstock of Aon Hewitt Investment Consulting will provide the Board with a portfolio update for the quarter ending September 30, 2023.

2. **Preliminary Performance Report for the Month Ended October 31, 2023.** page 268.

PJ Kelly and Katie Comstock of Aon Hewitt Investment Consulting will provide the Board with a preliminary portfolio update for the month ending October 31, 2023.

D. **Real Assets Consultant Report.**

1. **Performance Report for the Quarter Ending June 30, 2023.** page 293.

Jack Dowd of Aon Hewitt Investment Consulting will provide the Board with a portfolio update for the quarter ending June 30, 2023.

2. ***Recommendation to approve for Board adoption Resolution 2023-45 authorizing an investment of up to \$50 million dollars in KKR Real Estate Partners Americas IV SCSp.** page 345.

Kohlberg Kravis Roberts & Co. Inc. (KKR) was founded May 1976 in New York as a boutique leverage buy out private equity firm. It has grown into a global investment firm that manages \$510 billion across multiple asset classes, including private equity, energy real assets, infrastructure, real estate, corporate credit strategies, and hedge funds. Founders Henry Kravis and George Roberts remain involved as Executive Co-Chairman of KKR's board of directors. KKR has over 2500 employees, is headquartered in New York with offices in 23 major cities worldwide .

KKR Real Estate Partners Americas IV will opportunistically invest primarily in industrial, multifamily/single family rentals, student

housing and self storage assets. The previous 3 funds in the series have a projected net IRR in excess of 14%. Aon Hewitt Investment Consulting recommends an investment of up to \$50 million dollars in KKR Real Estate Partners Americas IV SCSp and ATRS staff concurs.

a. ***Resolution 2023-45.** page 353.

3. ***2024 Real Assets Commitment Pacing (Total Pacing \$450 Million Dollars).** page 354.

Jack Dowd of Aon Hewitt Investment Consulting will present the 2024 Real Assets Commitment Pacing. For calendar year 2024, Aon Hewitt Investment Consulting and ATRS staff are recommending approximately \$450 million dollars for 2024 real assets pacing. These targets are subject to availability of quality investments and prevailing market conditions. Actual amounts may vary as pacing is subject to change over the year according to available investment opportunities.

a. **Core Real Estate \$250 Million Dollars.**

Core real estate funds employ low leverage, low-risk investment strategies that have predictable cash flows. The funds will generally invest in stable, fully leased, modern, multi-tenant properties within strong, diversified metropolitan areas.

b. **Value Added and Opportunistic Real Estate (Non-Core) \$150 Million Dollars.**

These are funds that invest in properties and make improvements to fairly stable properties but are one step below the core funds in quality. Opportunistic have more risk than value added funds but have potential for better returns.

c. **Infrastructure \$50 Million Dollars.**

Infrastructure funds invest in the fundamental facilities and systems serving a country, city, or area including the services and facilities necessary for its economy to function. Infrastructure funds typically invest in structures such as roads, bridges, tunnels, water systems, sewers systems, electric grids, ports and so forth.

E. Private Equity Report.

1. **Preliminary Private Equity Portfolio Review for the Quarter Ended June 30, 2023.** page 358.

Michael Bacine of Franklin Park will provide the Board with a preliminary portfolio review for the quarter ending June 30, 2023.

2. ***Recommendation to approve for Board adoption Resolution 2023-46 authorizing an investment of up to \$35 million dollars in Beekman Investment Partners V, L.P. [page 404.](#)**

The general partner was formed in 2004 and is based in New York. The firm is led by John Troiano, Andrew Marolda, Andrew Brown and Jim Clippard (principals), who are supported by nine mid-level and junior investment professionals, an operating professional, an investor relations professional, a CFO and thirteen industry advisors. The fund is being formed to invest in small North American service-based companies operating in the consumer, healthcare, and business /industrial services sectors. The investments will take the form of leveraged buyouts, growth buyouts or structured preferred equity or debt investments.

The fund's return potential is high given the focus on small companies in which owners/managers are often willing to re-invest a significant amount of sale proceeds. Also, purchase prices for small companies are typically lower than larger companies, yet smaller companies often have higher growth potential. The general partner has raised four prior funds that have generated aggregate returns of 21.8% gross IRR and 2.2X cost as of June 30, 2023. Franklin Park recommends an investment of up to \$35 million dollars in Beekman Investment Partners V, L.P., and ATRS staff concurs.

a. ***Resolution 2023-46. [page 408.](#)**

3. ***Recommendation to approve for Board adoption Resolution 2023-47 authorizing an investment of up to \$35 million dollars in Clearlake Capital Partners VIII, L.P. [page 409.](#)**

Based in Santa Monica, California, Clearlake Capital was formed in 2007 by Steve Chang, Jose Feliciano and Behdad Eghbali with sponsorship by Reservoir Capital. As of April 2017, Reservoir no longer has a stake in the general partner; however, the firms Landmark, Goldman Sachs and Dyal together own 22.5% of the general partner. The fund is now managed by Messrs. Feliciano and Eghbali as well as Prashant Mehrota, Colin Leonard, James Pade and Arta Tabee (partners) who are supported by forty-five investment and operational professionals and back-office staff. The partners have an average of fifteen years of experience each with the general partner and over twenty years each of private equity industry or related experience.

Clearlake makes both debt and equity investments in companies undergoing significant change or that are in underserved industries or markets. These investment opportunities often involve bankruptcies, restructurings and turnarounds. They may also involve companies that are experiencing legal or regulatory

challenges or challenges meeting growth plans. The fund will focus primarily on the industrials, energy, software and technology-enabled services, and consumer sectors. ATRS invested in Clearlake V, VI and VII that have each produced excellent net returns. The general partner has invested over \$24 billion in its previous five funds which has generated a gross IRR of nearly 40%. Franklin Park recommends an investment of up to \$35 million dollars in Clearlake Capital Partners VIII, L.P., and ATRS staff concurs.

a. ***Resolution 2023-47.** page 413.

4. ***2024 Private Equity Pacing Schedule (Total Pacing \$385 Million Dollars).** page 414.

Michael Bacine of Franklin Park will provide the 2024 pacing schedule for private equity. Typically, ATRS has been pacing up to 2% of its underlying value for private equity for the next calendar year. Based upon assumptions of the projected market value of total assets for the next ten years, Franklin Park recommends private equity pacing of \$385 million dollars for 2024 in order to maintain a 12% allocation to private equity over a long term time horizon, and ATRS staff agrees.

In years past, an allocation of the total pacing amount was made for venture capital, and more recently for smaller "next generation" private equity funds through Franklin Park vehicles. The Board approved total commitments of \$60 million dollars to Franklin Park Venture Fund XIV (a multi-year, early stage venture fund) and \$90 million to Franklin Park Corporate Finance Access Fund II (a multi-year fund that invests in smaller buyout, growth and turnaround funds) during 2021 and 2022. These funds are now substantially committed to underlying investments, and commitments of \$40 million dollars each are anticipated for both Franklin Park Venture Fund XV and Franklin Park Corporate Finance Access III in 2024. The new venture fund will be presented today, and a presentation and recommendation for the new corporate finance fund will be made sometime next year. In addition to the original early stage funds, ATRS is invested in Franklin Park Venture Capital Opportunity Fund, a multi-year fund that invests in later stage venture capital funds. The Board approved a total of \$60 million to this fund as of January 2022, and no new commitment is anticipated for this fund in 2024.

Since 2011, ATRS has invested in Franklin Park's International Funds, primarily to obtain exposure to funds outside the U.S. ATRS most recently committed a total of \$60 million dollars to Franklin Park International Fund XI (a multi-year fund) as of January 2022, and no new commitment is expected for 2024.

ATRS has also been making co-investments through Franklin Park since 2012. Most recently, the Board approved an investment of \$65 million dollars in Franklin Park Co-Investment Fund VI at the December 2022 meeting. Again, this is a multi-year vehicle, and an additional commitment of up to \$60 million dollars to Fund VI is being recommended today as part of the 2024 pacing.

Franklin Park also expects to commit \$210 million dollars to approximately six funds with buyout, growth, or turnaround strategies within the U.S. during 2024. Additionally, a commitment of \$35 million dollars is planned for one fund that is focused on debt or distressed assets. The amounts of each type of investment mentioned here are targets. Actual amounts may vary as pacing is subject to change over the year according to available investment opportunities and prevailing market conditions.

a. Five Small or Mid Buyout/Growth/Turnaround \$35 Million Dollars Each Primarily in the U.S. (Total \$175 Million Dollars).

Buyout refers to funds that seek to acquire controlling interests in companies. Growth funds seek a minority interest in successful companies that need additional capital to expand. Turnaround funds invest in troubled or bankrupt companies that require special expertise to become profitable. This is an allocation for five of these types of funds at a \$30-35 million level each for a total of \$175 million dollars.

b. Two Debt/Distressed Assets \$35 Million Dollars Each (Total \$70 Million Dollars).

These funds lend money at higher interest rates to companies with liquidity needs. These managers also purchase the debt obligations of a company at or below actual value using specialized skills. The purpose of the purchase of debt can be to make interest, get the value from the discount price of the debt, or to obtain the company's equity after a default on the debt. This is an allocation for two of these funds at a \$35 million level each.

c. Franklin Park International Fund XI No New Allocation.

d. Franklin Park Co-Investment Fund VI \$60 Million Dollars.

This item is explained in item E. below.

e. Franklin Park Venture Fund XV \$40 Million Dollars.

This item is explained in item F. below.

- f. **Franklin Park Venture Capital Opportunity Fund No New Allocation.**
- g. **Franklin Park Corporate Finance Access Fund III \$40 Million Dollars.**

An additional investment in this fund is anticipated for 2024. A presentation and recommendation will be made at a later date.

- 5. ***Recommendation to approve for Board adoption Resolution 2023-48 authorizing an additional investment of up to \$60 million dollars in Franklin Park Co-Investment Fund VI, L.P. [page 420.](#)**

A co-investment occurs when ATRS invests directly in a private company alongside a private equity manager or "sponsor". The benefit of private equity co-investments is that the underlying fund manager does not charge management fees or incentive fees such as carried interest. Therefore, the potential for return on co-investments is much greater since no fees are netted from the individual investment. Since 2012, Franklin Park has done an excellent job of sourcing co-investment deals for ATRS as well as for their other clients, returning a net IRR of 19.2% on all co-investment transactions since inception, as of March 31, 2023.

Franklin Park makes co-investments in corporate finance private equity transactions alongside private fund sponsors that will include buyout, growth equity, structured equity, financial restructuring and operational turnaround strategies. The management fee for the fund will be 100 basis points for non-clients and 50 basis points for clients, as well as 10% carried interest for both. Most recently, ATRS made a commitment of \$65 million dollars in Franklin Park Co-Investment Fund VI that the Board approved in December 2022. As part of the 2024 pacing, another \$60 million dollar investment is planned in this multi-year fund, and closing will take place early next year. Franklin Park recommends an additional investment of up to \$60 million dollars in Franklin Park Co-Investment Fund VI, L.P. ATRS staff concurs with the recommendation and the fee structure.

- a. ***Resolution 2023-48. [page 431.](#)**

- 6. ***Recommendation to approve for Board adoption Resolution 2023-49 authorizing an investment of up to \$40 million dollars in Franklin Park Venture Capital Fund XV, L.P. [page 432.](#)**

ATRS has invested in venture capital through Franklin Park vehicles for the last fourteen years with excellent results. Venture capital generally involves more risk than other types of private equity. In order to offset some of that risk, Franklin Park acquires

an interest in several successful venture funds and spreads those through its investors to create greater diversity of managers and styles. The venture capital portfolio that Franklin Park has created and managed for ATRS has performed very well. The current average net IRR for all of the venture vehicles (since 2008) is 20.7%. ATRS most recently invested \$60 million dollars in Fund XIV during 2022. This two-year fund is now fully committed, and Fund XV is being launched. As part of the 2024 pacing, a \$40 million dollar investment is planned to help maintain the 10% target (of total private equity) for venture capital.

Within the new fund, non-clients will be charged a management fee of .9% and carried interest of 5%. Existing clients such as ATRS, that invest \$60 million or more in the 2-3 year fund will not pay a management fee, and their carried interest is reduced from 5% to 4%. The fees and carried interest provide a source of incentive compensation for Franklin Park's investment staff. The small size and high level of expertise of the firm are of significant benefit to ATRS because they allow Franklin Park to access top-tier venture funds that are often top-decile performers. ATRS staff concurs with Franklin Park's recommendation to make a commitment of up to \$40 million dollars in Franklin Park Venture Capital Fund XV, L.P. and to the fee structure

- a. ***Resolution 2023-49.** [page 442.](#)

XVI. Operations Committee Report. *Bobby Lester, Operations Committee Chair*

A. Open Forum for Potential Rule or Law Changes by Committee Members and Board Members in Attendance.

1. Open Forum.

This is a standard part of the Committee agenda to allow Committee Members and Board Members in attendance to address topics and issues for consideration.

B. *Rules Promulgation Status Update.

Staff will present a status update on the proposed changes to the ATRS Rules as required by the 2023 legislative session, staff recommendations, and in preparation for the rules being codified into the Code of Arkansas Rules (CAR). The proposed rule changes affect the ATRS Rules listed below. This is an action item.

1. ***Rule 0-1: ATRS Rules of Organization and Operation.** [page 443.](#)
2. ***Rule 4: Election of Board of Trustees.** [page 450.](#)
3. ***Rule 6: Membership and Employer Participation.** [page 469.](#)

4. ***Rule 7: Service Credit, Contributions, Reporting, and Final Average Salary.** [page 505.](#)
5. ***Rule 8: Free Service Credit, Purchasable Service Credit, and Purchase Accounts.** [page 527.](#)
6. ***Rule 9: Retirement and Benefits.** [page 554.](#)
7. ***Rule 10: Return to Service and Teacher Deferred Retirement Option Plan.** [page 595.](#)
8. ***Rule 11: Survivors and Domestic Relations Orders.** [page 615.](#)
9. ***Rule 12: Protection of "Qualified Trust" Status of ATRS Under Internal Revenue Code 401(a).** [page 648.](#)
10. ***Rule 13-1: Administration Adjudication: Staff Determinations and Appeals.** [page 651.](#)
11. ***Rule 14-1: Retirement Fund Asset Accounts.** [page 673.](#)
12. ***Rule 15-1: Benefit Restoration Plan and Trust.** [page 675.](#)
13. ***Rule 16: Cash and Savings Help (CASH) Program.** [page 682.](#)
14. ***Rule 17-1: Manifest Injustice.** [page 688.](#)

XVII. *Board of Trustees Disability Review.

Under the Disability Review procedure described in A.C.A.24-7-704(b)(3)(D) the Board shall approve the recommendations of the Medical Committee

- A. ***In Re: ATRS ID#377358.** [page 706.](#)

XVIII. *Staff Reports.

- A. ***Medical Committee Report. A total of 12 Disability Retirement Applications were Approved.** *Willie Kincade, Director of Operations* [page 709.](#)

The Medical Committee Report is a standard report made by staff on behalf of the Medical Committee approving disability cases. A total of 19 disability applications were received, 12 were approved, 1 was denied, and 6 needed more information. This is an action.

- B. **Financial Reports.** *Curtis Carter, Chief Fiscal Officer*

1. **Financial Statement Report.** [page 711.](#)

The ATRS Chief Financial Officer will give the Board summary information for the financial reports for the year ending June 30,2023. No action is needed for this information item.

2. **Travel Report.** [page 713.](#)

The ATRS Chief Financial Officer will present a standard travel report showing the expenses for staff and Trustees for fiscal year ending June 30, 2023. No action is needed for this information item.

C. Personnel Report. *Vicky Fowler, Human Resources Director* page 714.

The personnel report is provided annually for information. ATRS currently has 87 appropriated positions. Currently, there are 69 positions filled and 18 are vacant. Ms. Vicky Fowler, the ATRS Human Resources Manager, will be available to answer any questions about this report.

D. *Recommendation - Securities Litigation Lead Plaintiff. *Mark White, Executive Director and Jennifer Liwo, General Counsel*

XIX. *Executive Session: Fulfillment of Vacancy Pursuant to A.C.A. 24-7-302(b)(2). page 715.

A.C.A. 24-302 states that if a vacancy occurs in the office of an elected trustee, then the Board, by a majority vote, may fill the vacancy by a special election, or appointment of a trustee until the next system election. This is an action item.

XX. Other Business.

**MINUTES
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING**

**Friday, June 2, 2023
11:00 a.m.
1400 West Third Street
Little Rock, AR 72201**

ATTENDEES

Board Members Present

Danny Knight, Chair
Anita Bell
Kathy Clayton
Susan Ford
Dr. Mike Hernandez
Shawn Higginbotham
Michael Johnson
Bobby Lester
Chip Martin
Jeff Stubblefield
Susannah Marshall, Bank Commissioner
Jason Brady, designee for Dennis Milligan
Eric Munson, designee for Mark Lowery

ATRS Staff Present

Rod Graves, Interim Executive Director
Tammy Porter, Board Secretary/Retirement Coord.
Braeden Duke, Software Support Analyst
Vicky Fowler, Director, Human Resources
Jennifer Liwo, General Counsel
Joe Sithong, Manager, Information Technology*

Guest Present

Mike Wickline, Reporter, AR Dem Gazette

*Via ZOOM

- I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 11:01 am. Roll call was taken. Mr. Oliva was absent. Mr. Munson arrived at 11:10 a.m.

- II. **Adoption of Agenda.**

Mr. Lester *moved to approve* the Agenda. Mr. Martin *seconded the motion* and the Board *unanimously approved the Motion*.

- III. **Executive Session for Purpose of Interviewing Candidate for Executive Director Position.**

Mr. Knight, Chair, called the Executive Session of the Board to order at 11:02 a.m.

- IV. **Mr. Knight, Chair, reconvened the Board at 12:06 p.m.**

V. **Other Business:** None.

VI. **Adjourn.** With No other business, Mr. Knight *adjourned* meeting

Meeting adjourned at 12:08 p.m.

Mark White, Executive Director

Mr. Danny Knight, Chair

Tammy Porter, Recorder

Date Approved

MINUTES
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES
September 25, 2023
11:00 a.m.
1400 West Third Street
Little Rock, AR 72201

ATTENDEES

Board Members Present

Danny Knight, Chair
Anita Bell
Kathy Clayton
Susan Ford
Dr. Mike Hernandez
Shawn Higginbotham
Michael Johnson
Bobby Lester
Chip Martin
Jeff Stubblefield
Susannah Marshall, Bank Commissioner
Jason Brady, designee for Dennis Milligan
Eric Munson, designee for Mark Lowery, State Treasurer
Kelly Griffin, designee for Jacob Oliva, Secretary, Dept. of Ed.

Reporters Present

Mike Wickline, AR Dem. Gaz.

ATRS Staff Present

Mark White, Executive Director
Rod Graves, Deputy Director
Tammy Porter, Board Secretary
Curtis Carter, Chief Financial Officer
Dena Dixson, Internal Audit/Risk Mgmt.
Vicky Fowler, Manager, Human Resources
Willie Kincade, Director of Operations
Mike Lauro, Manager, Information Systems
Jennifer Liwo, General Counsel
Manju, Director, IT
Amber Sevilla, Executive Assistant to the Director
Joe Sithong, Coordinator, Information Systems
Whitney Somers, Administrative Analyst
Misty Yant, Manager, Accounting/Reporting*

Guest Present

PJ Kelly, Aon Hewitt
Chae Hong, Aon Hewitt
Jack Dowd, Aon Hewitt
Chris Caldwell, Legislative Audit
Donna Morey, ARTA*
Heartsill Ragon, Gill Elrod & Ragon*
Douglass Appell*
Leslie Lane, Arkansas Capital Corporation*
Daniel Kellebrew*
Doug Harvey*

*Via ZOOM

- I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 11:35 a.m. Roll call was taken. All members were present.

II. Adoption of Agenda.

Mr. Lester moved for adoption of the Agenda. Ms. Ford seconded the motion, and the Board unanimously approved the motion.

III. Executive Summary. The Executive Summary was provided for reference with no questions or expansions on the written summary.

IV. Approval of Prior Meeting Minutes.

A. June 5, 2023, Minutes

Ms. Clayton moved for approval of the Minutes of the Board of Trustees meeting of June 5, 2023. Mr. Johnson seconded the motion, and the Board unanimously approved the motion.

B. June 8, 2023, Minutes.

Ms. Bell moved for approval of the Minutes of the Board of Trustees meeting of June 8, 2023. Mr. Martin seconded the motion, and the Board unanimously approved the motion.

C. July 17, 2023, Minutes.

Ms. Lester moved for approval of the Minutes of the Board of Trustees meeting of July 17, 2023. Mr. Martin seconded the motion, and the Board unanimously approved the motion.

V. Executive Director Report. Mr. White, Executive Director, gave the Board a report on ATRS activity. Mr. White introduced Ms. Sarah Collins Linam to the Board as the new ATRS Deputy Director of Member Services.

VI. Commending Hon. Mark Lowery for his service to Arkansas Teacher Retirement System.

A. Resolution 2023-32.

Mr. Martin moved to adopt Resolution 2023-32. Mr. Higginbotham seconded the motion, and the Board unanimously approved the motion.

VII. Commending Ms. Kelly Davis for her service to Arkansas Teacher Retirement System.

A. Resolution 2023-33.

Mr. Higginbotham *moved to adopt* Resolution 2023-33. Mr. Lester *seconded the motion*, and the Board *unanimously approved the motion*.

VIII. Commending Mr. Bill Coon for his service to Arkansas Teacher Retirement System.

A. Resolution 2023-34.

Mr. Lester *moved to adopt* Resolution 2023-34. Mr. Brady *seconded the motion*, and the Board *unanimously approved the motion*

IX. Report of Member Interest Amount Waived under A.C.A. §24-7-205. No member interest was waived for this reporting period. This is a standard report for information and is not an action item.

VII. Report of Employer Penalties and Interest Waived Under A.C.A. §24-7-411. No employer penalties and interest were waived this reporting period. This is a standard report for information and is not an action Item.

VIII. Manifest Injustice Report. This is the first report for 2023. The report contains one (1) Manifest Injustice claim that requires Board approval. The claim listed on the report requiring approval is the next agenda item for Board consideration.

XI. Authorization to Pay Regular T-DROP Interest for Fiscal Year 2024.

A. Resolution 2023-35

Mr. Stubblefield *moved to adopt* Resolution 2023-35, Authorization to Pay Regular T-DROP Interest for Fiscal Year 2024. Mr. Johnson *seconded the motion*, and the Board *unanimously approved the motion*.

XII. Authorization to Pay Post 10 year T-DROP Interest for Fiscal Year 2024.

A. Resolution 2023-36

Mr. Stubblefield *moved to adopt* Resolution 2023-36, Authorization to Pay Post 10 year T-DROP Interest for Fiscal Year 2024. Mr. Lester *seconded the motion*, and the Board *unanimously approved the motion*.

XIII. CBA Incentive Interest Rate on T-DROP Cash Balance Account.

A. Resolution 2023-37

Ms. Marshall *moved to adopt* Resolution 2023-37, CBA Incentive Interest Rate on T-DROP Cash Balance Account. Ms. Ford *seconded the motion*, and the Board *unanimously approved the motion*.

XIV. Extension of ATRS Cash Program for Fiscal Year 2024.

A. Resolution 2023-38

Ms. Ford *moved to adopt* Resolution 2023-38, Extension of ATRS Cash Program for Fiscal Year 2024. Ms. Clayton *seconded the motion*, and the Board *unanimously approved the motion*.

XV. Audit Committee Report. Mr. Jeff Stubblefield gave the Board the Audit Committee Report.

A. Election of Chair and Vice Chair.

Mr. Stubblefield *moved to approve* election of Ms. Maggie Garrett as Audit Committee Chair, and Mr. Jeff Stubblefield as Audit Committee Vice Chair, and the Board *unanimously approved the motion*.

B. Appointment of At-Large Member.

Mr. Stubblefield *moved to approve* the appointment of Mr. Glen Grayham as the At-Large Member of the Audit Committee, and the Board *unanimously approved the motion*.

C. Corrected 2023-2024 Audit Plan.

Mr. Stubblefield *moved to approve* the corrected 2023-2024 Audit Plan, and the Board *unanimously approved the motion*.

D, Update to ATRS Board Policy

XVI. Investment Committee Report. *Chip Martin, Chair.*

A, Arkansas Related and Investment Update.

- 1. List of Fund Closing.** Rod Graves, Deputy Director, gave the Board an update on fund closings.
- 2. Board Policies Report.** Rod Graves, Deputy Director, gave the Board a report on Board Policies.
- 3. Recommendation to approve for Board Adoption a motion to revise Board Policy 4 (Investment Policy) related to recent Arkansas legislation and federal initiatives.**

Staff concurs with the recommendation.

Mr. Martin *moved to approve* revisions to ATRS Board Policy 4 (Investment Policy) related to recent Arkansas legislation and federal initiatives. The Board *unanimously approved the motion*.

- 4. Recommendation to approve for Board adoption a motion to authorize the use of up \$5.1 million dollars of recallable distributions for the US Agriculture farmland investment program.**

Staff concurs with the recommendation.

Mr. Martin *moved to approve* authorization for the use of up \$5.1 million dollars of recallable distributions for the US Agriculture farmland investment program. The Board *unanimously approved the motion*.

5. **Recommendation to approve for Board adoption a motion to revise the Farmland Management Agreement between ATRS and US Agriculture, LLC.**

Staff concurs with the recommendation.

Mr. Martin *moved to approve* for Board adoption revisions to the Farmland Management Agreement between ATRS and US Agriculture, LLC. The Board *unanimously approved the motion.*

6. **Recommendation to approve for Board adoption Resolution 2023-41, authorizing an investment of up to \$40 million dollars in a promissory note to Highland LP and associated entitles.**

Staff concurs with the recommendation.

Mr. Martin *moved to approve* Resolution 2023-41, authorizing an investment of up to \$40 million dollars in a promissory note to Highland LP and associated entitles. The Board *unanimously approved the motion.*

B. Private Equity Consultant Report. *Franklin Park.*

1. **Preliminary Private Equity Portfolio Review for the Quarter Ended March 31, 2023.** Michael Bacine provided the Committee with the Preliminary Private Equity Portfolio Review for the Quarter Ended March 31, 2023.
2. **Emerging Manager Report for Fiscal Year Ended June 30, 2023.** Michael Bacine provided the Committee with the Emerging Manager Report for Fiscal Year Ended June 30, 2023.
3. **Recommendation to approve for Board adoption Resolution 2023-39, authorizing an investment of up to \$30 million dollars in Post Road Special Opportunity Fund III, LP, with imminent need.** Michael Bacine provided the Committee with the Recommendation to approve for Board adoption Resolution 2023-39, authorizing an investment of up to \$30 million dollars in Post Road Special Opportunity Fund III, LP, with imminent need.

Staff concurs with the recommendation.

Mr. Martin *moved to approve* Resolution 2023-39, authorizing an investment of up to \$30 million dollars in Post Road Special Opportunity Fund III, LP, with imminent need. The Board *unanimously approved the motion*.

C. General Investment Consultant Report. *AON Hewitt*

1. **Performance Report for the Quarter ended June 30, 2023.** PJ Kelly of Aon Hewitt Investment Consulting provided the Committee with a Performance Report for the quarter ended June 30, 2023. The report was for information purposes and no action was taken.
2. **Preliminary Performance Report for the Month Ended August 31, 2023.** Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with a Preliminary Performance Report for the month ended August 31, 2023. The report was for information purposes and no action was taken.
3. **Emerging Manager Report for Fiscal Year Ended June 30, 2023.** Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with the Emerging Manager Report for Fiscal Year Ended June 30, 2023. The report was for information purposes and no action was taken.

D. Real Assets Consultant Report. *AON Hewitt*

1. **Performance Report for the Quarter Ended March 31, 2023.** Chae Hong of Aon Hewitt Investment Consulting provided the Committee with a Performance Report for the quarter ended March 31, 2023. The report was for information purposes and no action was taken.
2. **Recommendation to approve for Board adoption Resolution 2023-40, authorizing an investment of up to \$50 million dollars in EnCap Energy Transition Fund II.** Chae Hong, Jack Dowd, and Iftikhar Ahmed of Aon Hewitt Investment Consulting presented the Committee with the recommendation

to authorize an investment of up to \$50 million dollars in EnCap Energy Transition Fund II.

Staff concurs with the recommendation.

Mr. Martin *moved to approve Resolution 2023-40, authorizing an investment of up to \$50 million dollars in EnCap Energy Transition Fund II. The Board unanimously approved the motion.*

XVII. Operations Committee Report. Mr. Bobby Lester, Chair, gave a report on the Operations Committee meeting.

A. Open Forum for potential Rule or Law Changes by Committee Members and board Members in Attendance.

1. **Open Forum.** None.

B. Rule Promulgation Status Update. Jennifer Liwo, General Counsel presented the Committee with Rules to be promulgated.

1. Rule 0-1 - ATRS Rules of Organization and Operation.
2. Rule 4 - Election of Board of Trustees.
3. Rule 6 - Membership and Employer Participation.
4. Rule 7 - Service Credit, Contributions, Reporting, and Final Average Salary.
5. Rule 8 - Free Service Credit, Purchasable Service Credit, and Purchase Accounts.
6. Rule 9 - Retirement and Benefits.
7. Rule 10 - Return to Service and Teacher Deferred Retirement Option Plan.
8. Rule 11 - Survivors and Domestic Relations Order.
9. Rule 12-1 - Protection of "Qualified Trust" Status of ATRS Under Internal Revenue Code 401(a)
10. Rule 13-1 - Administration Adjudications: Staff Determinations and Appeals.
11. Rule 14-1 - Retirement Fund Asset Accounts.
12. Rule 15-1 - Benefit Restoration Plan and Trust.
13. Rule 16 - Cash and Savings Help (CASH) Program.
14. Rule 17-1 - Manifest Injustice - Repealed and included in Amended Rule 13.

Mr. Lester moved to approve original changes in Rules as presented to the Committee. The Board *unanimously approved the motion.*

- C. Repeal of Investment Rules.** Mark White, Executive Director, presented the Committee with the repeal of the Investment Rules.

Mr. Lester moved to approve the repeal of Investment Rules. The Board *unanimously approved the motion.*

- D. Update to ATRS Board Policy 1 – Board Governance.** Mark White, Executive Director, provided the Committee with the update to ATRS Board Policy 1 – Board Governance.

Mr. Lester moved to approve the update to ATRS Board Policy 1 – Board Governance. The Board *unanimously approved the motion.*

- E. Update to ATRS Board Policy 3 – Executive Director.** Jennifer Liwo, General Counsel, provided the Committee with the update to ATRS Board Policy 3 – Executive Director.

Mr. Lester moved to approve the update to ATRS Board Policy 3 – Executive Director. The Board *unanimously approved the motion.*

- F. Update to ATRS Board Policy 4 – Statement of Investment Policy.** Mark White, Executive Director, provided the Committee with the update to ATRS Board Policy 4 – Statement of Investment Policy.

Mr. Lester moved to approve the Update to ATRS Board Policy 4 – Statement of Investment Policy. The Board *unanimously approved the motion.*

XVIII. Staff Reports.

- A. Medical Committee Report.** Mr. Willie Kincade reported that a total of thirty-one (31) Disability Retirement Applications were approved.

Mr. Brady moved to approve the Medical Committee Report. Ms. Clayton seconded the *motion*, and the Board *unanimously approved the Motion.*

XIX. Executive Session.

The Board went into executive session at 12:08 p.m.

The Board reconvened from executive session at 12:16 p.m.

XX. Fulfillment of Vacancy Pursuant to A.C.A. 24-7-302(b)(2).

Ms. Bell *moved to appoint* Mr. Kelsey Bailey to Position #7 on the Board of Trustees. Mr. Lester *seconded the motion*, and the Board *unanimously approved the motion*.

XXI. Election of Chair and Vice Chair of the Board of Trustee.

Mr. Lester *moved to re-elect* Mr. Danny Knight as Chairman of the Board of Trustee. Mr. Johnson *seconded the motion*, and the Board *unanimously approved the motion*.

Ms. Ford *moved to elect* Mr. Shawn Higginbotham as Vice Chairman of the Board of Trustee. Ms. Stubblefield *seconded the motion*, and the Board *unanimously approved the motion*

XXII. Other Business: None.

XXIII. Adjourn. With no other business, Mr. Danny Knight, Chair, entertained a motion to adjourn the meeting.

Mr. Higginbotham *moved to adjourn* the Board Meeting. Ms. Clayton *seconded the Motion* and the Board *unanimously approved the Motion*.

Meeting adjourned at 12:22 p.m.

Mark White, Executive Director

Danny Knight, Chairman

Tammy Porter, Board Secretary

Date Approved

**MINUTES
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING**

**Wednesday, November 1, 2023
4:15 p.m.
1400 West Third Street
Little Rock, AR 72201**

ATTENDEES

Board Members Present

Danny Knight, Chair
Shawn Higginbotham, Vice Chair*
Anita Bell*
Susan Ford*
Dr. Mike Hernandez*
Bobby Lester*
Chip Martin*
Jeff Stubblefield*
Jason Brady, designee for Hon. Dennis Milligan
Kelly Griffin, designee for Jacob Oliva*
Hon. Larry Walther*

ATRS Staff Present

Mark White, Executive Director
Rod Graves, Deputy Director
Tammy Porter, Board Secretary/Admin. Assistant
Braeden Duke, Software Support Analyst
Vicky Fowler, Director, Human Resources*
Jennifer Liwo, General Counsel*
Sarah Colling Linam, Deputy Director*
Jerry Meyer, Manager, Real Assets
Logan Penter, Attorney Specialist*
Joe Sithong, Coordinator, Information Systems*

Board Members Absent

Kelsey Bailey
Michael Johnson
Susannah Marshall, Bank Commissioner

Guest Present

Greg Joslin, Colliers International*
Michael Wickline, Reporter, AR Dem Gaz
ID: iPhone*

**via ZOOM*

- I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 4:22 p.m. Roll call was taken. Mr. Baily, Mr. Johnson and Ms. Marshall were absent.

- II. **Adoption of Agenda.**

Mr. Brady moved for adoption of the Agenda. Mr. Martin seconded the motion, and the Board unanimously approved the motion.

- III. **Executive Summary.** The Executive Summary was provided for reference with no questions or expansions on the written summary.

- IV. **Recognition of Board Vacancy for Position #4 – Member Trustee, Certified, 4th Congressional District.** Ms. Kathy Clayton served as a member trustee of

the Board in Position #4. Ms. Clayton retired November 1, 2023, leaving a vacancy on the Board.

A. Resolution 2023-42.

Mr. Brady moved for adoption of Resolution 2023-42, Recognition of Board Vacancy for Position #4. Mr. Higginbotham seconded the motion, and the Board unanimously approved the motion.

- V. Appointment of Trustee to Fill Vacancy for Position #4 – Member Trustee, Certified, 4th Congressional District.** Due to the retirement of Kathy Clayton, the Board has recognized that a vacancy in Position #4 has existed since November 1, 2023. The Board by majority vote has voted to appoint an eligible member of the system to fill Position #4 vacancy until the next system election.

A. Resolution 2023-43.

Mr. Brady moved for adoption of Resolution 2023-43, authorizing ATRS staff to advertise for the Position #4 vacancy and to accept applications for Board review and use to appoint an eligible member to fill the vacant position until the next system election. Mr. Lester seconded the motion, and the Board unanimously approved the motion.

- VI. Investment Committee Report. Mr. Chip Martin, Chair**

- A, Recommendation to approve for Board adoption Resolution 2023-44, authorizing the potential sale of the ATRS owned property located at 1200 West Third Street, Little Rock, AR (the property formerly occupied by the Arkansas Insurance Department) for no less than \$2 million dollars.** Mr. Mark White, Executive Director presented the Committee with the recommendation to approve Resolution 2023-44. Mr. Greg Joslin, of Colliers International, also discussed the recommendation with the committee.

Staff concurs with the recommendation.

Mr. Martin moved for adoption of Resolution 2023-44, authorizing the potential sale of the ATRS owned property located at 1200 West Third Street, Little Rock, AR (the property formerly occupied by the Arkansas Insurance Department) for no less than \$2 million dollars. A roll call vote was taken and the Board unanimously approved the motion.

- VII. Other Business. None.**

VI. Adjourn.

Ms. Ford *moved to adjourn* the Board of Trustee Meeting. Mr. Martin seconded the *motion*, and the Committee *unanimously approved the motion*.

Meeting adjourned at 4:31 p.m.

Mark White,
Executive Director

Danny Knight, Chair

Tammy Porter, Recorder

Date Approved

**Executive Director Board Report
November 27, 2023**

To the ATRS Board of Trustees:

I am happy to report to you on the following highlights of the activities and achievements of your ATRS staff since my last Board Report:

Operations Improvement

- At the invitation of the Arkansas Division of Information Systems, ATRS is actively participating in new cybersecurity efforts in conjunction with other state agencies to discuss cybersecurity standards, how ATRS is protecting members' data, and what best practices we can adopt or improve on in our own practices.
- Our Call Center Manager Tammy Irvin has retired; we are grateful for her service to ATRS and wish her the best in retirement. We have advertised to fill the vacant position and will be conducting interviews shortly. Thanks to our Director of Operations Willie Kincade for going above and beyond to fill the gap in the interim and keep our Call Center running smoothly.

Member Engagement

- Since your last meeting, I have spoken at meetings sponsored by the Arkansas Retired Teachers Association, the Arkansas Association of School Personnel Administrators, and the Arkansas Public School Resource Center. I have also spoken at six county retired teacher meetings.
- In the last two months, ATRS posts on Facebook have reached more than 22,400 individuals, as compared to 28,000 in the first three months of the fiscal year. We are also now posting messages to Instagram.
- For the monthly Executive Director Updates, the most recent Update was distributed to 41,244 subscribers and was opened by at least 44.62% of the recipients. We also distributed the announcement of the Application period to fill the vacancy for Board Position No. 4.

Human Resources

- Since I arrived, we have been able to fill several vacancies in Finance and Operations that had been causing workload issues. We are about to conduct interviews for a new member of our Internal Audit team this new employee will be working with the existing team to learn the System and our processes so that we will have a smooth transition for a retirement that is scheduled for June. We will be doing something similar for other upcoming retirements early next year.

Investments

- I and other staff members attended two educational tours in October. The first was a visit to farmland in Lonoke County purchased by the System earlier this year, conducted by our agriculture investment managers at USAgriculture. The second was to timber properties owned by the System in Pike County, conducted by our timber investment managers at BTG Timberland Investment Group.

Finance & Reporting

- Since your last meeting, we have completed the System’s Annual Comprehensive Financial Report for FY2022 and posted it to the ATRS website. We have also done extensive work to provide Arkansas Legislative Audit with the records and information they need to complete their audit of FY2023. It appears they have completed the majority of their work, and I expect we will have our exit conference within the next few months.
- One issue raised during our back and forth with Legislative Audit was determining when Required Minimum Distributions (RMDs) must be issued to certain members working for institutions of higher education. RMDs are required by the IRS when members reach certain milestones, but the relevant federal law is very ambiguous and vague. After extensive consultation internally and with our external tax counsel, I am confident that we are currently within the bounds of what federal law requires. However, I expect that we will propose a rule change next year to make the decision-making process cleaner and more predictable for members.

Future Plans & Priorities

As we finish out the calendar year, I will be focused on the following issues, and I am including updates on the future plan items included in my previous report:

- **Strategic Planning** – We are finalizing an agreement for the Walton College of Business at the University of Arkansas to facilitate a strategic planning process for ATRS. This effort will kick off in February, and we anticipate having a final draft ready to present for your approval in your June meeting. The final plan will be a three-year document to help guide our operational planning and decisions, as well as inform our requests for the next biennial budget. As I mentioned to you last meeting, as part of this process I intend for staff to discuss and develop accountability measures to include specific performance goals.
- **Member Education** – We have begun the initial organization and development of a Member Handbook for our Active members. We have added a staff member to the Legal Department to assist in drafting and reviewing content, and we are in discussions with a vendor to coordinate project management, editing, and graphic design. I am aiming for us to have a Handbook ready by the Spring, so that Members considering retirement will have it as a resource. Once the Active Member Handbook is complete, we will want to start work on a Retiree Handbook.
- **Legislative Relations** – On October 5, I presented a System status update to legislators in the Joint Public Retirement & Social Security Programs Committee and answered general questions. ATRS regularly has business before the Arkansas Legislative Council, so I am making a point to consistently attend Council meetings and be the ATRS representative at the table so that legislators are hearing a single, consistent voice.
- **EBD Coordination** – In consultation with EBD, ATRS used its social media channels and the monthly email update to educate members about EBD’s open enrollment period during the month of November. As EBD completes their open enrollment work, I anticipate additional collaboration with EBD to educate and assist our members.

Respectfully submitted,

Mark White
Executive Director
Arkansas Teacher Retirement System

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201**

**RESOLUTION
No. 2023-44**

**Commending Ms. Kathy Clayton
for her Service to the
Arkansas Teacher Retirement System**

WHEREAS, Ms. Kathy Clayton has served on the Board of Trustees of the Arkansas Teacher Retirement System as an Active, Certified Trustee in Position No. 4 from July 1, 2013, until November 1, 2023; and

WHEREAS, Ms. Clayton served faithfully as a member of the Investment Committee, and as Vice Chairman of the Investment Committee; and

WHEREAS, Ms. Clayton's membership on the Arkansas Teacher Retirement System Board provided valuable service to the System by means of her knowledge, integrity, wisdom, and dedication; and

WHEREAS, Ms. Clayton's guidance, leadership, and vision will be missed by the Board and staff alike.

NOW, THEREFORE, BE IT RESOLVED By the Board of Trustees of the Arkansas Teacher Retirement System to adopt this Resolution and authorize the transmittal of this Resolution to Ms. Kathy Clayton as an expression of sincere appreciation for her leadership, wisdom, and dedicated service to the State of Arkansas and the members of the Arkansas Teacher Retirement System.

Adopted this 4th day of December 2023

Mr. Danny Knight, *Chair*
Arkansas Teacher Retirement System Board

Mr. Mark White, *Executive Director*
Arkansas Teacher Retirement System



Arkansas Teacher Retirement System

Valuation Results as of June 30, 2023

December 4, 2023

Judith A. Kermans, EA, FCA, MAAA, Heidi G. Barry, ASA, FCA, MAAA,
Brian B. Murphy, FSA, EA, FCA, MAAA, PhD, Derek Henning, ASA, EA, FCA, MAAA

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June 30, 2023 Valuation Results

1



Going Forward

2



**Low-Default-Risk Obligation Measure
(LDROM)**

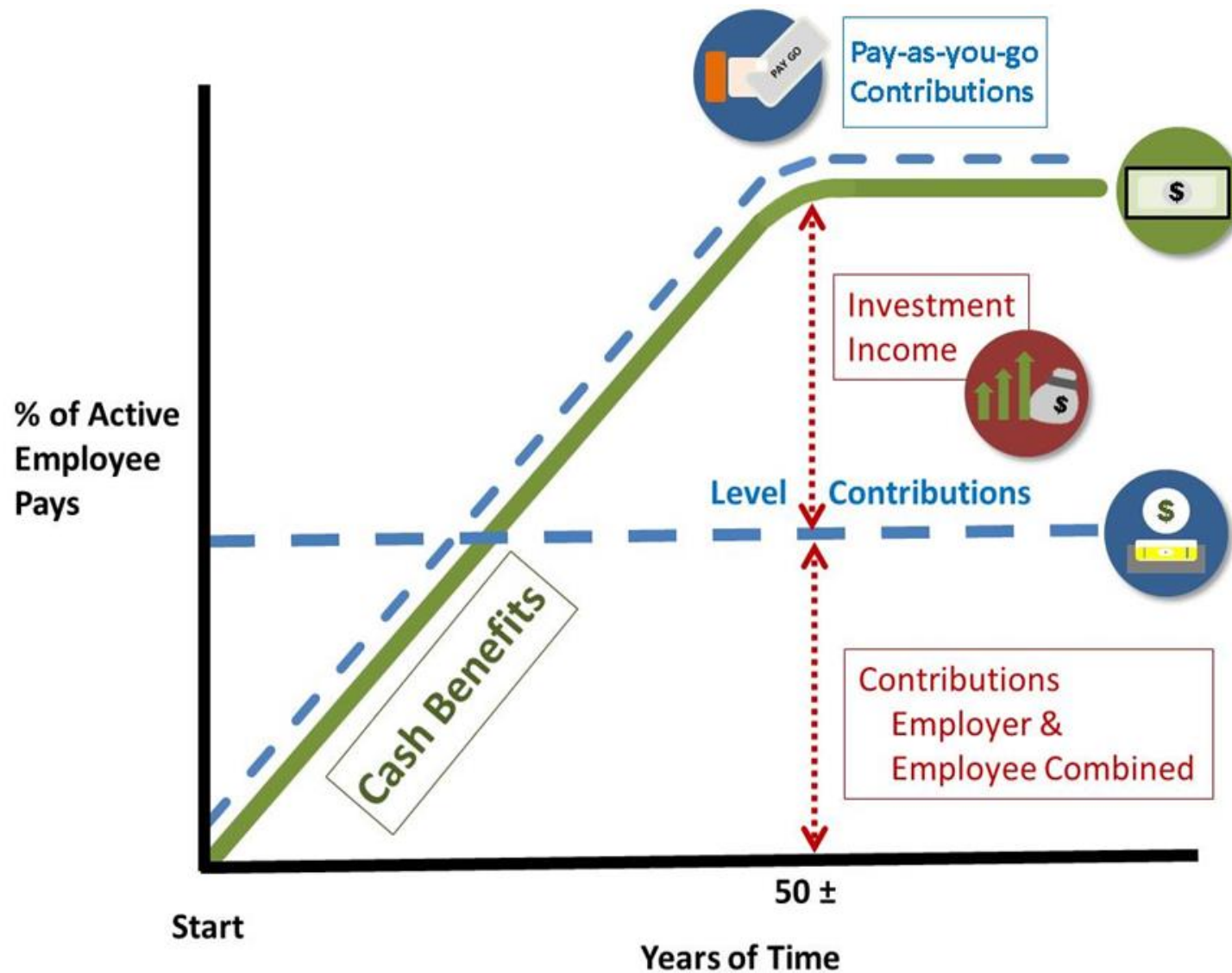
3

Funding Objectives

24-7-401 (a). Fund contributions -- Fund rates.

- (1) The financial objective of the Arkansas Teacher Retirement System is to establish and receive contributions that expressed as percentages of active member payroll will remain approximately level from generation to generation of Arkansas citizens.
- (2) Contributions received each year shall be sufficient:
 - (A) To fully cover the costs of benefit commitments being made to members for their service being rendered in that year; and
 - (B) To make a level payment that if paid annually over a reasonable period of future years will fully cover the unfunded costs of benefit commitments for service previously rendered.

Financing Increasing Benefit Obligations



What Is Needed to Meet Objectives?

Reasonable forecasts of resources and obligations
(i.e., good assumptions)


Smoothing devices

- Level % of payroll funding method (EANC)
- Market-related asset valuation method

Funding discipline

A sound investment program

Covered Population Overview



	Number at June 30		% Change
	2023	2022	
Active	68,249	68,127	0.2%
T-DROP	3,138	3,251	-3.5%
Inactive Vested	14,355	13,986	2.6%
Retired	54,646	52,748	3.6%
Total	140,388	138,112	1.6%

ATRS receives full employer contributions for Active and T-DROP members and for 4,108 retirees who have returned to work.

Active, T-DROP and RTW Members

June 30	Number				Total Payroll	% Change
	Active	T-DROP	RTW	Total	\$Millions	
2017	68,337	3,811	3,881	76,029	\$ 2,922	1.2%
2018	68,645	3,696	4,029	76,370	2,986	2.2%
2019	68,457	3,707	4,077	76,241	3,027	1.4%
2020	66,900	3,639	4,019	74,558	3,078	1.7%
2021	66,633	3,465	3,575	73,673	3,205	4.1%
2022	68,127	3,251	3,643	75,021	3,320	3.6%
2023	68,249	3,138	4,108	75,495	3,492	5.2%

The actuarial valuation assumes the number of working members will remain constant at the current level and that the payroll will increase at 2.75% per year.

Active Members not in T-DROP

		Group Averages			
June 30	Number	Age	Service	Average Earnings	% Change
2017	68,337	44.3	10.2	\$37,707	1.27%
2018	68,645	44.2	10.2	38,477	2.04%
2019	68,457	44.1	10.1	39,065	1.53%
2020	66,900	44.3	10.3	40,709	4.21%
2021	66,633	44.2	10.5	42,901	5.38%
2022	68,127	44.1	10.2	43,758	2.00%
2023	68,249	44.0	10.1	45,897	4.89%

Active Members in T-DROP

June 30	Number	Payroll		
		Average	\$ Millions	% Change
2017	3,811	\$62,127	\$236.8	-1.0%
2018	3,696	62,456	230.8	-2.5%
2019	3,707	62,812	232.8	0.9%
2020	3,639	63,477	231.0	-0.8%
2021	3,465	65,732	227.8	-1.4%
2022	3,251	66,877	217.5	-4.5%
2023	3,138	70,134	220.1	1.2%

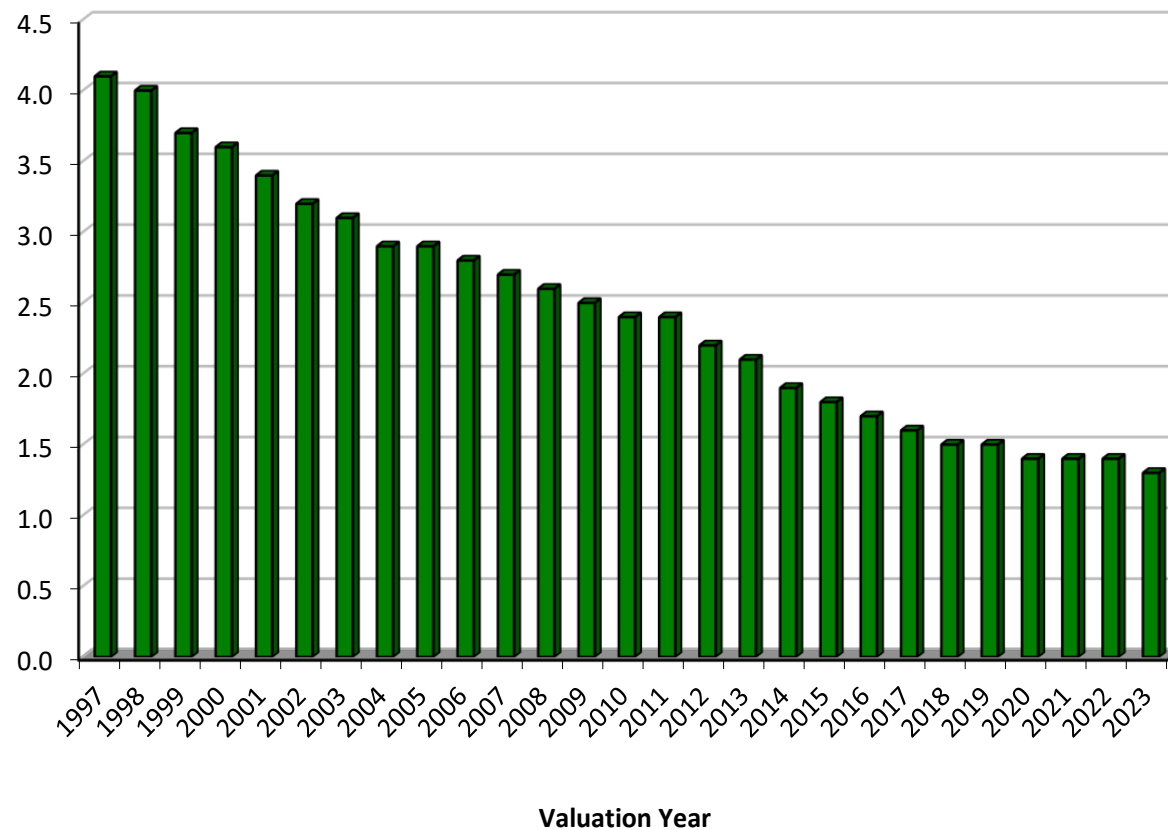
Deferred Vested and Retired Members

June 30	Number	Benefit	
		\$ Millions	Average
2017	12,401	\$72.9	\$5,877
2018	12,544	66.2	5,279
2019	13,033	69.5	5,336
2020	13,338	72.9	5,464
2021	13,574	76.2	5,614
2022	13,986	80.5	5,758
2023	14,355	87.0	6,063

Number	Benefit	
	\$ Millions	Average
45,092	\$ 1,044.7	\$23,169
46,824	1,099.3	23,478
48,677	1,146.7	23,558
50,133	1,194.8	23,833
51,405	1,242.7	24,175
52,748	1,293.8	24,527
54,646	1,346.6	24,643

Ratio of Actives to Retirees

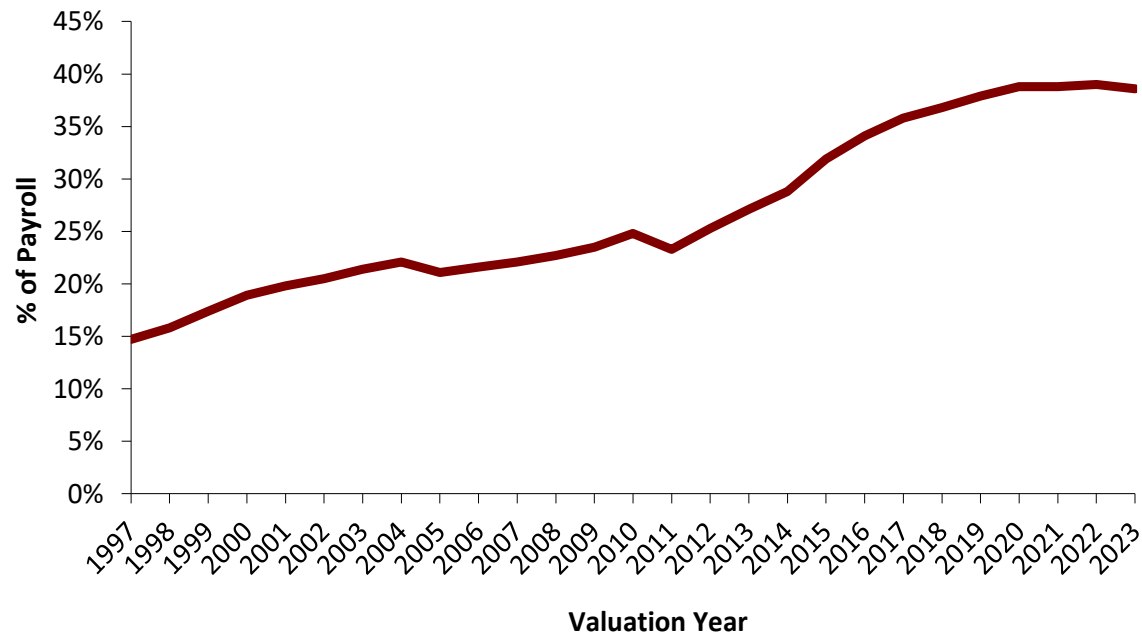
Active Members Per Retired Life *



* Members in T-DROP are included with Active members.

Retirement Benefits as a Percent of Payroll

**Retirement Benefits Being Paid
as a Percent of Member Payroll ***



* Payroll includes active members in T-DROP, active members not in T-DROP and the pays of Return to Work Retirees.

EXPERIENCE

in FY 2023

The amortization period is 26 years, similar to the 26-year period last year.

The results reflect an estimate of the impact of the Learns Act - minimum \$50,000 pay for educational employees and a \$2,000 annual raise in FY 2024 for those educational employees already earning \$50,000 or more.

There was an investment gain on a market basis for FY 2023, however after smoothing prior gains and losses, the fund experienced an investment loss this year based on the Funding Value of Assets

Details of other experience will be presented in the Gain/Loss analysis this spring.

Investment Experience

Under the asset valuation method, investment gains and losses are spread over a 4-year period

This year there was a \$236 million investment gain relative to the 7.25% investment return assumption

25% of the gain was recognized this year and the remaining 75% will be recognized over 3 future years

This year's 25% recognized gain was added to portions of gains and losses from prior years producing a net \$73 million loss (Funding Value)

Development of Funding Value of Assets

Year Ended June 30:	2022	2023	2024	2025	2026
A. Funding Value Beginning of Year	\$ 19,342,870,512	\$ 20,328,281,484			
B. Market Value End of Year	19,679,467,252	20,675,051,918			
C. Market Value Beginning of Year	21,468,772,872	19,679,467,252			
D. Non-Investment Net Cash Flow	(192,363,759) *	(688,831,775)			
E. Investment Return	-	-			
E1. Market Total: B - C - D	(1,596,941,861)	1,684,416,441			
E2. Assumed Rate	7.25%	7.25%	7.25%		
E3. Amount for Immediate Recognition	1,395,384,926	1,448,830,256			
E4. Amount for Phased-In Recognition: E1-E3	(2,992,326,787)	235,586,185			
F. Phased-In Recognition of Investment Return					
F1. Current Year: 0.25 x E4	(748,081,697)	58,896,546	Unknown	Unknown	Unknown
F2. First Prior Year	979,616,848	(748,081,697) \$	58,896,546	Unknown	Unknown
F3. Second Prior Year	(363,802,838)	979,616,848	(748,081,697) \$	58,896,546	Unknown
F4. Third Prior Year	(85,342,508)	(363,802,839)	979,616,849	(748,081,696) \$	58,896,547
F5. Total Recognized Investment Gain	(217,610,195)	(73,371,142)	290,431,698	(689,185,150)	58,896,547
G. Funding Value End of Year:					
G1. Preliminary Funding Value End of Year: A+D+E3+F5	20,328,281,484	21,014,908,823			
G2. Upper Corridor Limit: 120% x B	23,615,360,702	24,810,062,302			
G3. Lower Corridor Limit: 80% x B	15,743,573,802	16,540,041,535			
G4. Funding Value End of Year	20,328,281,484	21,014,908,823			
H. Actual/Projected Difference between Market and Funding Value	(648,814,232)	(339,856,905)	(630,288,603)	58,896,547	-
I. Market Rate of Return	(7.47)%	8.71 %			
J. Funding Rate of Return	6.12 %	6.88 %			
K. Ratio of Funding Value to Market Value	103.30 %	101.64 %			

* Includes \$507.4 million from the settlement of a lawsuit.



Results of the June 30, 2023 Valuation

Actuarial Accrued Liabilities for:	\$ Millions	
	2023	2022
Age and service retirement allowances based on total service likely to be rendered by <i>present active and T-DROP members</i>	\$ 9,967	\$ 9,586
Benefits payable to present retirees and beneficiaries	14,511	14,044
Benefits payable for all other reasons	1,114	1,067
Total	25,592	24,697
Funding Value of Assets	21,015	20,328
Unfunded Actuarial Accrued Liability	\$ 4,577	\$ 4,369
% Funded Based on		
Funding Value of Assets	82%	82%
Market Value of Assets	81%	80%

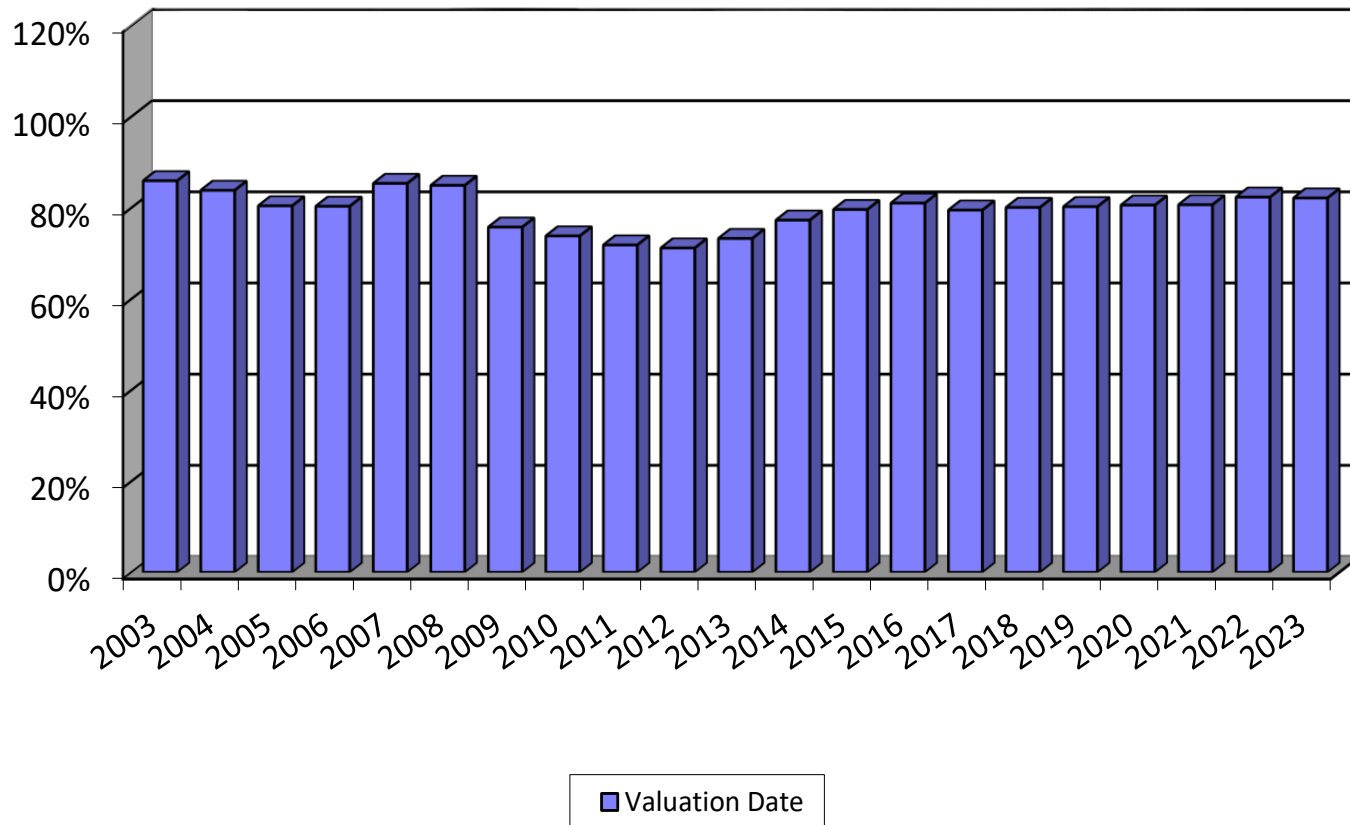
If the UAAL were measured based on the market value of assets, it would be \$4,917 Million.

Results of the June 30, 2023 Valuation

Computed Contributions for	% of Payroll	
	2023	2022
1) Employer Normal Cost	7.05%	7.05%
2) Unfunded Actuarial Accrued Liabilities	7.95%	7.95%
3) Employer Contribution Rate	15.00%	15.00%
Amortization Years	26	26

The employer and employee contribution rates are 15% and 7% respectively. If the Market Value of Assets were used in the calculations instead of the Funding Value of Assets, the resulting amortization period would be 30 years instead of the 26 years that is shown.

Funded Ratio: Actuarial Value of Assets as Percents of Accrued Liabilities



Disclosures of Risk

Maturity Measures

- Ratio of actives to retired, etc.

Scenario Testing

- Specify potential future events that differ from assumptions and estimate the effect on future results.

Stress Testing

- Specify adverse changes in one or a few factors affecting the plan's financial condition and assess the impact.

Stochastic Modeling

- Simulations showing envelope of outcomes that could occur.

Other

- Sensitivity testing, liability measures under minimal risk investment policy, etc.

Maturity Measures



	2023	2022	2021	2020	2019
Number of Active and TDROP Participants	71,387	71,378	70,098	70,539	72,164
Number of Terminated Vested Participants	14,355	13,986	13,574	13,338	13,033
Number of Retirees	54,646	52,748	51,405	50,133	48,677
Retiree % of Total Liabilities	56.7%	56.9%	56.7%	57.7%	57.4%
Commentary	Retired participants account for approximately 57% of plan liabilities, a proportion which has been relatively level over the past 5 years. This is indicative of a maturing plan. As a plan matures, it becomes more sensitive to investment volatility.				

Maturity Measures (\$Millions)



	2023	2022	2021	2020	2019
Actuarial Accrued Liability	25,592	24,697	23,987	22,352	21,709
Payroll	3,492	3,320	3,205	3,078	3,027
Ratio of Actuarial Accrued Liability to Payroll	732.9%	743.8%	748.4%	756.7%	746.8%
Duration of the Present Value of Future Benefits	14.16	14.03	14.02	13.83	13.82

Commentary

As the ratio of actuarial accrued liability to payroll increases, the amortization period becomes increasingly sensitive to the effects of demographic gains and losses, and assumption changes. For example, a 1% demographic gain or loss would correspond to 7.329% of payroll and would affect the amortization period by 3 years based on the 2023 results.

The duration of the present value of future benefits may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, the current duration of 14.2 indicates that the present value of future benefits would increase approximately 14.2% if the assumed rate of return were lowered 1%. Such a change could affect the amortization period by 20 years or more.

Maturity Measures (\$Millions)



	2023	2022	2021	2020	2019
Market Value of Assets	20,675	19,679	21,469	16,902	17,742
Payroll	3,492	3,320	3,205	3,078	3,027
Ratio of Market Value of Assets to Payroll	592.1%	592.7%	669.9%	572.2%	610.3%

Commentary

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. The market value of assets is currently 5.9 times the payroll indicating that a return on assets 2% different from assumed would equal approximately 11.8% of payroll. Such a change could affect the amortization period by approximately 5 years based on 2023 results. While asset smoothing would reduce the effect, asset gains and losses much larger than 2% are common. An increasing level of this maturity measure generally indicates an increasing volatility in the amortization period.



Additional Maturity Measures (\$Millions)

Valuation Date June 30	(1) Accrued Liabilities (AAL)	(2) Market Value of Assets	(3) Unfunded AAL (1)-(2)	(4) Valuation Payroll	(5) % Change in Payroll	(6) Funded Ratio (2)/(1)	(7) Annuitant Liabilities (AnnLiab)	(8) AnnLiab/ AAL (7)/(1)
2012	\$ 16,139	\$ 11,484	\$ 4,655	\$ 2,803		71.2%	\$ 7,649	47.4%
2013#	16,718	12,830	3,888	2,819	0.6%	76.7%	8,181	48.9%
2014	17,310	14,856	2,454	2,851	1.1%	85.8%	8,777	50.7%
2015	18,136	15,036	3,100	2,874	0.8%	82.9%	9,778	53.9%
2016	18,812	14,559	4,253	2,888	0.5%	77.4%	10,430	55.4%
2017#*	20,298	16,285	4,013	2,922	1.2%	80.2%	11,337	55.9%
2018	20,935	17,493	3,442	2,986	2.2%	83.6%	11,851	56.6%
2019	21,709	17,742	3,967	3,027	1.4%	81.7%	12,460	57.4%
2020	22,352	16,902	5,450	3,078	1.7%	75.6%	12,890	57.7%
2021*	23,987	21,469	2,518	3,205	4.1%	89.5%	13,596	56.7%
2022	24,697	19,679	5,018	3,320	3.6%	79.7%	14,044	56.9%
2023	25,592	20,675	4,917	3,492	5.2%	80.8%	14,511	56.7%

Benefit change

* Assumption change

Valuation Payroll includes T-DROP payroll

Additional Maturity Measures (\$Millions)

Valuation Date June 30	(9) Liability/ Payroll (1)/(4)	(10) Assets/ Payroll (2)/(4)	(11) Est. Porfolio Std. Dev.	(12) Std. Dev. % of Pay (10)x(11)	(13) Unfunded/ Payroll (3)/(4)	(14) Net External Cash Flow (NECF)	(15) NECF/ Assets (14)/(2)	(16) Portfolio Rate of Return	(17) 10-year Trailing Average
2012	575.8%	409.7%			166.1%	\$ (285)	-2.5%	-1.1%	6.6%
2013#	593.0%	455.1%			137.9%	(337)	-2.6%	14.9%	8.0%
2014	607.2%	521.1%			86.1%	(395)	-2.7%	19.2%	8.2%
2015	631.0%	523.1%			107.9%	(445)	-3.0%	4.3%	7.7%
2016	651.3%	504.0%			147.3%	(505)	-3.5%	0.2%	6.3%
2017#*	694.7%	557.4%			137.3%	(556)	-3.4%	16.0%	6.0%
2018	701.1%	585.8%	12.7%	77.3%	115.3%	(607)	-3.5%	11.4%	7.6%
2019	717.2%	586.1%	12.5%	76.3%	131.1%	(642)	-3.6%	5.2%	10.4%
2020	726.2%	549.1%	12.5%	71.5%	177.1%	(665)	-3.9%	-1.0%	8.8%
2021*	748.4%	669.8%	13.8%	92.1%	78.6%	(677)	-3.2%	31.7%	9.6%
2022	743.8%	592.7%	13.7%	81.1%	151.1%	(192)	-1.0%	-7.5%	8.9%
2023	732.9%	592.1%	13.9%	82.3%	140.8%	(689)	-3.3%	8.7%	8.3%

Benefit change

* Assumption change

Valuation Payroll includes T-DROP payroll



Footnotes



(*) ATRS had experience studies in these years leading to a change or "true up" in actuarial assumptions. A pattern of periodic studies is a sign of a well-run system and suggests the extent to which the liability measures the actuary provides are likely to be realistic.

(#) ATRS had benefit changes in these years. Benefit increases cause liabilities to rise; benefit decreases cause liabilities to fall. In either case, benefit changes affect the year by year comparability of the measures on this page.

(6) The Funded ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

(9) and (10) The ratios of liabilities and assets to payroll gives an indication of both maturity and volatility. Many systems have values between 500% and 700%. Values significantly above that range may indicate difficulty in supporting the benefit level as a level % of payroll.

Footnotes



(13) The ratio of unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A value above approximately 300% or 400% may indicate difficulty in discharging the unfunded liability within a reasonable time frame.

(14) and (15) The ratio of Net External Cash Flow to assets is an important measure of sustainability. Negative ratios are common and expected for a maturing system. In the longer term, this ratio should be on the order of approximately -4%. A ratio that is significantly more negative than that for an extended period could be a leading indicator of potential exhaustion of assets.

(16) and (17) Investment return is probably the largest single risk that most systems face. The year by year return and the 10 year geometric average give an indicator of past performance of the portfolio. The past is not a predictor of the future.

GOING FORWARD - SCENARIO TESTING





About Projections

The projections that follow are based upon many assumptions about the future.

Actual future valuation results will take all known future information into account and will differ from the projections -- perhaps materially.

Projected results are very sensitive to the rates of payroll growth and liability growth that are assumed. In the long run, according to theory, both of those figures should approach 2.75%.



The Future

Let's have a look at projected valuation results and the amortization period for the next few years based on alternate future rates of investment return for 2024.

All scenarios assume a 7.25% return for years after 2024.

All scenarios assume a 15% of pay contribution rate.

Of course, actual experience will determine what really happens.

Projected Amortization Years

Valuation Year	2024	2025	2026
Projection A			
Investment Return	7.25%	7.25%	7.25%
Amortization Years	24	27	25
Projection B			
Investment Return	9%	7.25%	7.25%
Amortization Years	23	25	23
Projection C			
Investment Return	0%	7.25%	7.25%
Amortization Years	27	37	42



Going Forward

Projection A: The projection suggests a decrease in the amortization period in FY 2024 followed by an increase in FY 2025 (if assumptions are met). The amortization period decreases again in FY 2026 as the last of the Fiscal Year 2023 investment gain is recognized.

Projection B: If this trend actually materializes, the amortization period may begin to decrease in FY 2026.

Projection C: If the 2024 market return is very unfavorable, any remaining gains from 2021 and 2023 could be fully offset causing the amortization period to increase above 30 years.



Going Forward

Projections shown indicate that the amortization period will likely be 24 years in the next valuation if experience is as assumed.

With a 24 or more year period, the UAAL grows in \$ amount each year, although it declines as a % of payroll. This situation is referred to as “negative amortization” and is out of favor, particularly in situations where the active contributing population is declining.



Going Forward

“Negative Amortization” in the context of a mortgage is said to occur during any period during which the loan payment is less than the interest due so that the outstanding balance of the loan actually increases, rather than decreases, as one would normally expect.

ATRS has targeted an 18-year funding period in its Board Financial Objectives.

An amortization period of 18 years or less would eliminate negative amortization.

GOING FORWARD - Risk Management

May involve:

- Reviewing asset allocation with a goal of reducing the standard deviation of the portfolio return
- Reducing asset-liability mismatch
- Either of which might lead to a reduction in the assumed rate of investment return
- Other



Low-Default-Risk Obligation Measure (LDROM)



Actuarial Standards of Practice “ASOP’s”

- Actuaries are required to follow ASOP’s in performing their work
- ASOP’s are revised from time to time to reflect emerging actuarial practice
- ASOP 4 is entitled “Measuring Pension Obligations and Determining Pension Plan Costs or Contributions”
- Recent revisions to ASOP 4 require some new material in our June 30, 2023 valuation report

Funding Objectives

- **Level Funding** – Contributions to the plan should be approximately level as a % of payroll from generation to generation. This objective heavily influences the development of the funding policy and the actuarial assumptions.
- **Benefit Security** – Everyone wants it, but how do we know if we can afford to provide it?

Low-Default-Risk Obligation Measure (LDRROM)

- A new measure that actuaries must disclose in funding valuations
- The LDRROM provides the approximate cost of securing benefits by investing in a low default risk fixed income portfolio whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future
- It does this by basing the liability calculation on a discount rate or discount rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future

Why LDROM ?

- The LDROM is a measure of benefits earned or costs accrued as of the measurement date, depending on exactly how it is calculated
- It is based on the current structure of interest rates, not on a single discount rate that is assumed to be applicable to all future times
- When calculated based on benefits earned, it gives a direct measure of the cost of providing benefit security

Measures of Benefit Security

- **Traditional Unfunded Liability?** It is tempting to think that benefits are secure if the unfunded liability is \$0. But an actuarial loss next year could put those benefits at risk.
 - Several systems that had high funded ratios or were fully funded in the late 1990's and in the early to mid 2000's experienced benefit reductions for past service in later years when experience was worse than assumed.
- **LDRM?** If the assets equal to the LDRM were invested in a portfolio of low default risk high quality fixed income instruments whose cash flows match the expected timing of benefit payments, those benefits would be secured.



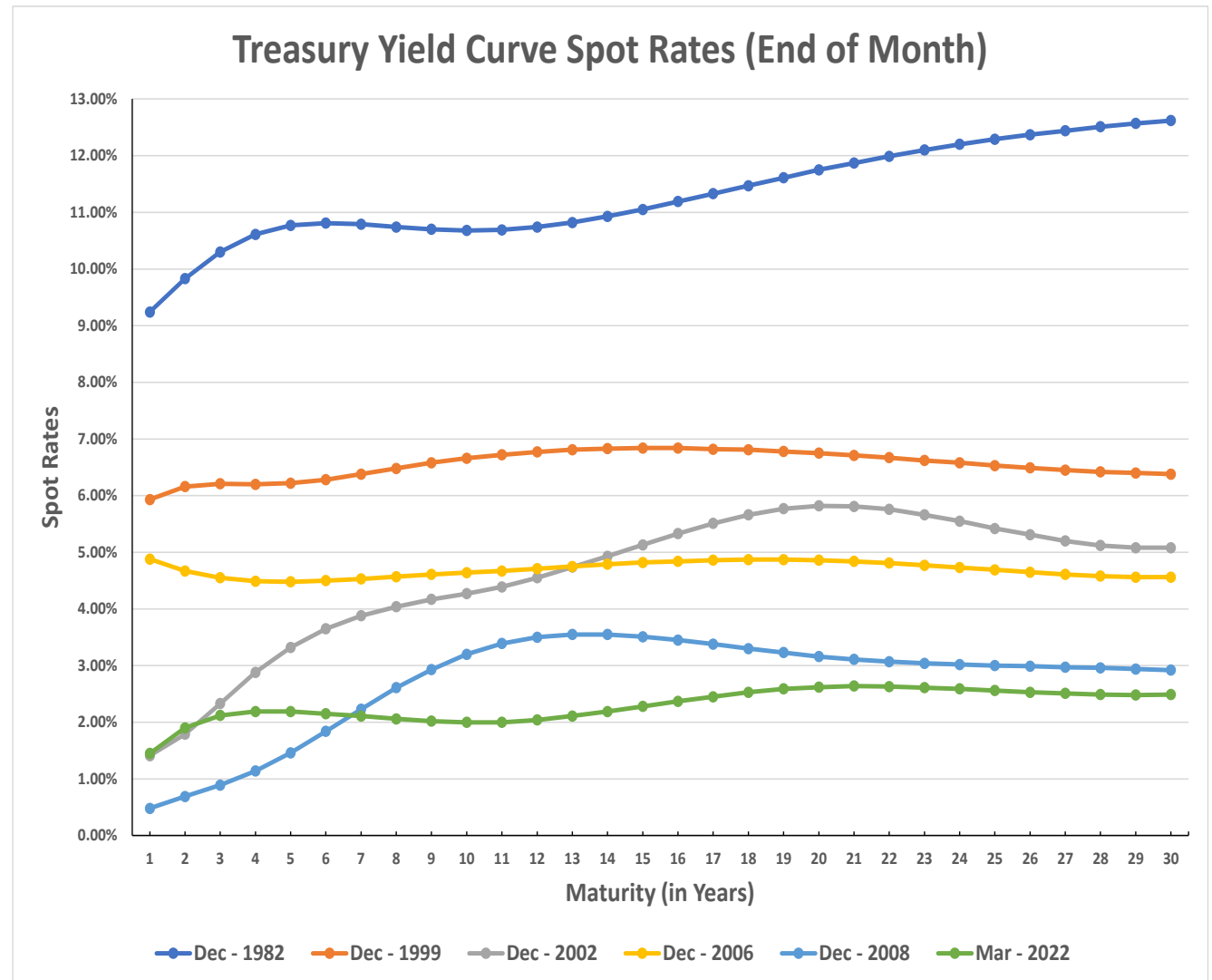
The LDRM provides a direct measure of the level of assets required to provide benefit security

LDRROM vs AAL

- If the assets are exactly equal to the AAL, accrued benefits are only secure if future experience (in particular, investment return) is in line with assumptions
 - The security of accrued benefits depends on future events
- If the assets are exactly equal to the LDRROM, then those assets are approximately sufficient to be invested in a manner that provides full benefit security with very little, if any, future risk to those benefits
 - If the assets were so invested, the security of accrued benefits would not depend on future events

LDRROM – Market Interest Rates

- The LDRROM is very dependent upon market interest rates at the time of the LDRROM measurement
- The lower the market interest rates, the higher the LDRROM, and vice versa
 - Interest rates have been unusually low for an extended period
 - But they have been rising recently due to Federal Reserve action
- The graph shows the Treasury Yield Curve Spot Rates at various dates



LDRM – ATRS

- Table below shows the Actuarial Accrued Liability (AAL) and the LDRM as of June 30, 2023 for ATRS
 - Valuation discount rate is 7.25%; actuarial cost method is entry age normal; payroll is \$3.5B
 - The LDRM results are based on the projected unit credit actuarial cost method and discount rates based upon the June 2023 Treasury Yield Curve Spot Rates (monthly average)
 - The 1-, 5-, 10- and 30-year rates follow: 5.29%, 3.99%, 3.61% and 3.84%

Type of Member	Valuation Accrued Liabilities	LDRM
Retirees	\$14,510,824,580	\$19,425,406,435
Deferreds	697,814,529	1,299,446,005
Actives	10,383,372,829	16,684,907,712
Totals	\$25,592,011,938	\$37,409,760,152

Interpretation

- The LDRROM, as of June 30, 2023, is higher than the valuation AAL
- If assets are applied to secure even a portion of liabilities, for example the retiree liabilities, those liabilities, and the related assets can essentially be removed from the valuation
 - Doing so will affect contribution rates or amortization periods
 - But would also reduce volatility going forward
 - With policymakers deciding if the tradeoff is appropriate

Risk of Misinterpretation

In the early debates about this measure some stakeholders were concerned that the LDRROM would be considered the “right” liability and that it would be used to the detriment of plans

- The Actuarial Standards Board anticipated this risk in the ASOP 4 Transmittal Memo:
 - “The calculation and disclosure of this additional measure [the LDRROM] is not intended to suggest that this is the “right” liability measure for a pension plan.”

What is the “Right” Liability?

There is no single number that tells you everything you need to know about a pension plan – there is no “right” liability

- The actuarial accrued liability provides information about funding progress in accordance with the funding policy
- The LDRM provides information related to the cost of benefit security
- The GASB TPL provides information for accounting
- Etc...

LDRROM – How Can It Help

- Knowledge of the cost of benefit security can help guide the system
 - It draws attention to the concept of benefit security and may influence how investments are placed
 - It places the appropriateness of potential employer contribution rate reductions or benefit enhancements in context

Disclaimers

- This presentation is intended to be used in conjunction with the June 30, 2023 actuarial valuation report
- This presentation should not be relied on for any purpose other than the purpose described in the presentation
- Judith A. Kermans, Heidi G. Barry, Derek Henning and Brian B. Murphy meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein
- This presentation shall not be construed to provide tax advice, legal advice or investment advice
- Readers are cautioned to examine original source materials and to consult with subject matter experts before making decisions related to the subject matter of this presentation
- This presentation expresses the views of the authors and does not necessarily express the views of Gabriel, Roeder, Smith & Company

STATEMENT OF FINANCIAL INTEREST

State/District officials file with:

John Thurston, Secretary of State
500 Woodlane Street
Little Rock, AR 72201
Phone (501) 682-5070
Fax (501) 682-3548

Calendar year covered _____

(Note: Filing covers the previous calendar year)

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- Research Park Authority Board member under A.C.A. § 14-144-201 et seq. _____
(name of research park authority board)

SECTION 2- REASON FOR FILING (continued)

- Appointee to one of the following municipal, county or regional boards or commissions (list name of board or commission):
- Planning board or commission _____
 - Airport board or commission _____
 - Water or Sewer board or commission _____
 - Utility board or commission _____
 - Civil Service commission _____

SECTION 3- SOURCE OF INCOME

List each employer and/or each other source of income from which you, your spouse, or any other person for the use or benefit of you or your spouse receives gross income amounting to more than \$1,000. (You are not required to disclose the individual items of income that constitute a portion of the gross income of the business or profession from which you or you spouse derives income. For example: accountants, attorneys, farmers, contractors, etc. do not have to list their individual clients.) If you receive gross income exceeding \$1,000 from at least one source, the answer N/A is not correct.

- a) Check appropriate box: More than \$1,000 More than \$12,500

(name of employer or source of income)

(address)

(name under which income received)

Provide a brief description of the nature of the services for which the compensation was received _____

- b) Check appropriate box: More than \$1,000 More than \$12,500

(name of employer or source of income)

(address)

(name under which income received)

Provide a brief description of the nature of the services for which the compensation was received _____

- c) Check appropriate box: More than \$1,000 More than \$12,500

(name of employer or source of income)

(address)

(name under which income received)

Provide a brief description of the nature of the services for which the compensation was received _____

SECTION 4- BUSINESS OR HOLDINGS

List the name of every business in which you, your spouse or any other person for the use or benefit of you or your spouse have an investment or holding. Individual stock holdings should be disclosed. Figures should be based on fair market value at the end of the reporting period.

a) Check appropriate box: More than \$1,000 More than \$12,500

(name of corporation, firm or enterprise)

(address)

(name under which investment held)

b) Check appropriate box: More than \$1,000 More than \$12,500

(name of corporation, firm or enterprise)

(address)

(name under which investment held)

c) Check appropriate box: More than \$1,000 More than \$12,500

(name of corporation, firm or enterprise)

(address)

(name under which investment held)

d) Check appropriate box: More than \$1,000 More than \$12,500

(name of corporation, firm or enterprise)

(address)

(name under which investment held)

e) Check appropriate box: More than \$1,000 More than \$12,500

(name of corporation, firm or enterprise)

(address)

(name under which investment held)

f) Check appropriate box: More than \$1,000 More than \$12,500

(name of corporation, firm or enterprise)

(address)

(name under which investment held)

SECTION 10- AWARDS

If you are an employee of a public school district, the Arkansas School for the Blind, the Arkansas School for the Deaf, the Arkansas School for Mathematics, Sciences, and the Arts, a university, a college, a technical college, a technical institute, a comprehensive life-long learning center, or a community college, the law requires you to disclose each monetary or other award over one hundred dollars (\$100) which you have received in recognition of your contributions to education. The information disclosed with respect to each such award should include the source, date, description, and a reasonable estimate of the fair market value.

a) _____
(description of award)

_____ (date) _____ (fair market value)

_____ (source of award)

b) _____
(description of award)

_____ (date) _____ (fair market value)

_____ (source of award)

c) _____
(description of award)

_____ (date) _____ (fair market value)

_____ (source of award)

d) _____
(description of award)

_____ (date) _____ (fair market value)

_____ (source of award)

SECTION 11- NONGOVERNMENTAL SOURCES OF PAYMENT

List each nongovernmental source of payment of your expenses for food, lodging, or travel which bears a relationship to your office when you appear in your official capacity when the expenses incurred exceed \$150.

a) _____
(name of person or organization paying expense)

_____ (business address)

_____ (date of expense) _____ \$ _____ (amount of expense)

_____ (nature of expenditure)

b) _____
(name of person or organization paying expense)

_____ (business address)

_____ (date of expense) _____ \$ _____ (amount of expense)

_____ (nature of expenditure)

SECTION 12- DIRECT REGULATION OF BUSINESS

List any business which employs you and is under direct regulation or subject to direct control by the governmental body which you serve.

a) _____
(name of business)

(governmental body which regulates or controls)

b) _____
(name of business)

(governmental body which regulates or controls)

c) _____
(name of business)

(governmental body which regulates or controls)

d) _____
(name of business)

(governmental body which regulates or controls)

SECTION 13- SALES TO GOVERNMENTAL BODY

List the goods or services sold to the governmental body for which you serve which have a total annual value in excess of \$1,000. List the compensation paid for each category of goods or services sold by you or any business in which you or your spouse is an officer, director, or stockholder owning more than 10% of the stock of the company.

a) _____
(goods or services)

(governmental body to whom sold)

(compensation paid)

b) _____
(goods or services)

(governmental body to whom sold)

(compensation paid)

c) _____
(goods or services)

(governmental body to whom sold)

(compensation paid)

d) _____
(goods or services)

(governmental body to whom sold)

(compensation paid)

SECTION 14- SIGNATURE

I certify under penalty of false swearing that the above information is true and correct.

Signature

STATE OF ARKANSAS

} ss

COUNTY OF _____

Subscribed and sworn before me this _____ day of _____, 20_____ .

(Legible Notary Seal)

Notary Public

My commission expires: _____

Note: If faxed, notary seal must be legible (i.e., either stamped or raised and inked) and the original must follow within ten (10) days pursuant to Ark. Code Ann. § 21-8-703(b)(3).

IMPORTANT

Where to file:

- State or district candidates/public servants file with the Secretary of State.
- Appointees to state boards/commissions file with the Secretary of State.
- County, township, and school district candidates/public servants file with the county clerk.
- Municipal candidates/public servants file with the city clerk or recorder, as the case may be.
- City attorneys file with the city clerk of the municipality in which they serve.
- District judges file with the Secretary of State.
- Members of regional boards or commissions file with the county clerk of the county in which they reside.

General Information:

- * The Statement of Financial Interest should be filed by January 31 of each year.
- * The filing covers the previous calendar year.
- * Candidates for elective office shall file the Statement of Financial Interest for the previous calendar year on the first Monday following the close of the period to file as a candidate for elective office unless already filed by January 31. In addition, if the party filing period ends before January 1 of the year of the general election, candidates for elective office shall file a Statement of Financial Interest for the previous calendar year by no later than January 31 of the year of the general election.
- * Agency heads, department directors, and division directors of state government shall file the Statement of Financial Interest within thirty (30) days of appointment or employment unless already filed by January 31.
- * Appointees to state boards or commissions shall file the Statement of Financial Interest within thirty (30) days after appointment unless already filed by January 31.
- * If a person is included in any category listed above for any part of a calendar year, that person shall file a Statement of Financial Interest covering that period of time regardless of whether they have left their office or position as of the date the statement is due.

INSTRUCTIONS FOR STATEMENT OF FINANCIAL INTEREST

INTRODUCTION/WHO MUST FILE

Ark. Code Ann. § 21-8-701(a) requires that the following persons file a written Statement of Financial Interest on an annual basis:

- A public official, as defined by Ark. Code Ann. § 21-8-402(17);
- A candidate for elective office;
- A district judge; or city attorney, whether elected or appointed;
- Any agency head, department director, or division director of state government;
- Any chief of staff or chief deputy of a constitutional officer, the Senate, or the House of Representatives;
- Any public appointee to any state board or commission (who possesses regulatory authority or is authorized to receive or disburse state or federal funds);¹
- All persons who are elected members of a school board or who are candidates for a position on a school board;
- All public and charter school superintendents;
- All executive directors of education service cooperatives;
- Any person appointed to a municipal, county or regional (i) planning board or commission, (ii) airport board or commission, (iii) water or sewer board or commission, (iv) utility board or commission, or (v) civil service commission;
- Any member of an advertising and promotion commission; and
- Any member of a research park authority board under Ark. Code Ann. § 14-144-201 et seq.

The Arkansas Ethics Commission, which enforces this statute, has prepared these instructions, along with the office of the Secretary of State, whose office maintains the records, to assist persons required to file these statements. If you have any questions concerning the reporting requirements or how to fill out your Statement of Financial Interest, call or write either the **Arkansas Ethics Commission**, Post Office Box 1917, Little Rock, Arkansas 72203-1917, tel. (501) 324-9600 or the **Secretary of State, Elections Division**, State Capitol, Room 026, Little Rock, Arkansas 72201, tel. (501) 682-5070.

When preparing the Statement of Financial Interest, please **print or type the information**. You must also sign the Statement in Section 13 and your signature must be attested to before a Notary Public.

¹ Pursuant to Ark. Code Ann. § 21-8-701(a)(5)(B), a public appointee to a state board or commission which is not charged by law with the exercise of regulatory authority and which receives or disburses state or federal funds only in the form of mileage reimbursement for members attending meetings of the board or commission is not required file a written Statement of Financial Interest.

TIME FOR FILING/PERIOD COVERED

Pursuant to Ark. Code Ann. § 21-8-701(c)(1)(A), a Statement of Financial Interest for the previous calendar year "shall be filed by January 31, of each year, except that a candidate for elective office shall file the Statement of Financial Interest for the previous calendar year on the first Monday following the close of the period to file as a candidate for elective office." Pursuant to Ark. Code Ann. § 21-8-705, if the party filing period under Ark. Code Ann. § 7-7-203 ends before January 1 of the year of the general election, a candidate for elective office shall file a Statement of Financial Interest for the previous calendar year no later than January 31 of the year of the general election in addition to the Statement of Financial Interest required under Ark. Code Ann. § 12-8-701.

Moreover, an agency head, department director, or division director of state government and any public appointee to a state board or commission authorized or charged by law with the exercise of regulatory authority or authorized to receive or disburse state or federal funds shall file a Statement of Financial Interest for the previous calendar year within thirty (30) days after appointment or employment. Incumbent officeholders who filed a Statement of Financial Interest for the previous calendar year by January 31 of the year in which an election is held are not required to file an additional Statement of Financial Interest upon becoming a candidate for reelection or election to another office during the year. Ark. Code Ann. § 21-8-701(c)(2). If a person required to file a Statement of Financial Interest leaves his or her office or position during a particular calendar year, he or she shall still be required to file a Statement of Financial Interest covering that part of the year which he or she held the office or position. Ark. Code Ann. § 21-8-701(c)(1)(B).

WHERE TO FILE

Pursuant to Ark. Code Ann. § 21-8-703, the Statement of Financial Interest shall be filed as follows:

- (1) State or district public servants (including appointees to state boards/commissions) and candidates for state or district public office are required to file the statement with the Secretary of State;
- (2) County, township, or school district public servants and candidates for county, township, or school district public office are required to file the statement with the county clerks;
- (3) Municipal public servants and candidates for municipal office are required to file the statement with the city clerk or recorder;
- (4) City attorneys, whether elected or appointed, are required to file the statement with the city clerk of the municipality within which they serve;
- (5) Members of regional boards or commissions are required to file the statement with the county clerk of the county in which they reside; and
- (6) District judges are required to file the statement with the Secretary of State.

SPECIFIC REPORTING INSTRUCTIONS

SECTION 1 (Name and Address)

Answer each of these questions or indicate "Not Applicable". List all names under which you and/or your spouse do business.

SECTION 2 (Reason for Filing)

Check the box applicable to you and provide the office/position held or name of the board, commission or school district in the appropriate space.

SECTION 3 (Sources of Income)

The term "gross income" is intended to be comprehensive. It refers to all income from whatever source derived, including but not limited to compensation for services, fees, commissions, and income derived from business interests. Report each employer and/or each other source of income from which you, your spouse, or any other person for the use or benefit of you or your spouse receives gross income exceeding \$1,000 on an annual basis. Include your governmental income from the office or position which requires your filing of this form. You are required to use the gross amount received as income. Thus, you must compute your total income from any particular source without first deducting expenses.

You are not required to list the individual items of gross income that constitute a portion of the income of the business or profession from which you or your spouse derives income. (For example: Accountants, attorneys, farmers, contractors, etc. do not have to list their individual clients.) If more than one source/employer/entity compensated you during the past year, you are required to list each source of income greater than \$1,000. If you or your spouse received speaking honoraria, you must report, under the request for "source", the sponsor of each event for which a payment was made for your speech or appearance, as well as the date and dollar category ("more than \$1,000.00" or "more than \$12,500.00"). The term "honoraria", as used herein, means a payment of money or any thing of value for an appearance, speech, or article. NOTE: Food, lodging, and travel provided to a public servant in connection with an appearance would not constitute honoraria if the public servant is appearing in his or her official capacity and the appearance bears a relationship to the public servant's office or position. Section 10 of the Statement of Financial Interest addresses the reporting of payment for such food, lodging, and travel.

You must also provide a brief description of the nature of the services for which the income was received, as well as the name under which the income was received. For example:

Source	Description	Amount
State of Arkansas (address) John Doe	Executive Dir.	More than \$12,500.00
University of Arkansas (address) John M. Doe	Teaching	More than \$12,500.00
450 Main Street, Little Rock, Arkansas John M. Doe	Rent Income	More than \$12,500.00
Ark. Med. Society Annual Meeting (address) John Doe	Speaking fee Oct. 2, Little Rock	More than \$1,000.00
Star National Bank Star, Arkansas John or Jane Doe	Interest Income	More than \$1,000.00
City of Mayberry (address) Jane Doe	Spouse income	More than \$12,500.00
Ark. Bar Association Annual Meeting (address) Jane Doe	Speaking Fee Spouse, June 12 Hot Springs	More than \$1,000.00

Section 4 (Business or Holdings)

In this section, list the name of every business in which you, your spouse or any other person for the use or benefit of you or your spouse have an investment or holding. Stocks, bonds, stock options and other securities held by you or your spouse must be reported. Figures for these items, as well as all other holdings or accounts, should be based on fair market value at the end of the reporting period.

For **securities, stocks, or bonds**, you must disclose each security held in your portfolio which exceeds the \$1,000.00 threshold. If securities are held through an investment firm, the firm will normally provide periodic statements from which you may obtain the information required to be disclosed. If you own different types of securities issued by the same authority, such as U. S. Treasury obligations or bonds, it is not necessary to provide an itemized list of each security worth over \$1,000.00. Rather, you may simply report the aggregate value of the securities issued by the same authority and identify the type of securities.

In the case of **mutual funds or similar investments**, you need not disclose specific stocks held in a widely diversified investment trust or mutual fund as long as the holdings of the trust or fund are a matter of public record and you have no ability to exercise control over the specific holdings. If you have such control, you must disclose each holding exceeding the threshold level of \$1,000.00, whether or not you exercise the control. Otherwise, you may simply disclose the name, address, etc. of the authority through which your mutual fund is invested (e.g., IDS), the category of the fund and the category of the appropriate amount (e.g., "more than \$1,000.00").

In the case of **bank accounts**, if the total of accounts (including certificates of deposit) deposited in a particular bank exceeds \$1,000.00, list each institution holding more than \$1,000.00. If no particular bank holds more than \$1,000.00, you need not report any bank accounts. All accounts at one institution, including those for your spouse, may be combined as one entry. Thus, for example, you may report a checking account, savings account, certificate of deposit, and IRA in Smith First National Bank of Arkansas by checking the gross total of the accounts (e.g., "more than \$1,000.00") and stating "Smith First National Bank of Arkansas" with its address. You need not list each account. If you are listed on an account purely for custodial reasons, and you do not assert any ownership rights to the assets in the account (for example, if you are a joint tenant with an elderly relative), you need not list the account.

For any business interest, if you or your spouse has an interest in a proprietorship, partnership, or corporation that is actively engaged in a trade or business, you must disclose the name and address of each interest. It is not necessary to provide an itemized list of the assets of the business. For example, you need only categorize the total value of your interest (e.g., "more than \$12,500.00") and not items such as "office equipment." This includes each asset held in trust for you or your spouse which has a value greater than \$1,000.00. Holdings of a trust for which you or your spouse are merely an administrator and for which you have no beneficial interest need not be reported.

Section 5 (Office or Directorship)

You must report your nongovernmental offices and directorships held by you or your spouse in any business, corporation, firm, or enterprise subject to the jurisdiction of a regulatory agency of this State, or any of its political subdivisions. For each such business, provide the name of the business, its address, the office or directorship held and the name of the person (either you or your spouse) who holds the office or directorship. A "regulatory agency", as

defined by Ark. Code Ann. § 21-8-301(1), means any "state board, commission, department, or officer authorized by law to make rules or to adjudicate contested cases except those in the legislative or judicial branches."

Section 6 (Creditors)

You must report the name and address of each creditor to whom the value of \$5,000.00 or more is personally owed and outstanding at the end of the reporting period. All information regarding a single creditor may be reported in a single entry. If you have more than one liability owed to the same creditor, add up the items of credit to determine if the \$5,000.00 threshold has been met. The identity of the creditor is the name of the person or organization to which the liability is owed (e.g., "Bob Smith, 1000 Elm Street, Little Rock, Arkansas").

You do not need to include debts owed to members of your family. You may also exclude loans made in the ordinary course of business by either a financial institution or a person who regularly and customarily extends credit. This exclusion applies to such items as a mortgage secured by real property which is your personal residence, credit extended to purchase personal items such as furniture or appliances, credit card debts, and car loans, provided the credit does not exceed the value of the item purchased.

Debts not incurred in the ordinary course of business include, but are not limited to, such items as legal judgments, judgment liens, money borrowed from individuals, other than family members, who are not normally in the business of lending money, and tax liens owed to any governmental agency.

Section 7 (Past-Due Amounts Owed to Government)

You must report the name and address of each governmental body to which you are legally obligated to pay a past-due amount and a description of the nature and amount of the obligation. Such debts include, but are not limited to tax liens owed to any governmental agency or other legally obligated debts in which you may be in default to a governmental body.

Section 8 (Guarantor, Co-Maker)

The law requires you to provide the name and address of each guarantor or co-maker, other than a member of your family, who has guaranteed a debt which is still outstanding. The \$5,000.00 threshold of Section 6 does not apply here. To the extent that you have a guarantor or co-maker of any of your outstanding debts, the guarantor or co-maker must be disclosed. There is no exception for debts incurred in the ordinary course of business. This requirement also includes debts arising, extended or refinanced after January 1, 1989.

This requirement extends to situations where you have co-signed a loan to assist another person in obtaining credit, unless the person is a member of your family.

Section 9 (Gifts)

The law requires you to identify the source, date, description, and a reasonable estimate of the fair market value of each gift of more than one hundred dollars (\$100.00) received by you or your spouse during the reporting period or more than two hundred and fifty dollars (\$250.00) received by your dependent children during the reporting period. A gift is any "payment, entertainment, advance, services, or anything of value" unless consideration of equal or greater value has been given therefor. The value of an item shall be considered to be less than one hundred dollars (\$100) if the public servant reimburses the person from whom the item was received any amount over one hundred dollars (\$100) and the reimbursement occurs within ten (10) days from the date the item was received. All types of gifts must be reported. Items such as food, lodging, and travel are considered gifts unless they are received when you are appearing in your official capacity and the appearance bears a relationship to your office or position. [Note: The reporting of food, lodging, and travel received by a public servant who is appearing in his or her official capacity at an event which bears a relationship to his or her office or position is addressed in Section 10 below.]

A gift can be a tangible item, such as a watch, or an intangible item, such as a hunting or fishing trip. A gift does not include (1) informational material; (2) receiving food, lodging, or travel which bears a relationship to the public servant's office and when appearing in an official capacity; (3) gifts which are not used and returned to the donor within 30 days; (4) gifts from a family member listed in Ark. Code Ann. § 21-8-402(5)(B)(iv), unless the family member is acting as an agent for a person not covered by the exception; (5) campaign contributions; (6) devises or inheritances; (7) anything with a value of \$100 or less; (8) wedding presents and engagement gifts; (9) a monetary or other award presented to an employee of a public school district, the Arkansas School for the Blind, the Arkansas School for the Deaf, the Arkansas School for Mathematics, Sciences, and the Arts, a university, a college, a technical college, a technical institute, a comprehensive life-long learning center, or a community college in recognition of the employee's contribution to education; (10) tickets to charitable fundraising events held within this state by a non-profit organization which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; (11) a personalized award, plaque, or trophy with a value of one hundred fifty dollars (\$150) or less; (12) an item which appointed or elected members of a specific governmental body purchase with their own personal funds and present to a fellow member of that governmental body in recognition of public service; (13) food or beverages provided at a conference scheduled event that is part of the program of the conference; (14) food or beverages provided in return for participation in a bona fide panel, seminar, speaking engagement at which the audience is a civic, social, or cultural organization or group; (15) a monetary or other award publicly presented to an employee of state government in recognition of his or her contributions to the community and State of Arkansas when the presentation is made by the employee's supervisor or peers, individually or through a non-profit organization which is exempt from taxation under Section 501(c) of the Internal Revenue Code, and the employee's receipt of the award would not result in or create the appearance of the employee using his or her position for private gain, giving preferential treatment to any person, or losing independence or impartiality (This exception shall not apply to an award presented to an employee of state government by a person having economic interests which may be affected by the performance or nonperformance of the employee's duties or responsibilities.); and (16)

anything of value provided by a political party under Ark. Code Ann. § 7-1-101 or § 7-7-205 when serving as the host of the following events to all attendees as part of attendance at the event: (A) the official swearing-in, inaugural, and recognition events of constitutional officers and members of the general assembly; and (B) an official event of a recognized political party so long as all members of either house of the General Assembly affiliated with the recognized political party are invited to the official event.

In reporting a gift, you must report the source, the date it was received, a reasonable estimate of its fair market value, and a brief description. In that regard, the Ethics Commission has issued opinions concerning the "fair market value" of such items as transportation on a private aircraft. A group of items received from the same source at the same time would be considered one gift and the separate values should be added together. As an example, if you receive a tie and tie clip (valued \$50.00) along with a pair of golf shoes (valued at \$75) from one donor, this should be reported and described in Section 9, as the receipt of a gift, "tie, tie clip and shoes." The value would be \$125.00. Similarly, food and beverages provided you in connection with lodging should be aggregated to ascertain if the threshold reporting level has been reached. If you are unsure if the value should be aggregated for purposes of reporting, you may wish to contact the Arkansas Ethics Commission for an opinion.

In accordance with Ark. Code Ann. § 21-8-804, certain designated officials are authorized to accept gifts, grants, and donations of money or property on behalf of the State of Arkansas, the Arkansas Senate, the Arkansas House of Representatives, and the Arkansas Supreme Court. In addition, the designated officials are authorized to accept donations of money for the purpose of hosting official swearing-in and inaugural events of the constitutional officers, Senate, House of Representatives, and Supreme Court justices, the official recognition event for the President Pro Tempore, and the official recognition event for the Speaker of the House. The public official accepting the gift, grant, or donation of money or property on behalf of an appropriate entity is not required to disclose same on his or her Statement of Financial Interest. Instead, public servants are required to report such gifts, grants, or donations of money or property to the Ethics Commission on a quarterly basis on a separate disclosure form prepared for such purposes.

Section 10 (Awards)

If you are an employee of a public school district, the Arkansas School for the Blind, the Arkansas School for the Deaf, the Arkansas School for Mathematics, Sciences, and the Arts, a university, a college, a technical college, a technical institute, a comprehensive life-long learning center, or a community college, the law requires you to disclose each monetary or other award over one hundred dollars (\$100) which you have received in recognition of your contributions to education. The information disclosed with respect to each such award should include the source, date, description, and a reasonable estimate of the fair market value.

Section 11 (Nongovernmental Sources of Payment)

Payments for food, lodging, or travel are not considered a gift in situations where a public servant is appearing in his or her official capacity and the appearance bears a relationship to the

public servant's office or position. However, Section 11 requires that each nongovernmental source of payment of expenses for such food, lodging, or travel be listed when the expenses paid by that source exceed \$150.00. [Note: The reporting of money or things of value received when you are not appearing in an official capacity or the appearance does not bear a relationship to your office or position is addressed in Section 3 ("Sources of Income") or Section 9 ("Gifts).] In this regard, you must list the name and business address of the person or organization which has paid your expenses, the date, nature, and amount of the expenses unless such person or organization was compensated by the governmental body for which the public servant serves. Thus, you must disclose in this section, lodging or travel received in connection with such activities as speaking engagements, conferences, or fact finding events related to your official duties.

Section 11 requires the disclosure of each nongovernmental source of payment when the expenses paid in connection with a particular appearance exceed \$150.00. Thus, if one source provides lodging and food and the total amount paid exceeds \$150.00, that source must be reported in this section.

The **organization** is the source of payment. It should be the name of the sponsor actually paying or providing the expenses. The **date of expenses** should be the inclusive dates of all travel provided. If the travel all occurred on one day, report that day. Otherwise, list the starting and ending dates of each trip provided (i.e., "May 1 - 5, 1997").

It is permissible to extend the duration of a trip at your own expense, accepting return travel from the sponsor. However, to avoid suggesting that travel was accepted for a longer period of time than was actually the case, you should indicate any time not spent at the sponsor's expense on either the line requesting the "date" or "nature" of expenses. For example, using the dates listed above, you could report "May 1 - 5, 1997. May 3 - 4 on personal business, expenses paid by me."

Section 12 (Direct Regulation of Business)

The law requires you to list any business by whom you are employed if the business is under direct regulation or subject to direct control by the governmental body which you serve. You must report the employment by listing the name of this business/employer and provide the governmental body which regulates or controls aspects of the business. Such a business relationship typically exists if your private employer is subject to any rules or regulations of a governmental body or if a governmental body adjudicates contested cases of fact involving your private employer. For example, if you work as a licensed dentist, the appropriate regulatory governing body may be the State Board of Dental Examiners.

Whether your business is under direct regulation or subject to direct control by a governing body is often a question of fact. If you are unsure, you should contact the Arkansas Ethics Commission or, if you know, the agency you suspect may regulate part or all of your activities.

Section 13 (Sales to Governmental Body)

The law requires you to report certain business relationships with the government if a significant sale of goods or services occurs. Specifically, you must set out in detail the goods or services sold having a total annual value in excess of \$1,000.00 sold to the governmental body for which you serve or are employed and the compensation paid for each category of goods or services by you or any business in which you or your spouse is an officer, director, stockholder owning more than ten percent (10%) of the stock, owner, trustee, or partner.

Section 14 (Signature)

Under the law, each person, required to file a Statement of Financial Interest must prepare the statement under penalty of false swearing and sign such form attesting to the truth and accuracy of the information set forth on the form. Ark. Code Ann. § 21-8-702. If a person who is required to file a Statement of Financial Interest is called to active duty in the armed forces of the United States, the statement may be completed by the spouse of the person. If the Statement of Financial Interest is completed by the spouse, under this exception, the spouse's signature shall be sufficient for the requirement of Ark. Code Ann. § 21-8-702.

REVISED 12/2017

PROPOSED
2024 Board of Trustees
Meeting Schedule

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

Meeting Date*	Audit Committee	Investment Committee	Operations Committee	Board of Trustees
February 5, 2024	8:30 a.m.*	9:00 a.m.*	10:30 a.m.*	11:00 a.m.*
April 15, 2024	8:30 a.m.*	9:00 a.m.*	10:30 a.m.*	11:00 a.m.*
June 3, 2024	8:30 a.m.*	9:00 a.m.*	10:30 a.m.*	11:00 a.m.*
July 15, 2024 Educational Training	9:00 a.m.			
September 30, 2024	8:00 a.m.*	8:30 a.m.*	10:00 a.m.*	11:00 a.m.*
December 2, 2024	8:30 a.m.*	9:00 a.m.*	10:30 a.m.*	11:00 a.m.*

NCTR Annual Trustee Workshop: *July 21-24, 2024, Berkeley, California*

NCTR 102nd Annual Conference: *October 5-9, 2024, Atlanta, Georgia*

***Dates and times are subject to change. Meeting times may be adjusted earlier or later than scheduled, depending upon time needed for the previous meeting.**

All meetings will be held on the Third Floor, Room 300, of the Arkansas Teacher Retirement System Building unless noted otherwise.

**Proposed Timeline
2024 Board of Trustees Elections:**

Prepare Invitation for Bid (IFB):	October 2023
Send Prepared IFB to Office of Procurement (OSP):	Early November 2023
OSP posted bid	November 14, 2023
Bid Opening	November 27, 2023
BOT approves lowest Election Vendor:	December 4, 2023
Vendor executes Contract	Within 14 days after BOT approves vender selection
Submit Public Notice to Arkansas Democrat Gazette for publication:	December 4, 2023
Public Notice published in Dem/Gaz. for five (5) consecutive days:	December 6-10, 2023
Post Public Notice on ATRS website:	December 6, 2023
Email courtesy copy of Public Notice to:	December 6, 2023
AEA	
ARTA	
AAEA	
ASEA	
Deadline for Nomination Petitions to be submitted to ATRS:	January 10, 2024
ALC Review – Election Vendor	January 16, 2024
ALC Meeting – Election Vendor	January 19, 2024
Effective date of Election Vendor Contract	January 22, 2024
Submit all published ballots to Vendor	March 1, 2024
Ballots mailed:	March 15, 2024
Deadline for Ballots to be returned:	April 15, 2024
Results Certified/ Winners declared and put on ATRS website:	April 20, 2024
Winner assumes office:	July 1, 2024
<i>If needed:</i>	
Run-off ballots mailed:	May 1, 2024
Deadline for Run-off Ballots to be returned:	June 1, 2024
Results Certified/ Winner declared and put on ATRS website:	June 6, 2024
Winner assumes office:	July 1, 2024

ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201

RESOLUTION
No. 2023-51

2024 Election Vendor

WHEREAS, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) will conduct an election in March 2024 to fill Position #4, Position #7 and Position #11; and

WHEREAS, the staff of the ATRS issued an “invitation for bid” (IFB) to election companies to conduct the election in accordance with state laws and regulations; and

WHEREAS, the IFB was a term contract for an initial term of one (1) year, with option to renew up to a maximum of seven (7) years; and

WHEREAS, only one (1) election company submitted a bid for consideration, SourceOne of Little Rock, Arkansas; and

WHEREAS, SourceOne has previously conducted elections for the Arkansas Teacher Retirement System Board of Trustees with competent and satisfactory performance.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Arkansas Teacher Retirement System approves the selection of SourceOne of Little Rock, Arkansas, to conduct the election, and

BE IT FURTHER RESOLVED, that the Board of Trustees of the Arkansas Teacher Retirement System authorizes the Executive Director to enter into a Term Contract with SourceOne to conduct the election.

Adopted this _____ day of December, 2023.

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System

Waiver of Employer Report Penalties 2023
December 4, 2023 Board Meeting
A.C.A. Sec. 24-7-411

Employer Penalties Waived	
Alpena School District Alpena, AR	\$150.00
Arkansas State University - Mid South West Memphis, AR	\$300.00
Blytheville Public Schools Blytheville, AR	\$600.00
Blytheville Public Schools Blytheville, AR	\$600.00
Cleveland County School District Rison, AR	\$800.00
Emerson-Taylor-Bradley School District Taylor, AR	\$150.00
Hazen School District Hazen, AR	\$900.00
Jonesboro Vocational Center Jonesboro, AR	\$150.00
Lamar School District Lamar, AR	\$450.00
Marked Tree School District Marked Tree, AR	\$900.00
Nevada School District Rosston, AR	\$900.00
Osceola School District Osceola, AR	\$600.00
Pulaski County Special School District Little Rock, AR	\$450.00
Rose Bud School District	\$150.00

Rose Bud, AR	
Valley Springs Public School /School District Valley Springs, AR	\$300.00
West Memphis School District West Memphis, AR	\$300.00
TOTAL PENALTIES WAIVED	\$7,700.00
Employer Interest Waived	
Alpena School District Alpena, AR	\$0.07
Arkansas Tech University Russellville, AR	\$24.83
Bentonville School District Bentonville, AR	\$441.95
Blytheville School District Blytheville, AR	\$318.89
Bryant School District Bryant, AR	\$150.68
Hazen School District Hazen, AR	\$14.88
Marvell-Elaine School District Marvell, AR	\$172.87
Neveda Schooll District Rosston, AR	\$13.84
Osceola School District Osceola, AR	\$0.59
Pulaski County Special School Distirct Little Rock, AR	\$0.45
White Hall School District White Hall, AR	\$905.17
TOTAL INTEREST WAIVED	\$2,044.22
TOTAL PENALTIES AND INTEREST WAIVED	\$9,744.22

ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201

RESOLUTION
No. 2023-50

Waiver of Employer Late Fees and Interest Penalties

WHEREAS, Arkansas Code § 24-7-411 directs the Arkansas Teacher Retirement System (ATRS) to levy late fees and interest penalties for an employer's failure to timely remit moneys or reports as required. The Code allows the "Board or its designee" to waive fees and penalties if the delinquency was not the result of the employer's nondisclosure, fraud, or misrepresentation; and if under the circumstances, requiring payment by the employer would be unduly penal, burdensome, or result in a manifest injustice; and

WHEREAS, due to technical malfunctions the ATRS Employer Portal was unavailable during a portion of the October Monthly Reporting Period, resulting in untimely report submissions for some employers through no fault of their own; and

WHEREAS, ATRS Rule 7(IV)(d)(4)(B) allows the ATRS Executive Director to waive interest penalties of up to \$1,000 for an employer but does not explicitly address waiver of late fees for untimely reports; and

WHEREAS, historically the ATRS Executive Director has considered and granted employer requests for waiver of late fees for untimely reports, but documentation of this authority is ambiguous and should be clarified;

THEREFORE, BE IT RESOLVED, that the ATRS Board authorizes and directs the ATRS Executive Director to preemptively waive the levying of late fees and interest penalties on any employer that was unable to remit moneys or reports during the October Monthly Reporting Period due to ATRS technical malfunctions; and

FURTHER, BE IT RESOLVED, that the waivers of late fees and interest penalties reported in Agenda Attachment No. 9 are adopted and approved by the ATRS Board of Trustees; and

FURTHER, BE IT RESOLVED, the ATRS Board of Trustees by this Resolution affirms and declares that the ATRS Executive Director is the Board's designee under Arkansas Code § 24-7-411 to consider and approve requests to waive late fees or interest penalties of up to \$1,000 levied on an employer.

Adopted this 4th day of December 2023

Mr. Danny Knight, *Chair*
Arkansas Teacher Retirement System

**MANIFEST INJUSTICE COMMITTEE
REPORT TO ATRS BOARD OF TRUSTEES
DECEMBER 4, 2023**

MIC Claim #	Claim Type	Facts and Circumstances	Findings and Recommendations of Committee	Executive Director Remedy	Board Action
2023-003	QDRO-Revert Back	Member’s account was subject to an ATRS-approved qualified domestic relations order (“QDRO”). The QDRO was implemented after the member retired and the alternate payee began receiving his portion of the member’s retirement benefit. The alternate payee passed away after he started receiving his portion of benefits. The member asked for the alternate payee’s portion of her retirement benefits to revert back to her.	No manifest injustice exists. ATRS Rule 11 does not permit an alternate payee’s portion of benefits to revert back to a member if the alternate payee dies after receiving benefit payments. The qualified domestic relations order applicable to the member included the ATRS Rule 11 provision. No further action should be taken.	Concur with Committee’s findings and recommendation.	Not Required
2023-004	Contract Buyout Settlement Agreement – Unearned Future Service Credit	Member entered into contract buyout settlement agreement with his school district. As part of the settlement agreement, the school district purchased two (2) years of service credit covering the 2023-2024 and 2024-2025 school years for the member. The member asked to be able to use the two (2) years of purchased service credit to retire with a July 1, 2023, effective date, which is before the member’s employment contract with the school district would naturally have terminated.	No manifest injustice exists. Board Resolution 2023-16 provides that a member cannot use unearned future service credit purchased through a contract buyout settlement agreement to retire under voluntary retirement or early voluntary retirement before the member’s employment contract with the school district would naturally have terminated. No further action should be taken.	Concur with Committee’s findings and recommendation.	Not Required

2023-005	Annuity Payment	To ensure that benefit payments are deposited into a member's correct bank account each month, any changes to the member's designated bank account must be made before the benefit payment for the month is processed. In this manifest injustice referral, the member attempted to change her designated bank with ATRS before her June 2023 benefit payment was deposited because her designated bank of record with ATRS was overdrawn. The member's bank account was overdrawn due to fraudulent activity on her bank account. The member e-mailed an updated Direct Deposit Authorization form to ATRS, however, due to technological restrictions, the member's form could not be accessed by ATRS staff before the deadline to change the designated bank of record. This resulted in the June 2023 benefit payment being deposited into the member's overdrawn bank account.	<p>Manifest injustice exists. Recommended the following action:</p> <ul style="list-style-type: none"> • Authorize an additional one-time payment in the amount of \$702.92 to the member after the member submits: (1) an appropriately completed Direct Deposit Authorization form that complies with Exec. Dir. Memo No. 2023-004 and (2) a bank statement showing that the member's bank account was overdrawn at the time that her June 2023 annuity payment was deposited; • Direct ATRS staff to request and obtain documentation from the member showing that she is pursuing legal remedies for any alleged fraud committed on her bank account. Issuance of the additional one-time payment should not be contingent on the member providing this documentation; and • Do not require the member to reimburse ATRS for the additional one-time payment. 	Concur with Committee's finding and recommendation.	Not Required
2023-006	T-DROP Application	On May 19, 2023, the member completed an application to participate in T-DROP. After completing the application, the member submitted the application to her covered employer's bookkeeper to complete the employer verification section of the application. The bookkeeper returned the completed application to the member on May 26, 2023. The application was not submitted to ATRS by the May 31 st deadline due to miscommunication between the member and the covered employer concerning the process for submitting the application to ATRS.	No manifest injustice exists. Ark. Code Ann. S 24-7-1302(b)(1) requires a T-DROP application to be submitted by May 31 st of the fiscal year in order for a member to participate in T-DROP effective July 1 of the same fiscal year. Member section of T-DROP application states, <i>"To enroll in the Arkansas Teacher Retirement System (ATRS) Optional T-DROP program, you must meet eligibility requirements and submit this application from between March 1st and May 31st to begin participation on July 1 of the same year."</i> No further action should be taken.	Concur with Committee's finding and recommendation.	Not Required

2023-007	T-DROP Distribution Election	<p>The member's projected T-DROP account balance as of July 1, 2023, was \$37,975.56. On March 24, 2023, ATRS received a T-DROP Account Distribution Request form from the member that was incorrectly completed as the member had elected to have 54% of her T-DROP account balance held in a CBA, but did not provide direction for the remaining balance. ATRS staff contacted the member and provided counsel on the distribution options. Despite being counseled, the member remained confused about her election options and incorrectly completed her subsequent distribution request form as well. The member intended to elect to open a CBA account that she could withdraw from as needed, but instead selected options that would cause her to receive 55% of her T-DROP account balance as a lump-sum with the remaining balance distributed to her as a monthly T-DROP annuity payment in the amount of \$53.18. The member immediately contacted ATRS when she realized the error.</p>	<p>Manifest injustice exists. Recommended the following action:</p> <ul style="list-style-type: none"> • Re-counsel the Member concerning her T-DROP account balance distribution options; • Advise the Member that she will need to refund ATRS \$159.54, which is the amount the Member has received in T-DROP monthly annuity benefits. The Member's payment must be received no later than Monday, October 23, 2023; • Appropriately assist the Member in resubmitting another T-DROP Account Distribution Request form that accurately reflects the Member's distribution preferences; and • Advise the Member that her new T-DROP Account Distribution Request form must be completed, signed, and returned to ATRS no later than Monday, October 23, 2023. 	Concur with Committee's finding and recommendation.	Not Required
2023-008	T-DROP Application	<p>Member completed and signed an application for participation in T-DROP on April 14, 2023. After completing the application, she submitted the application to the payroll supervisor for her covered employer. On June 8, 2023, the payroll supervisor completed the employer verification section of the application and submitted the application to ATRS. The application was received by ATRS on June 10, 2023, which was after the May 31st T-DROP application deadline.</p>	<p>No manifest injustice exists. Ark. Code Ann. S 24-7-1302(b)(1) requires a T-DROP application to be submitted by May 31st of the fiscal year in order for a member to participate in T-DROP effective July 1 of the same fiscal year. Member section of T-DROP application states, <i>"To enroll in the Arkansas Teacher Retirement System (ATRS) Optional T-DROP program, you must meet eligibility requirements and submit this application from between March 1st and May 31st to begin participation on July 1 of the same year."</i> No further action should be taken.</p>	Concur with Committee's finding and recommendation.	Not Required

2023-009	Annuity Option – Pop-up Effective Start Date	<p>Member’s spouse passed away on December 2, 2020. On July 18, 2023, the member called ATRS to report the death of his spouse. On July 25, 2023, ATRS received the Member’s Change of Annuity Option – Death or Divorce After Retirement form. After the form was processed, a letter dated August 2, 2023, was sent to the member advising him that his Option A annuity would be changed to a straight life annuity effective August 1, 2023. The member would like the effective date of his annuity change to date back to the month immediately following the death of his spouse.</p>	<p>No manifest injustice exists. The member’s retirement application read, “<i>Option A – Monthly benefit reduced from the regular plan. In the event of your death, your spouse will receive monthly benefits equal to yours, for his or her life. Should your spouse die before you, upon notification to ATRS, your monthly benefit will revert to the amount you would have received under the regular plan.</i>” As such, the member was timely advised that he could change his annuity option upon the death of his spouse. This information has also been available on the ATRS website for several years.</p> <p>Additionally, the member did not notify ATRS of the death of his spouse before July 18, 2023, and an annuity option change could only occur upon the member’s election. Ark. Code Ann. § 24-7-706(b)(1) provides:</p> <p><i>(A) If a member’s marital status changes after retirement due to the death of the member’s spouse, or a divorce or marriage dissolution from the member’s spouse who is also the member’s designated beneficiary, then the member may elect to cancel any optional plan designating the former spouse as a beneficiary.</i></p> <p><i>(B) A member’s election under subdivision (b)(1)(A) of this section shall cause the member to return to his or her lifetime benefit equivalent, to be effective the month following the system’s receipt of the approved form.</i></p> <p>No further action should be taken.</p>	Concur with Committee’s finding and recommendation.	Not Required
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ATRS Private Equity Investment Guidelines - 2Q23

2023 Commitments

Investment	Strategy	Region	ATRS Board Approval	ATRS Commitment
FP Venture Opportunity	Late Stage Venture	U.S./Non-U.S.	Dec-22	\$30,000,000
FP International XI	Small/Mid Market Corporate Finance	Non-U.S.	Dec-22	30,000,000
FP CF Access II	Small/Mid Market Corporate Finance	U.S.	Dec-22	30,000,000
LLR VII	Mid Market Buyouts (tech/healthcare)	U.S.	Feb-23	30,000,000
GCG VI	Sponsored Mezzanine	U.S.	Feb-23	30,000,000
Post Road III	Structured Debt	U.S.	Sep-23	30,000,000
FP Co-Invest VI	Small/Mid Market Corporate Finance	U.S.	Feb-23	65,000,000
KPS Mid-Cap Fund II	Small/Mid Market Corporate Finance	U.S.	Jun-23	30,000,000
2023 commitments previously approved by ATRS' board				\$275,000,000
Beekman V	Small/Mid Market Corporate Finance	U.S.	Dec-23	35,000,000
Clearlake VIII	Large Corporate Finance	U.S.	Dec-23	35,000,000
2023 commitments being considered during current board meeting				\$70,000,000
Total targeted 2023 Commitments (approved by the board in December 2022)				\$345,000,000

Private Equity Allocation	Target	6/30/2023
Private Equity Value		\$2,849,963,338
Total Assets		\$20,745,857,372
Private Equity Value as a % of Total Assets	12.0%	13.7%

Other Guidelines

The following sub-allocations shall be used as an overall target for commitment levels within the portfolio.

ATRS Strategy/Region Guidelines (% of Commitments)

Strategy	Target %	Post-2006 Portfolio Commitments (as of 6/30/23)	% of Total
Corporate Finance (buyout, growth and debt strategies)	80-100%	2,406,251,944	84%
Venture Capital	0-20%	443,711,394	16%
Total (Post-2006 Portfolio)		2,849,963,338	100%

Region	Target %	Post-2006 Portfolio Commitments (as of 6/30/23)	% of Total
U.S. and Western Europe	80-100%	2,563,468,806	90%
Other ¹	0-20%	286,494,532	10%
Total (Post-2006 Portfolio)		2,849,963,338	100%

¹ Other represents ATRS' % of commitments made outside of the U.S. and Western Europe in FP VC and FP International vehicles

ATRS shall, in general, make commitments of at least \$10 million.

100% of the commitments made to primary funds since 2006

In general, ATRS shall not make commitments to primary funds which exceed an amount equal to 15% of the total amount raised for a proposed fund, but in no event shall investments exceed 35% of the amount raised for a primary fund.

100% of the commitments made to primary funds since 2006

ATRS shall limit aggregate new commitments to a single investment sponsor to 35% of total Program allocation.

Manager	Aggregate 2023 Commitments		
	Commitment	Investment Sponsor	Notes
LLR	\$30,000,000		9%
Greyrock	30,000,000		9%
KPS	30,000,000		9%
Post Road	30,000,000		9%
Beekman	35,000,000		10%
Clearlake	35,000,000		10%
FP Venture Opportunity	30,000,000	< 2.5%	Expected to include 5-8 investment sponsors
FP International XI	30,000,000	< 2.5%	Expected to include 4-5 investment sponsors
FP CF Access II	30,000,000	< 2.5%	Expected to include 4-6 investment sponsors
FP Co-Invest VI	65,000,000		19%
Total	\$345,000,000		

Note: % of 2023 Commitments for FP vehicles represents ATRS' % of the estimated commitments to underlying investment sponsors within each portfolio.

As of June 30, 2023	ATRS' Portfolio \$ in Millions
Number of Investments	86
Total Commitments	4,652.8
Unfunded Commitments	902.4
Total Paid-In Capital	4,044.5
Total Distributions	3,604.0
Net Asset Value	2,566.4
Gross Asset Value	3,731.5
DPI	0.9x
TVPI	1.5x
Since Inception IRR	7.2%
<i>*Active and Liquidated</i>	

PORTFOLIO COMPOSITION TO TARGETS (As of 6/30/2023)		
	Target	Actual Funded
Target Real Asset Allocation	15%	12.4%
Portfolio Style Composition		
Real Estate	10%	7.2%
Core*	50%-70%	60.4%
Non-Core	30%-50%	39.6%
Value-Added**	N/A	0.6%
Opportunistic**	N/A	14.2%
Agriculture	1%	1.1%
Timber	2%	1.6%
Infrastructure	2%	2.4%
Leverage	50%	31.2%

RISK MANAGEMENT						
Property Type - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Office	19.40	NFI-ODCE +/- 50%	9.70	29.10	20.17	Yes
Retail	10.20	NFI-ODCE +/- 50%	5.10	15.30	7.24	Yes
Industrial	32.40	NFI-ODCE +/- 50%	16.20	48.60	29.00	Yes
Apartment	29.40	NFI-ODCE +/- 50%	14.70	44.10	29.82	Yes
Other	8.60	n/a	0.00	20.00	13.77	Yes
Geography - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
West	44.20	NFI-ODCE +/- 50%	22.10	66.30	47.09	Yes
East	28.90	NFI-ODCE +/- 50%	14.45	43.35	24.88	Yes
Midwest	5.90	NFI-ODCE +/- 50%	2.95	8.85	7.02	Yes
South	21.00	NFI-ODCE +/- 50%	10.50	31.50	11.67	Yes
Other2,3	0.00	n/a	n/a	n/a	3.19	Yes
Non-U.S.	0.00	n/a	0.00	40.00	6.15	Yes
Geography - Timber	NCREIF Timberland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Lake States	3.95	NCREIF Timberland +/- 15%	0.59	4.55	0.00	No
Northeast	5.29	NCREIF Timberland +/- 15%	0.79	6.08	1.00	Yes
Northwest	26.92	NCREIF Timberland +/- 15%	4.04	30.96	16.54	Yes
South	63.22	NCREIF Timberland +/- 15%	9.48	72.71	71.22	Yes
Other	0.00	NCREIF Timberland +/- 15%	0.00	0.00	11.24	No
Geography - Agriculture	NCREIF Farmland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Appalachian	0.56		0.00	50.00	0.00	Yes
Corn Belt	13.36		0.00	50.00	10.52	Yes
Delta States	18.38		0.00	50.00	33.48	Yes
Lake States	4.17		0.00	50.00	18.10	Yes
Mountain	7.55		0.00	50.00	12.48	Yes
Northeast	0.22		0.00	50.00	0.00	Yes
Northern Plains	2.55		0.00	50.00	1.54	Yes
Pacific Northwest	6.87		0.00	50.00	4.46	Yes
Pacific West	39.33		0.00	50.00	8.15	Yes
Southeast	5.29		0.00	50.00	9.10	Yes
Southern Plains	1.83		0.00	50.00	2.16	Yes
Other	0.00		0.00	50.00	0.00	Yes
Non-U.S.	0.00		0.00	50.00	0.00	Yes
Geography - Infrastructure	Target/Constraint	Minimum	Maximum	Actual	Compliant?	
U.S.		n/a	n/a	48.50	Yes	
Non-U.S.		0.00	50.00	51.50	Yes	
Asset Type - Infrastructure	Target/Constraint	Minimum	Maximum	Actual	Compliant?	
Energy/Utilities		0.00	70.00	48.90	Yes	
Transportation		0.00	70.00	32.00	Yes	
Social		0.00	70.00	4.02	Yes	
Communications		0.00	70.00	10.91	Yes	
Other		0.00	70.00	4.17	Yes	
Manager	Target/Constraint	Minimum	Maximum	Max	Compliant?	
		0.00	30.00	13.17	Yes	
Style - Real Estate	Target/Constraint	Minimum	Maximum	Actual	Compliant?	
Core		50.00	70.00	60.44	Yes	
Non-Core		30.00	50.00	39.54	Yes	

As of 9/30/2023 (6/30/23 for Illiquid Asset Classes)

	Actual	Benchmark Policy**	Difference (Actual vs. Benchmark)	Long-Term Target	Difference* (Actual vs. Long-Term)	Range***
Total Equity	53.1%	55.3%	-2.2%	53.0%	0.1%	48 - 58%
Fixed Income	14.1%	15.0%	-0.9%	15.0%	-0.9%	13 - 17%
Opportunistic/Alternatives	5.2%	5.1%	0.1%	5.0%	0.2%	NA
Real Assets	12.9%	12.6%	0.3%	15.0%	-2.1%	NA
<i>Real Estate</i>	7.6%	8.4%	-0.8%	10.0%	-2.4%	NA
<i>Core RE</i>	4.9%	5.0%	-0.2%	6.0%	-1.1%	5 - 7%
<i>Non-Core</i>	2.7%	3.4%	-0.6%	4.0%	-1.3%	3 - 5%
<i>Agriculture</i>	1.2%	1.7%	-0.5%	1.0%	0.2%	NA
<i>Timber</i>	1.7%	0.8%	0.9%	2.0%	-0.3%	NA
<i>Infrastructure</i>	2.4%	1.7%	0.7%	2.0%	0.4%	NA
Private Equity	14.5%	12.0%	2.5%	12.0%	2.5%	NA
Cash	0.2%	0.0%	0.2%	0.0%	0.2%	0 - 5%
	100.0%	100.0%	--	100.0%	--	--

* Uninvested assets/commitments for the Opportunistic, Real Assets and Private Equity asset classes are invested in public equities.

** The interim target reflects the beginning period actual allocation to this asset class

*** The actual allocation to equity may exceed the range to account for uninvested assets/commitments for the Opportunistic, Real Assets and Private Equity Asset Classes

Real Assets Breakdown	Absolute	%	2023 Pacing Commitment	Commitment Progress (\$M)	
			(\$M)	As of 6/30/2023	
Real Estate	10%		66.7%	\$400	--
<i>Core</i>	5-7%		50-70%	\$200	\$0
<i>Non-Core</i>	3-5%		30-50%	\$200	\$100
Ag	1%		6.7%	\$0	\$0
Timber	2%		13.3%	\$0	\$0
Infrastructure	2%		13.3%	\$75	\$50
Total Real Assets	15%		100.0%	\$ 475	\$ 150

AON

Quarterly Investment Review

Arkansas Teacher Retirement System |
Third Quarter 2023

Investment advice and consulting services provided by Aon Investments USA Inc.

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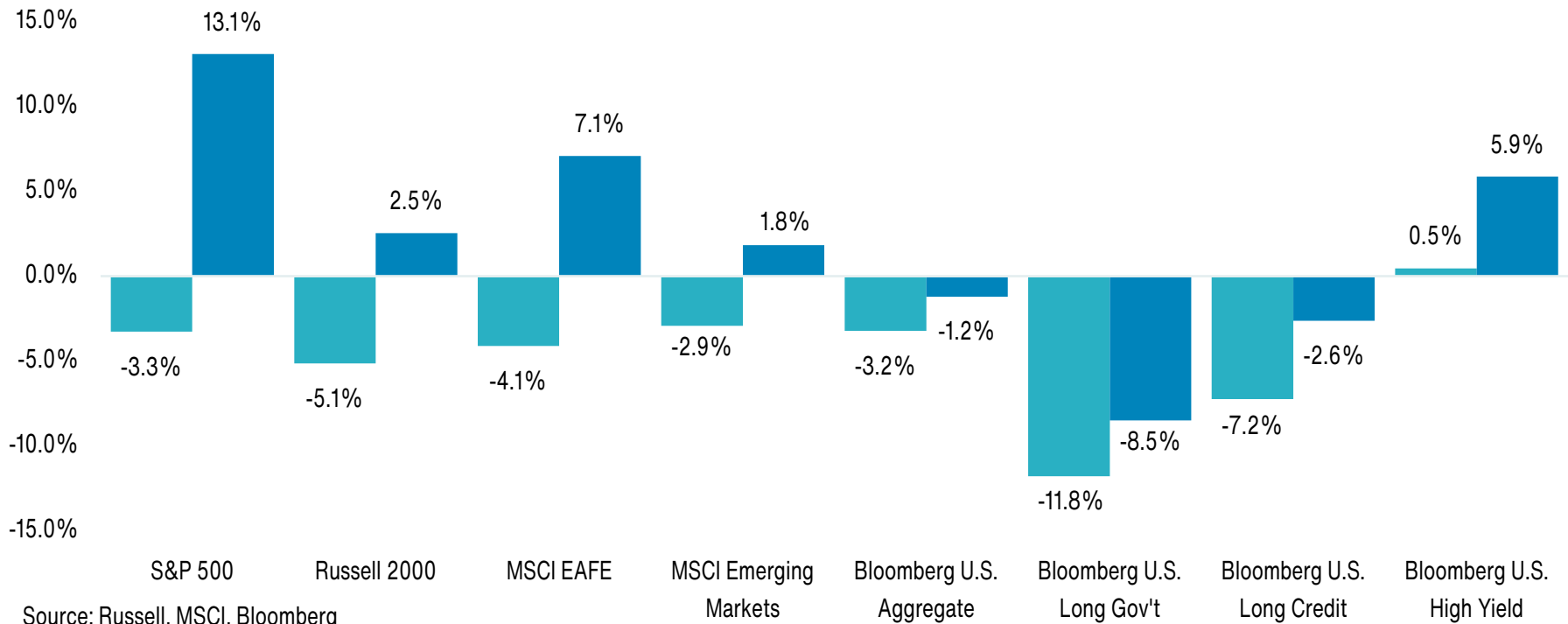
Executive Summary



Market Highlights

SHORT TERM RETURNS AS OF 09/30/2023

■ Third Quarter 2023 ■ YTD



Source: Russell, MSCI, Bloomberg

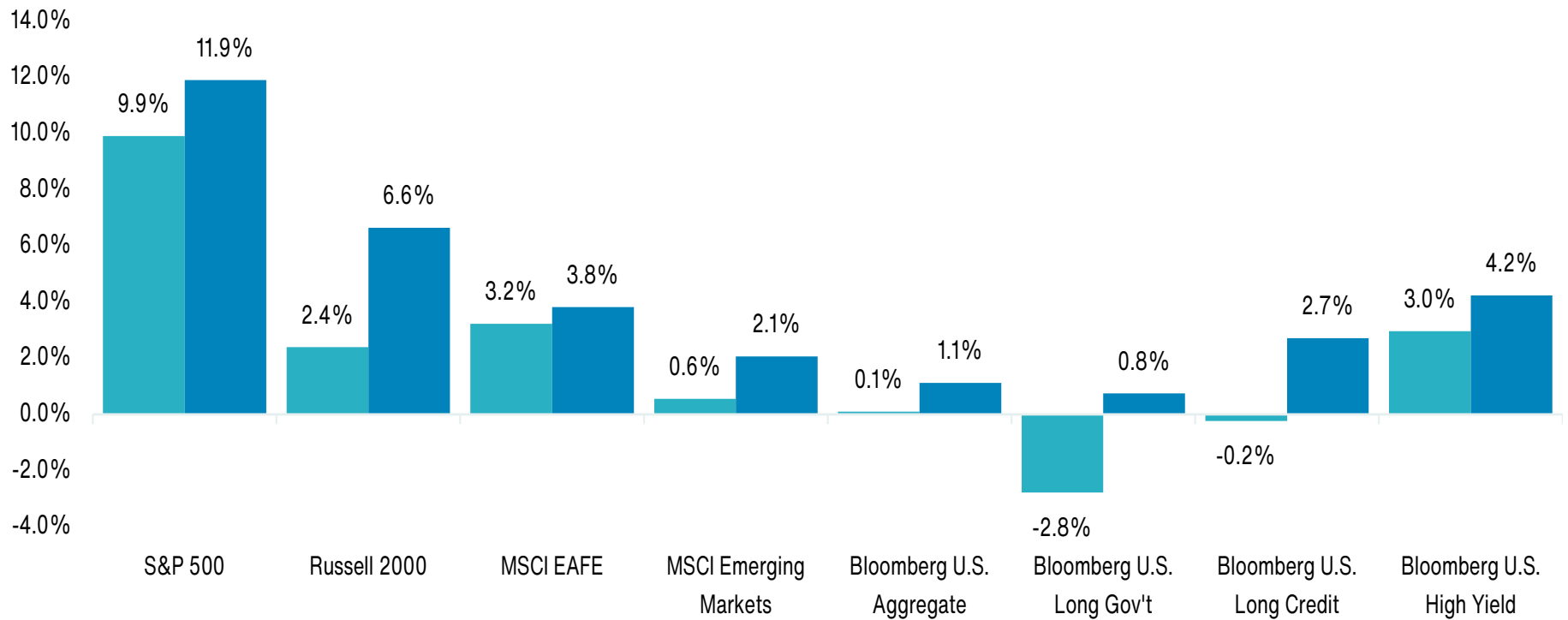
MSCI Indices show net total returns throughout this report. All other indices show gross total returns.

Past performance is no guarantee of future results. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

Market Highlights

LONG TERM ANNUALIZED RETURNS AS OF 09/30/2023

■ Five-Year ■ Ten-Year



Source: Russell, MSCI, Bloomberg

Past performance is no guarantee of future results. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.



Market Highlights

Returns of the Major Capital Markets

	Period Ending 09/30/2023					
	Third Quarter	YTD	1-Year	3-Year ¹	5-Year ¹	10-Year ¹
Equity						
MSCI All Country World IMI	-3.40%	9.39%	20.16%	6.88%	6.09%	7.39%
MSCI All Country World	-3.40%	10.06%	20.80%	6.89%	6.46%	7.56%
Dow Jones U.S. Total Stock Market	-3.29%	12.42%	20.49%	9.27%	9.01%	11.19%
Russell 3000	-3.25%	12.39%	20.46%	9.38%	9.14%	11.28%
S&P 500	-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%
Russell 2000	-5.13%	2.54%	8.93%	7.16%	2.40%	6.65%
MSCI All Country World ex-U.S. IMI	-3.49%	5.30%	20.19%	3.77%	2.57%	3.48%
MSCI All Country World ex-U.S.	-3.77%	5.34%	20.39%	3.74%	2.58%	3.35%
MSCI EAFE	-4.11%	7.08%	25.65%	5.75%	3.24%	3.82%
MSCI EAFE (Local Currency)	-1.27%	10.67%	20.32%	10.81%	5.65%	6.75%
MSCI Emerging Markets	-2.93%	1.82%	11.70%	-1.73%	0.55%	2.07%
Equity Factors						
MSCI World Minimum Volatility (USD)	-2.80%	1.22%	11.43%	3.72%	4.62%	7.70%
MSCI World High Dividend Yield	-1.52%	2.76%	17.77%	8.85%	5.77%	6.65%
MSCI World Quality	-2.83%	18.15%	30.27%	8.75%	11.01%	11.95%
MSCI World Momentum	-2.96%	0.07%	13.22%	1.69%	5.87%	9.93%
MSCI World Enhanced Value	-0.22%	11.05%	29.22%	12.90%	3.96%	6.12%
MSCI World Index Growth	-4.86%	21.09%	26.86%	5.50%	9.70%	10.75%
MSCI USA Minimum Volatility (USD)	-2.04%	1.85%	11.84%	6.17%	6.98%	10.38%
MSCI USA High Dividend Yield	-2.09%	-1.37%	12.62%	8.24%	5.74%	9.48%
MSCI USA Quality	-1.40%	21.67%	32.96%	9.73%	12.11%	13.78%
MSCI USA Momentum	-2.84%	-2.89%	8.92%	-0.31%	4.88%	11.62%
MSCI USA Enhanced Value	-2.52%	1.89%	14.53%	10.30%	3.69%	8.41%
MSCI USA Equal Weighted	-4.03%	4.38%	14.51%	8.88%	6.85%	9.45%
MSCI USA Growth	-3.45%	29.07%	29.83%	7.65%	12.74%	14.51%

Returns of the Major Capital Markets

	Period Ending 09/30/2023					
	Third Quarter	YTD	1-Year	3-Year ¹	5-Year ¹	10-Year ¹
Fixed Income						
Bloomberg Global Aggregate	-3.59%	-2.21%	2.24%	-6.93%	-1.62%	-0.44%
Bloomberg U.S. Aggregate	-3.23%	-1.21%	0.64%	-5.21%	0.10%	1.13%
Bloomberg U.S. Long Gov't	-11.79%	-8.50%	-9.04%	-15.66%	-2.78%	0.75%
Bloomberg U.S. Long Credit	-7.23%	-2.62%	2.54%	-8.97%	-0.23%	2.71%
Bloomberg U.S. Long Gov't/Credit	-9.37%	-5.40%	-2.93%	-11.90%	-1.21%	1.94%
Bloomberg U.S. TIPS	-2.60%	-0.78%	1.25%	-1.98%	2.12%	1.74%
Bloomberg U.S. High Yield	0.46%	5.86%	10.28%	1.76%	2.96%	4.24%
Bloomberg Global Treasury ex U.S.	-4.70%	-4.62%	1.92%	-9.65%	-3.74%	-2.01%
JP Morgan EMBI Global (Emerging Market)	-2.63%	1.09%	8.61%	-4.27%	-0.09%	2.24%
Commodities						
Bloomberg Commodity Index	4.71%	-3.44%	-1.30%	16.23%	6.13%	-0.75%
Goldman Sachs Commodity Index	15.98%	7.24%	10.93%	29.49%	5.57%	-2.53%
Hedge Funds						
HFR1 Fund-Weighted Composite ²	0.84%	4.27%	6.69%	6.89%	5.03%	4.57%
HFR1 Fund of Funds ²	0.69%	2.99%	4.77%	3.83%	3.42%	3.29%
Real Estate						
NAREIT U.S. Equity REITS	-7.13%	-2.14%	2.99%	5.76%	2.77%	5.96%
FTSE Global Core Infrastructure Index	-7.93%	-8.83%	-0.94%	2.77%	4.11%	6.25%
Private Equity						
Burgiss Private iQ Global Private Equity ³			-1.81%	19.78%	17.13%	15.20%

MSCI Indices show net total returns throughout this report. All other indices show gross total returns.

¹ Periods are annualized.

² Latest 5 months of HFR data are estimated by HFR and may change in the future.

³ Burgiss Private iQ Global Private Equity data is as at September 30, 2022

Past performance is no guarantee of future results. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

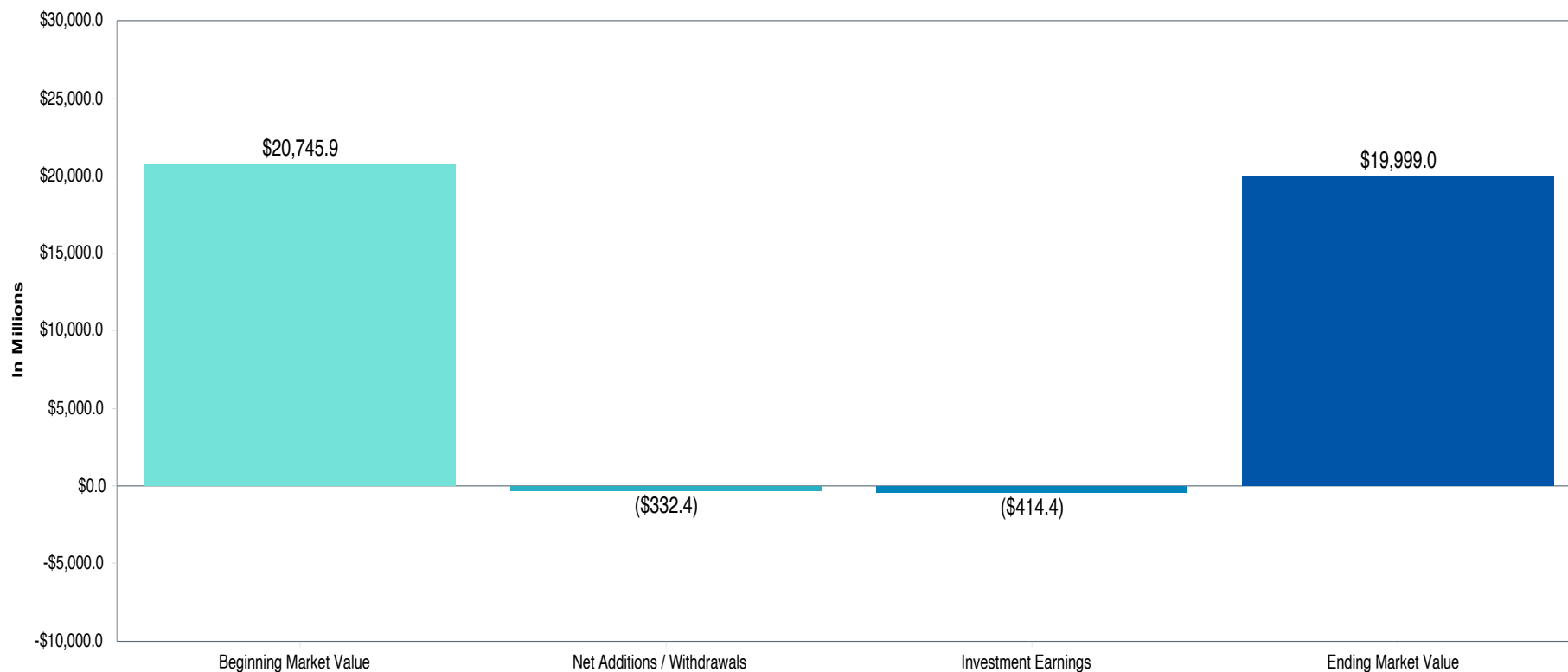
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Total Fund



Total Plan Asset Summary

As of September 30, 2023



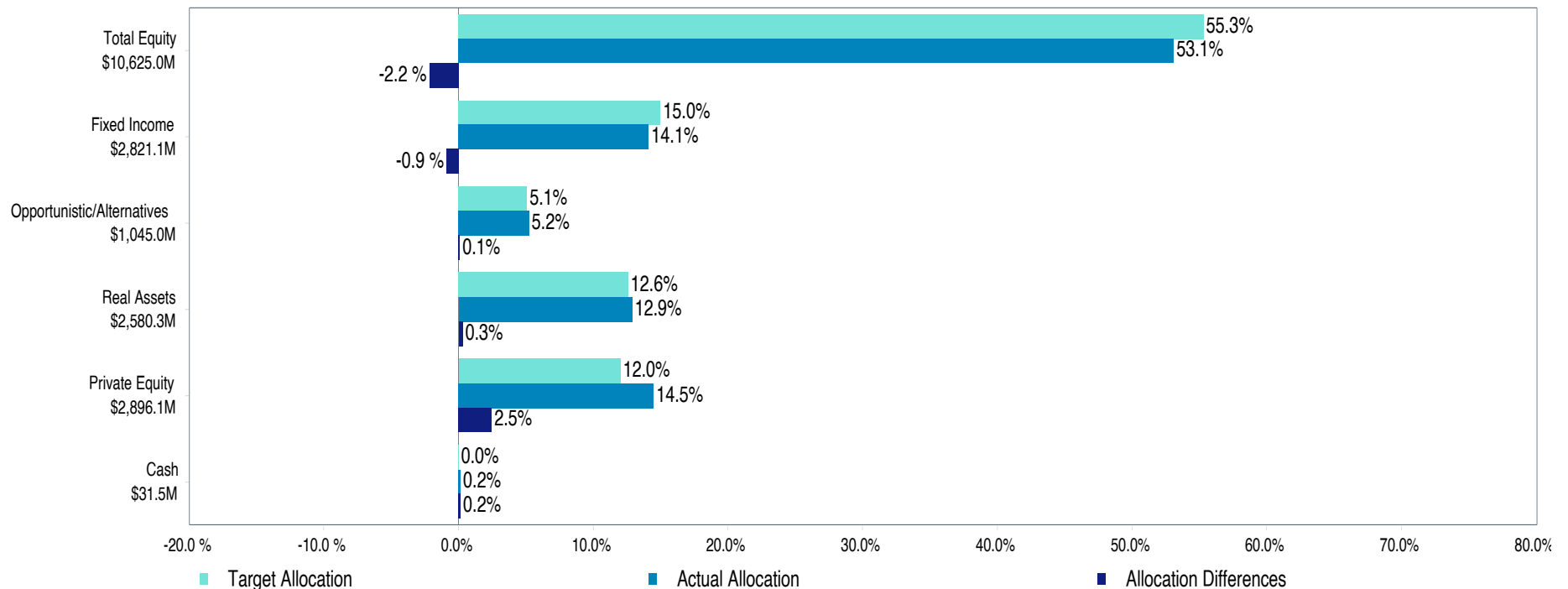
Summary of Cash Flows

	1 Quarter	Year to Date	1 Year
Total Fund			
Beginning Market Value	20,745,857,372	19,774,984,699	18,956,997,283
+ Additions / Withdrawals	-332,428,910	-716,774,878	-872,334,757
+ Investment Earnings	-414,380,110	940,838,532	1,914,385,827
= Ending Market Value	19,999,048,353	19,999,048,353	19,999,048,353

Asset Allocation Compliance

As of September 30, 2023

	Market Value \$M	ATRS Current Allocation %	ATRS Benchmark Policy %	ATRS Long-Term Target Allocation %	Minimum Allocation %	Maximum Allocation %
Total Fund	19,999.0	100.00	100.00	100.00	-	-
Total Equity	10,625.0	53.13	55.30	53.00	48.00	58.00
Fixed Income	2,821.1	14.11	15.00	15.00	13.00	17.00
Opportunistic/Alternatives	1,045.0	5.23	5.11	5.00	0.00	100.00
Real Assets	2,580.3	12.90	12.59	15.00	0.00	100.00
Private Equity	2,896.1	14.48	12.00	12.00	0.00	100.00
Cash	31.5	0.16	0.00	0.00	0.00	5.00

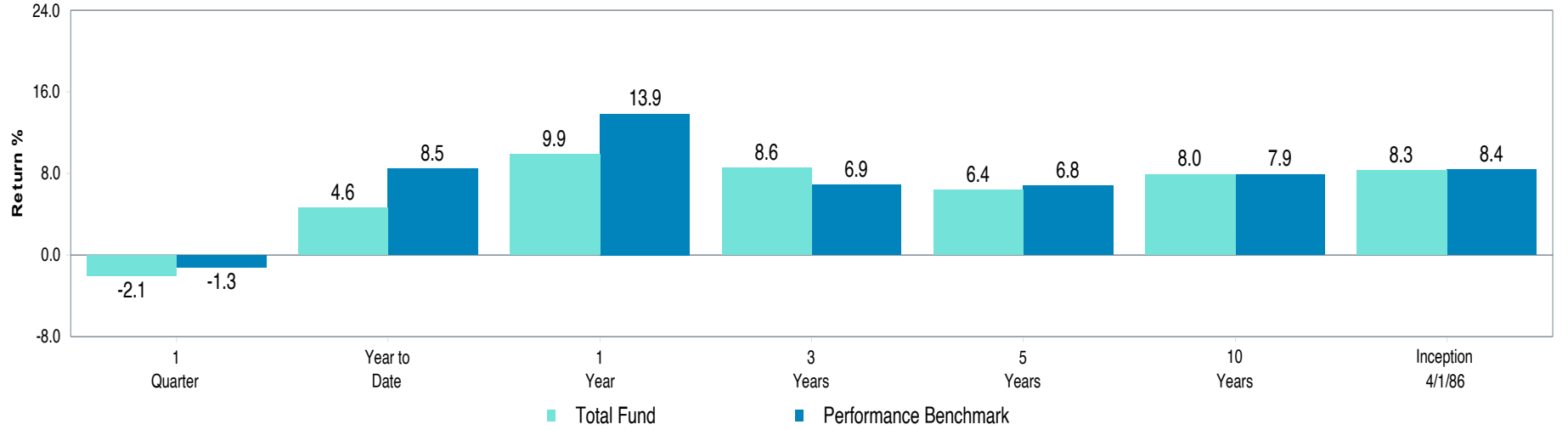


*Market values and allocation percentages may not add to the sum total due to rounding.

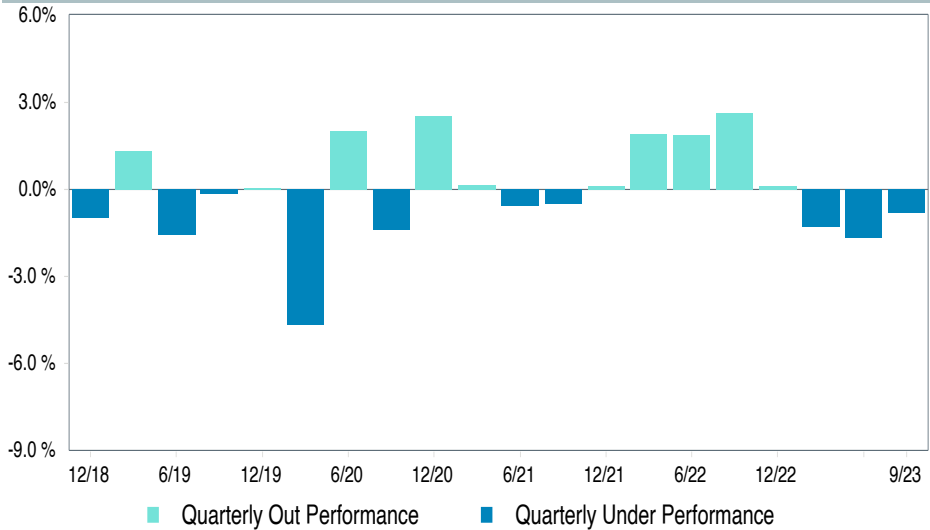
Total Plan Performance Summary

As of September 30, 2023

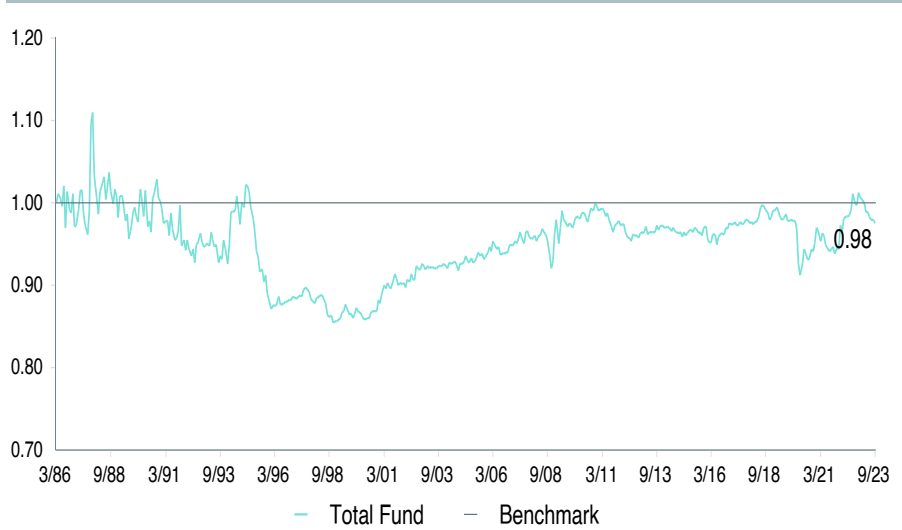
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - Since Inception



Total Fund

As of September 30, 2023



	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Total Fund	-2.1 (56)	4.6 (47)	9.9 (47)	8.6 (9)	6.4 (22)	8.0 (7)	9.2 (17)	-3.9 (23)	31.9 (11)
● Performance Benchmark	-1.3 (22)	8.5 (2)	13.9 (3)	6.9 (27)	6.8 (15)	7.9 (7)	9.2 (17)	-7.3 (52)	31.2 (14)
5th Percentile	-0.1	6.8	13.0	9.6	7.6	8.3	9.9	-0.2	33.1
1st Quartile	-1.4	5.2	11.0	7.1	6.1	7.1	8.7	-4.2	29.1
Median	-1.9	4.6	9.8	5.8	5.3	6.2	7.7	-7.1	27.0
3rd Quartile	-2.5	3.6	8.8	4.8	4.7	5.7	6.5	-9.9	25.1
95th Percentile	-3.5	2.8	6.8	3.1	3.8	5.1	4.6	-13.3	22.0
Population	81	75	74	64	62	55	105	108	153

Parentheses contain percentile rankings.

Asset Allocation & Performance

As of September 30, 2023

	Allocation			Performance %							
	Market Value \$ (\$)	%	Policy %	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Fund	19,999,048,353	100.0	100.0	-2.1	4.6	9.9	8.6	6.4	8.0	8.3	04/01/1986
<i>Performance Benchmark</i>				-1.3	8.5	13.9	6.9	6.8	7.9	8.4	
Total Equity	10,625,049,735	53.1	55.3	-3.0	8.4	18.4	9.6	6.0		7.7	07/01/2015
<i>Total Equity Performance Benchmark</i>				-3.4	10.4	20.2	7.6	7.0		8.3	
Fixed Income	2,821,074,073	14.1	15.0	-1.8	0.2	2.3	-2.1	1.4	2.3	4.7	07/01/1992
<i>Performance Benchmark</i>				-2.9	-0.6	1.6	-4.7	0.3	1.4	4.7	
Opportunistic/Alternatives	1,044,953,685	5.2	5.1	2.3	7.4	8.4	6.2	2.5	3.4	3.6	05/01/2011
<i>Custom Alternatives Benchmark</i>				1.3	5.0	6.1	5.3	3.2	2.6	2.3	
Real Assets	2,580,336,054	12.9	12.6	-0.7	-2.1	-1.8	7.4	5.7	7.5	7.5	07/01/2013
<i>Total Real Assets Benchmark</i>				-1.0	-4.1	-3.3	7.7	6.1	7.5	7.5	
Real Estate	1,521,248,913	7.6		-1.5	-7.2	-7.5	6.2	4.4	7.5	8.2	12/01/1998
<i>NFI-ODCE (Net)</i>				-2.9	-11.0	-10.7	7.0	5.6	7.8	8.5	
Timber	338,166,356	1.7		-2.0	-0.5	2.3	8.1	6.8	5.3	7.1	06/01/1998
<i>Timberland Property Benchmark</i>				1.7	8.5	11.1	8.7	5.9	5.5		
Agriculture	238,062,498	1.2		0.9	7.9	7.3	9.4	6.7	5.6	6.3	09/01/2011
<i>Agriculture Benchmark</i>				0.8	6.3	8.4	7.7	6.2	6.3		
Infrastructure	482,858,287	2.4		1.9	10.8	12.3	16.0	13.7		14.0	07/01/2018
<i>CPI + 5%</i>				2.1	7.6	8.9	11.0	9.2		9.1	
Private Equity	2,896,123,202	14.5	12.0	-1.7	0.2	0.2	13.1	12.0	14.0	12.4	03/01/1997
<i>Private Equity Policy</i>				8.9	26.5	21.3	16.0	13.5	14.5	11.1	
Cash	31,511,604	0.2	0.0								

*The Real Assets and Private Equity market values, returns and their benchmark returns are shown on a one-quarter lag. Market values have been adjusted for current quarter cash flows.

*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 151 of this report.

*The inception date above for infrastructure reflects the inception date for the calculation and reporting of time-weighted returns. The Infrastructure program began in July 2014 and the full history of Infrastructure returns are included in Total Real Assets and Total Fund performance.

Total Equity and Total Fund Performance includes investment earnings from Allianz Security Litigation Income received on February 28, 2022

*Market values and allocation percentages may not add to the sum total due to rounding.

Asset Allocation & Performance

As of September 30, 2023

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Fund	19,999,048,353	100.0	-2.1 (56)	4.6 (47)	9.9 (47)	8.6 (9)	6.4 (22)	8.0 (7)	8.3	04/01/1986
<i>Performance Benchmark</i>			-1.3 (22)	8.5 (2)	13.9 (3)	6.9 (27)	6.8 (15)	7.9 (7)	8.4	
Total Equity	10,625,049,735	53.1	-3.0 (34)	8.4 (47)	18.4 (58)	9.6 (21)	6.0 (50)		7.7 (38)	07/01/2015
<i>Total Equity Performance Benchmark</i>			-3.4 (43)	10.4 (31)	20.2 (48)	7.6 (38)	7.0 (34)		8.3 (26)	
Jacobs Levy 130/30	1,236,637,596	6.2	0.2 (7)	12.2 (25)	22.2 (21)	24.9 (2)	14.3 (2)	16.4 (1)	12.1 (2)	01/01/2008
<i>Russell 3000 Index</i>			-3.3 (44)	12.4 (25)	20.5 (29)	9.4 (51)	9.1 (22)	11.3 (21)	9.0 (35)	
Kennedy Capital Management	565,180,716	2.8	-4.3 (78)	-0.7 (86)	6.5 (96)	14.3 (63)	3.7 (71)	7.0 (53)	11.3 (29)	01/01/1994
<i>Russell 2000 Value Index</i>			-3.0 (57)	-0.5 (83)	7.8 (89)	13.3 (72)	2.6 (90)	6.2 (81)	8.9 (100)	
Stephens	536,195,971	2.7	-4.9 (19)	6.1 (46)	9.7 (54)	2.7 (40)	3.4 (67)	7.2 (86)	8.8 (64)	08/01/2006
<i>Russell 2000 Growth Index</i>			-7.3 (64)	5.2 (54)	9.6 (55)	1.1 (53)	1.6 (87)	6.7 (92)	7.8 (91)	
Voya Absolute Return	758,117,103	3.8	-2.9 (33)	12.1 (19)	22.2 (35)	7.9 (36)	6.5 (43)	9.5 (10)	9.6 (16)	10/01/2008
<i>Performance Benchmark</i>			-3.4 (43)	10.1 (34)	20.8 (43)	6.9 (45)	6.5 (44)	9.2 (14)	9.5 (16)	
Voya U.S. Convertibles	899,706,487	4.5	-3.9 (59)	2.2 (75)	4.9 (96)	2.5 (87)	9.7 (17)	9.6 (41)	9.9 (27)	12/01/1998
<i>Performance Benchmark</i>			-2.5 (29)	5.8 (53)	7.5 (91)	3.1 (85)	8.3 (32)	8.8 (54)	7.9 (70)	
Pershing Square Holdings	260,870,378	1.3	0.9 (5)	6.4 (50)	22.7 (20)	11.2 (35)	20.6 (1)	8.6 (57)	8.0 (91)	01/01/2013
<i>Dow Jones U.S. Total Stock Market Index</i>			-3.3 (46)	12.4 (24)	20.5 (29)	9.3 (52)	9.0 (24)	11.2 (23)	12.4 (25)	
Triar Partners	79,704,304	0.4	-4.8	1.9	21.7	2.8	5.6		6.1	11/01/2015
<i>S&P 500 Index</i>			-3.3	13.1	21.6	10.2	9.9		11.6	
Triar Co-Investments	88,576,308	0.4	-3.1	5.9	22.6	7.6	8.8		6.0	01/01/2017
<i>S&P 500 Index</i>			-3.3	13.1	21.6	10.2	9.9		12.1	
SSgA Global Index	1,176,723,331	5.9	-3.4 (43)	9.6 (37)	20.4 (47)	7.2 (42)	6.4 (44)	7.7 (39)	6.4 (46)	04/01/2008
<i>MSCI AC World IMI (Net)</i>			-3.4 (43)	9.4 (38)	20.2 (48)	6.9 (45)	6.1 (49)	7.4 (46)	6.1 (55)	
BlackRock MSCI ACWI IMI Fund	1,110,637,099	5.6	-3.3 (42)	9.8 (36)	20.7 (44)	7.3 (41)	6.4 (46)	7.7 (40)	7.8 (46)	07/01/2011
<i>MSCI AC World IMI (Net)</i>			-3.4 (43)	9.4 (38)	20.2 (48)	6.9 (45)	6.1 (49)	7.4 (46)	7.4 (55)	
Wellington Global Perspectives	604,493,119	3.0	-3.9 (50)	2.2 (79)	13.5 (80)	10.7 (15)	3.9 (84)	7.4 (45)	11.4 (16)	07/01/2009
<i>Performance Benchmark</i>			-3.4 (43)	4.3 (70)	15.2 (73)	6.8 (46)	3.5 (88)	6.2 (71)	9.4 (53)	

Asset Allocation & Performance

As of September 30, 2023

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
T. Rowe Price Global Equity	1,175,199,732	5.9	-4.7 (63)	12.0 (20)	21.0 (41)	2.5 (80)	9.8 (6)	12.2 (3)	12.1 (5)	09/01/2009
<i>MSCI AC World Index (Net)</i>			-3.4 (43)	10.1 (34)	20.8 (43)	6.9 (45)	6.5 (44)	7.6 (43)	8.5 (58)	
<i>MSCI AC World Index Growth (net)</i>			-4.9 (65)	18.2 (4)	24.4 (20)	3.8 (69)	8.4 (13)	9.5 (10)	10.3 (20)	
Lazard	675,426,660	3.4	-4.3 (58)	3.3 (74)	17.8 (61)	1.4 (85)	3.7 (86)	6.1 (72)	7.5 (77)	09/01/2009
<i>MSCI AC World Index (Net)</i>			-3.4 (43)	10.1 (34)	20.8 (43)	6.9 (45)	6.5 (44)	7.6 (43)	8.5 (58)	
Harris Global Equity	629,123,078	3.1	-2.6 (27)	12.5 (17)	28.8 (8)	12.3 (11)	6.3 (47)		6.3 (54)	06/01/2014
<i>MSCI World Index (Net)</i>			-3.5 (44)	11.1 (27)	22.0 (37)	8.1 (34)	7.3 (29)		7.5 (30)	
<i>MSCI World Value (Net)</i>			-1.9 (19)	2.0 (79)	17.1 (64)	10.4 (16)	4.4 (78)		4.8 (80)	
Arrowstreet Global Equity - Alpha Extension Fund	828,400,905	4.1	-0.3 (10)						6.7 (7)	04/01/2023
<i>MSCI AC World IMI (Net)</i>			-3.4 (35)						2.3 (32)	
Fixed Income	2,821,074,073	14.1	-1.8	0.2	2.3	-2.1	1.4	2.3	4.7	07/01/1992
<i>Performance Benchmark</i>			-2.9	-0.6	1.6	-4.7	0.3	1.4	4.7	
BlackRock	242,502,081	1.2	-3.2 (80)	-0.7 (72)	1.3 (74)	-5.1 (84)	0.4 (79)	1.4 (64)	3.3 (42)	10/01/2003
<i>Performance Benchmark</i>			-2.9 (68)	-0.6 (70)	1.6 (69)	-4.7 (76)	0.3 (80)	1.4 (64)	3.1 (47)	
Loomis Sayles	630,567,123	3.2	-1.5 (53)	1.4 (41)	4.4 (28)	-1.9 (50)	2.2 (22)	3.5 (18)	6.2 (7)	09/01/2008
<i>Performance Benchmark</i>			-1.8 (54)	1.5 (41)	4.1 (29)	-2.9 (60)	1.4 (45)	2.4 (33)	4.1 (31)	
SSgA Aggregate Bond Index	672,499,944	3.4	-3.2 (80)	-1.0 (78)	0.6 (85)	-5.2 (88)	0.1 (88)	1.1 (84)	1.8 (74)	06/01/2010
<i>Barclays Aggregate Index</i>			-3.2 (81)	-1.2 (82)	0.6 (85)	-5.2 (87)	0.1 (87)	1.1 (84)	1.8 (74)	
Wellington Global Total Return	400,065,474	2.0	3.1 (6)	4.4 (40)	7.2 (42)	4.4 (31)	3.9 (31)		2.8 (31)	05/01/2014
<i>BofA Merrill Lynch 3 Month US T-Bill</i>			1.3 (27)	3.6 (51)	4.5 (64)	1.7 (60)	1.7 (71)		1.2 (73)	
Reams Core Plus Bond Fund	540,288,077	2.7	-4.0 (90)	-0.6 (71)	2.7 (45)	-4.2 (69)	2.5 (19)		2.1 (32)	05/01/2014
<i>Barclays Aggregate Index</i>			-3.2 (81)	-1.2 (82)	0.6 (85)	-5.2 (87)	0.1 (87)		0.9 (87)	
BRS Recycling Tax Credit	176,000,000	0.9								
BRS Recycling Tax Credit Phase 2	77,031,608	0.4								
BRS Recycling Tax Credit Phase 3	82,119,766	0.4								

Asset Allocation & Performance

As of September 30, 2023

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Opportunistic/Alternatives	1,044,953,685	5.2	2.3	7.4	8.4	6.2	2.5	3.4	3.6	05/01/2011
<i>Custom Alternatives Benchmark</i>			1.3	5.0	6.1	5.3	3.2	2.6	2.3	
Anchorage	29,480,551	0.1	1.3	3.5	3.3	10.5	4.8	5.1	5.6	05/01/2011
<i>Credit Suisse Event Driven</i>			1.5	5.7	7.6	7.1	3.9	3.0	2.9	
York	9,220,264	0.0	-21.5	6.6	-8.6	2.0	-11.8	-4.2	-2.1	05/01/2011
<i>Credit Suisse Event Driven</i>			1.5	5.7	7.6	7.1	3.9	3.0	2.9	
Capula	98,610,616	0.5	3.0	7.8	11.1	7.8	7.7	7.1	6.6	05/01/2011
<i>HFRI Macro (Total) Index</i>			1.3	0.5	-0.9	7.4	5.3	3.4	2.0	
Graham	100,930,119	0.5	8.2	7.7	5.2	17.3	10.9	8.4	5.7	05/01/2011
<i>HFRI Macro (Total) Index</i>			1.3	0.5	-0.9	7.4	5.3	3.4	2.0	
Circumference Group Core Value	39,054,394	0.2	-1.9	9.8	18.1	8.8	7.1	8.4	8.4	08/01/2015
<i>Russell 2000 Index</i>			-5.1	2.5	8.9	7.2	2.4	6.0	6.0	
Aeolus Keystone Fund	26,647,403	0.1	-2.2	5.7	4.3	-1.5	-1.2	-0.9	-0.9	12/01/2015
<i>FTSE 3 Month T-Bill</i>			1.4	3.8	4.7	1.8	1.7	1.4	1.4	
<i>Eurekahedge ILS Advisers Index</i>			3.6	10.8	14.7	3.1	1.6	1.1	1.1	
Parametric Global Defensive Equity Fund	204,707,037	1.0	-1.1	8.7	16.3	7.0	4.4	5.0	5.0	05/01/2017
<i>Performance Benchmark</i>			-1.0	7.1	12.8	4.7	4.5	4.9	4.9	
<i>MSCI AC World Index</i>			-3.3	10.5	21.4	7.4	7.0	8.4	8.4	
Man Alternative Risk Premia	115,230,800	0.6	1.2	3.1	3.1	9.3	3.1	2.8	2.8	06/01/2018
<i>SG Multi Alternative Risk Premia Index</i>			4.2	8.0	9.6	6.1	1.2	0.9	0.9	
CFM Systematic Global Macro Fund	99,959,985	0.5	2.1	-3.7	-11.0			6.8	6.8	12/01/2021
<i>HFRI Macro: Systematic Diversified Index</i>			1.0	0.4	-5.3			6.8	6.8	
Pillar Opportunity	101,295,868	0.5	7.3	15.2	13.2			3.6	3.6	12/01/2021
<i>FTSE 3 Month T-Bill</i>			1.4	3.8	4.7			2.9	2.9	
<i>Eurekahedge ILS Advisers Index</i>			3.6	10.8	14.7			4.6	4.6	
Chatham PDSC III	65,942,897	0.3	3.4	9.4	19.1			15.6	15.6	11/01/2021
<i>HFRI Event-Driven (Total) Index</i>			2.2	4.7	8.0			-0.3	-0.3	
Silver Point Capital Fund	51,451,003	0.3	0.1	4.3	4.1			2.6	2.6	04/01/2022
<i>HFRI ED: Distressed/Restructuring Index</i>			1.1	3.4	4.2			-1.5	-1.5	
Prophet Mtg. Servicing Opportunities	43,378,885	0.2	7.7					9.8	9.8	05/01/2023
<i>Credit Suisse Hedge Fund Index</i>			1.8					3.2	3.2	
Chatham PDSC IV	59,043,864	0.3	7.2					18.1	18.1	06/01/2023
<i>HFRI Event-Driven (Total) Index</i>			2.2					4.5	4.5	

Asset Allocation & Performance

As of September 30, 2023

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Real Assets	2,580,336,054	12.9	-0.7	-2.1	-1.8	7.4	5.7	7.5	7.5	07/01/2013
<i>Total Real Assets Benchmark</i>			<i>-1.0</i>	<i>-4.1</i>	<i>-3.3</i>	<i>7.7</i>	<i>6.1</i>	<i>7.5</i>	<i>7.5</i>	
Real Estate	1,521,248,913	7.6	-1.5	-7.2	-7.5	6.2	4.4	7.5	8.2	12/01/1998
<i>NFI-ODCE (Net)</i>			<i>-2.9</i>	<i>-11.0</i>	<i>-10.7</i>	<i>7.0</i>	<i>5.6</i>	<i>7.8</i>	<i>8.5</i>	
Timber	338,166,356	1.7	-2.0	-0.5	2.3	8.1	6.8	5.3	7.1	06/01/1998
<i>Timberland Property Benchmark</i>			<i>1.7</i>	<i>8.5</i>	<i>11.1</i>	<i>8.7</i>	<i>5.9</i>	<i>5.5</i>		
BTG Timber Separate Account	100,701,657	0.5								
BTG U.S. Timberland Fund, L.P.	237,464,699	1.2								
Agriculture	238,062,498	1.2	0.9	7.9	7.3	9.4	6.7	5.6	6.3	09/01/2011
<i>Agriculture Benchmark</i>			<i>0.8</i>	<i>6.3</i>	<i>8.4</i>	<i>7.7</i>	<i>6.2</i>	<i>6.3</i>		
HFMS Farmland	175,728,784	0.9	8.3	11.2	10.0	11.3	7.6	6.1	6.7	09/01/2011
<i>HFMS custom NCREIF Farmland Index</i>			<i>0.8</i>	<i>6.3</i>	<i>8.4</i>	<i>7.7</i>	<i>6.5</i>	<i>6.1</i>		
UBS Agrivest Core Farmland Fund	62,333,714	0.3	-15.4	3.9	5.0	6.3	5.0		5.2	07/01/2015
<i>UBS Agrivest custom NCREIF Farmland Index</i>			<i>0.8</i>	<i>6.3</i>	<i>8.4</i>	<i>7.7</i>	<i>6.6</i>		<i>6.5</i>	
Infrastructure	482,858,287	2.4	1.9	10.8	12.3	16.0	13.7		14.0	07/01/2018
<i>CPI + 5%</i>			<i>2.1</i>	<i>7.6</i>	<i>8.9</i>	<i>11.0</i>	<i>9.2</i>		<i>9.1</i>	
Private Equity	2,896,123,202	14.5	-1.7	0.2	0.2	13.1	12.0	14.0	12.4	04/01/1997
<i>Private Equity Policy</i>			<i>8.9</i>	<i>26.5</i>	<i>21.3</i>	<i>16.0</i>	<i>13.5</i>	<i>14.5</i>	<i>11.2</i>	
Cash	31,511,604	0.2								

*The Real Assets and Private Equity market values, returns and their benchmark returns are shown on a one-quarter lag. Market values have been adjusted for current quarter cash flows.

*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 151 of this report.

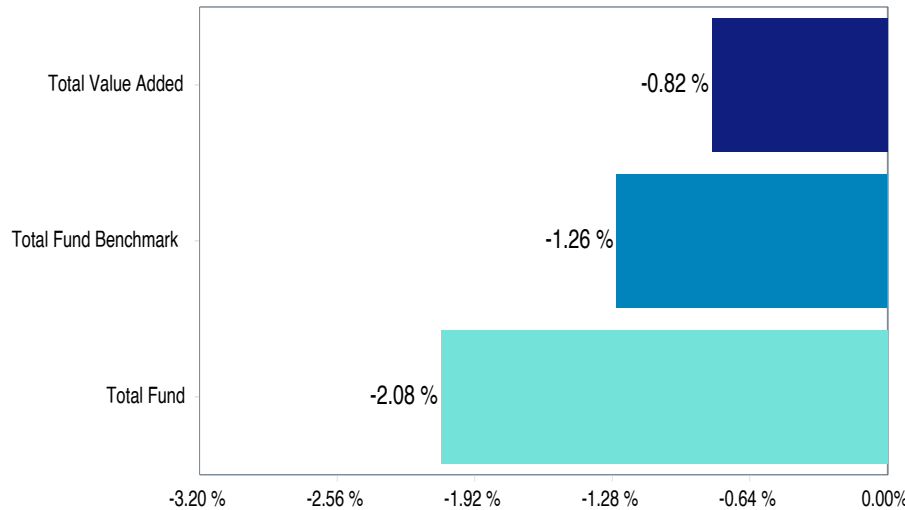
*The inception date above for infrastructure reflects the inception date for the calculation and reporting of time-weighted returns. The Infrastructure program began in July 2014 and the full history of Infrastructure returns are included in Total Real Assets and Total Fund performance.

*The BRS Recycling Tax Credit represents an annual income stream of \$16 million dollars over the next 14 years, which ATRS purchased for approximately \$162 million. This represents an approximate 9.9% yield for the 2017 fiscal year. The value shown above represents the year-end market value in accordance with GASB Statement 72, representing the 14 years of annual income, and has been incorporated into Total Fixed Income and Total Fund performance.

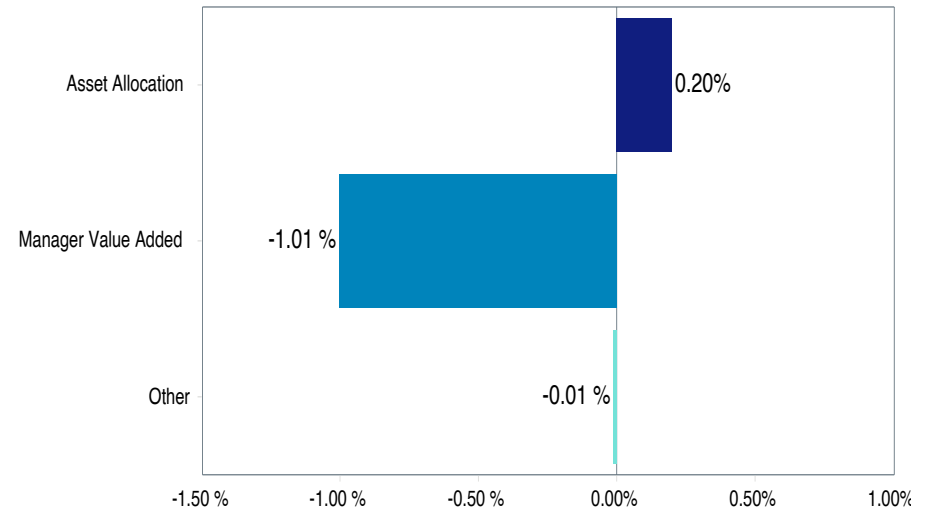
Total Fund Attribution

1 Quarter Ending September 30, 2023

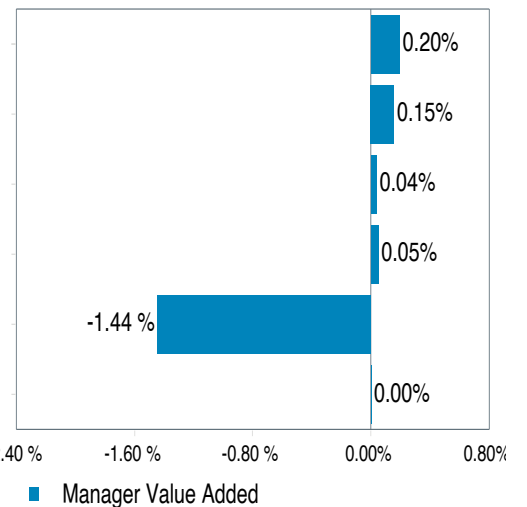
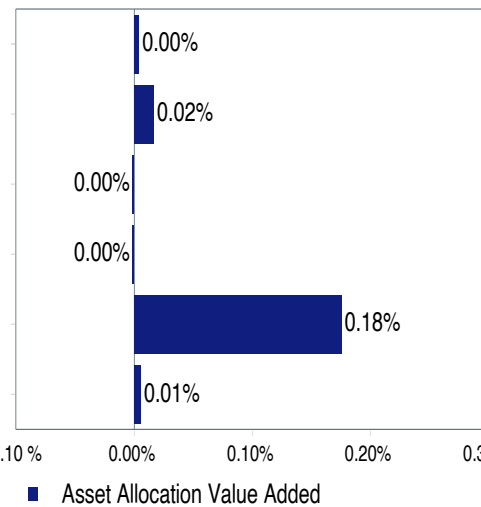
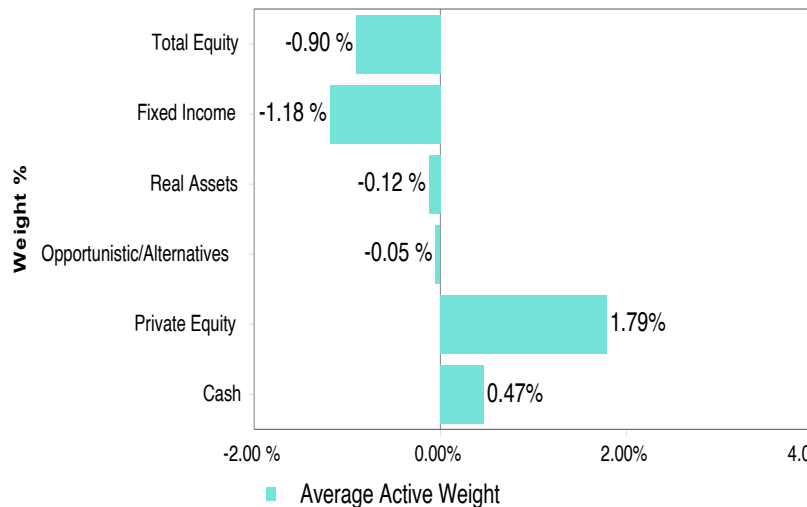
Total Fund Performance



Total Value Added: -0.82 %



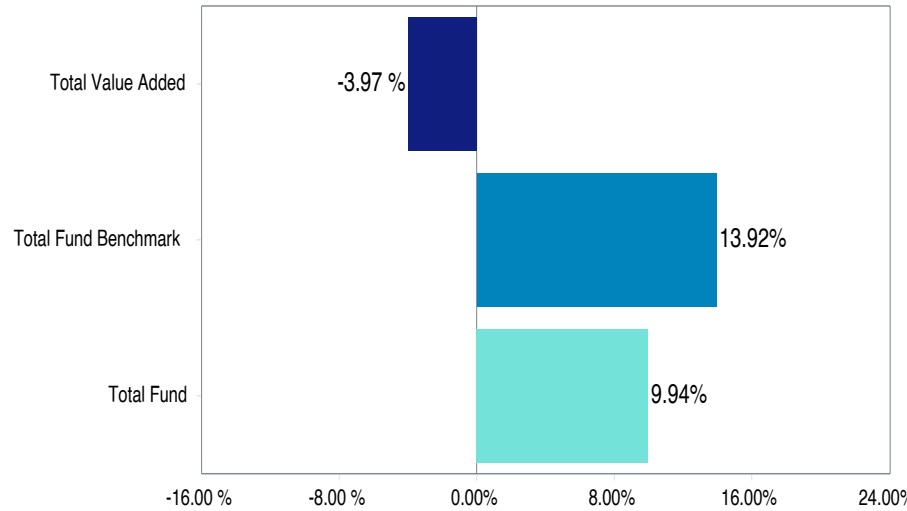
Total Asset Allocation: 0.20% Total Manager Value Added: -1.01 %



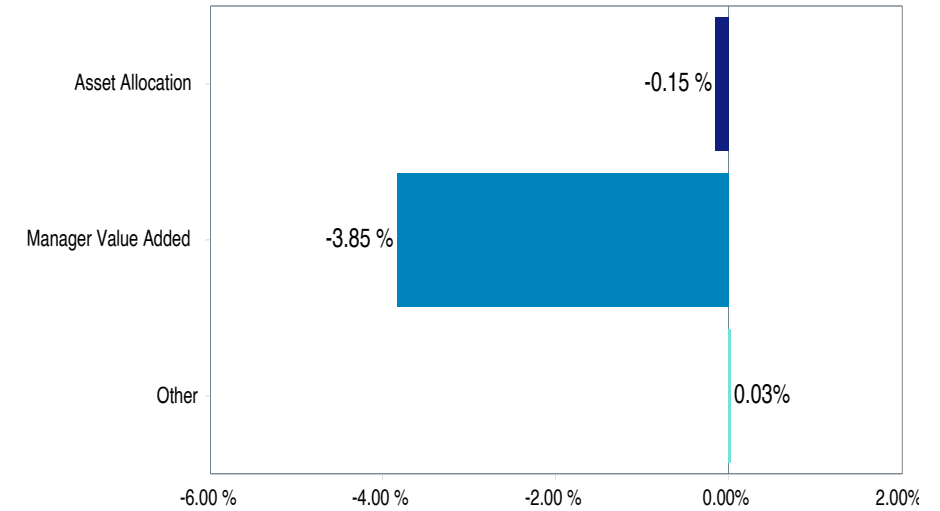
Total Fund Attribution

1 Year Ending September 30, 2023

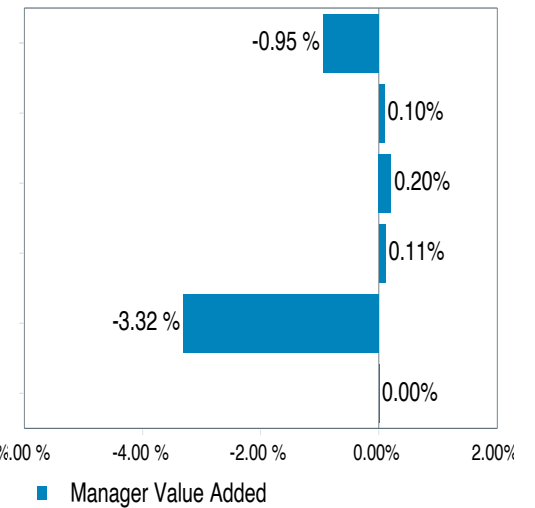
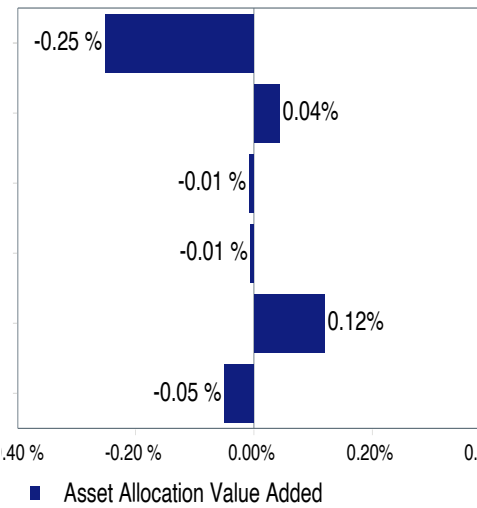
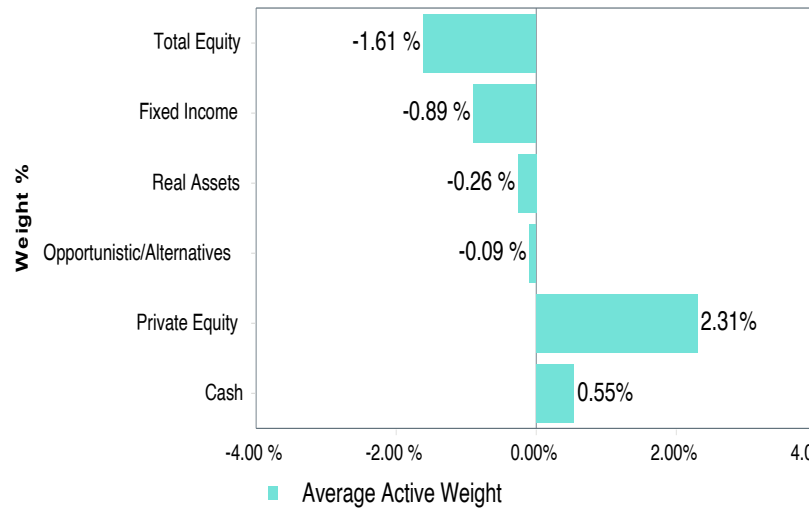
Total Fund Performance



Total Value Added: -3.97 %



Total Asset Allocation: -0.15 % Total Manager Value Added: -3.85 %



Asset Allocation & Performance

Calendar Year Performance

	Performance %										
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Total Fund	9.2 (17)	-3.9 (23)	31.9 (11)	-1.4 (92)	5.3 (63)	11.7 (1)	16.1 (1)	-0.5 (72)	5.2 (9)	19.0 (5)	14.3 (8)
<i>Performance Benchmark</i>	9.2 (17)	-7.3 (52)	31.2 (14)	2.3 (33)	7.1 (9)	9.2 (21)	13.2 (30)	1.8 (8)	5.2 (9)	18.3 (15)	13.5 (21)
Total Equity	15.7 (53)	-13.4 (38)	47.4 (23)	-6.4 (78)	4.1 (59)	13.4 (30)	22.1 (27)	-4.8 (57)			
<i>Total Equity Performance Benchmark</i>	17.0 (42)	-15.8 (49)	42.0 (41)	2.7 (44)	5.9 (49)	12.2 (35)	19.0 (46)	-1.5 (38)			
Jacobs Levy 130/30	18.0 (38)	12.1 (1)	50.3 (42)	0.2 (47)	5.5 (51)	19.9 (23)	24.6 (18)	8.3 (4)	14.2 (7)	24.3 (54)	22.4 (50)
<i>Russell 3000 Index</i>	19.0 (32)	-13.9 (52)	44.2 (57)	6.5 (32)	9.0 (32)	14.8 (45)	18.5 (56)	2.1 (23)	7.3 (44)	25.2 (44)	21.5 (56)
Kennedy Capital Management	6.6 (87)	-11.9 (55)	72.4 (29)	-16.2 (51)	-7.8 (68)	12.2 (49)	24.2 (36)	-4.9 (66)	2.7 (54)	29.4 (10)	34.4 (6)
<i>Russell 2000 Value Index</i>	6.0 (88)	-16.3 (83)	73.3 (28)	-17.5 (59)	-6.2 (59)	13.1 (40)	24.9 (31)	-2.6 (43)	0.8 (67)	22.5 (74)	24.8 (61)
Stephens	13.6 (71)	-25.8 (31)	40.2 (87)	7.8 (53)	8.4 (37)	29.5 (26)	18.3 (83)	-7.8 (43)	5.1 (89)	18.4 (79)	18.7 (86)
<i>Russell 2000 Growth Index</i>	18.5 (37)	-33.4 (64)	51.4 (58)	3.5 (63)	-0.5 (79)	21.9 (64)	24.4 (44)	-10.8 (60)	12.3 (40)	24.7 (38)	23.7 (56)
Voya Absolute Return	15.6 (53)	-14.1 (42)	41.9 (41)	0.1 (55)	4.0 (60)	9.9 (53)	20.3 (37)	1.9 (22)	7.8 (10)	26.9 (26)	19.7 (38)
<i>Performance Benchmark</i>	16.5 (45)	-15.8 (49)	39.3 (53)	2.1 (46)	5.7 (50)	10.7 (48)	18.8 (48)	1.1 (23)	7.4 (10)	24.6 (40)	20.6 (31)
Voya U.S. Convertibles	9.5 (84)	-19.8 (70)	47.3 (48)	20.1 (10)	12.5 (15)	16.4 (36)	15.9 (75)	-7.1 (79)	4.4 (68)	23.1 (66)	19.4 (71)
<i>Performance Benchmark</i>	10.6 (80)	-20.6 (71)	45.7 (52)	15.3 (16)	7.8 (39)	12.0 (64)	16.8 (69)	-4.7 (66)	3.5 (74)	24.4 (53)	18.6 (76)
Pershing Square Holdings	23.5 (14)	-17.9 (66)	57.0 (26)	36.5 (2)	21.7 (1)	-2.7 (100)	8.3 (96)	-49.1 (100)	15.2 (4)	30.4 (10)	
<i>Dow Jones U.S. Total Stock Market Index</i>	18.9 (32)	-14.2 (54)	44.3 (56)	6.4 (33)	8.9 (33)	14.8 (45)	18.5 (56)	2.0 (24)	7.2 (46)	25.0 (47)	
Triam Partners	18.5	-19.0	33.4	-2.3	13.1	2.8	9.5				
<i>S&P 500 Index</i>	19.6	-10.6	40.8	7.5	10.4	14.4	17.9				
Triam Co-Investments	22.6	-10.9	34.5	-3.4	14.4	-5.6					
<i>S&P 500 Index</i>	19.6	-10.6	40.8	7.5	10.4	14.4	17.9				
SSgA Global Index	16.5 (45)	-16.2 (52)	41.3 (44)	1.6 (48)	4.8 (54)	11.4 (42)	19.4 (42)	-3.4 (48)	1.2 (54)	23.8 (48)	17.5 (54)
<i>MSCI AC World IMI (Net)</i>	16.1 (47)	-16.5 (53)	40.9 (45)	1.2 (50)	4.6 (56)	11.1 (44)	19.0 (45)	-3.9 (51)	0.8 (57)	23.4 (52)	17.1 (58)
BlackRock MSCI ACWI IMI Fund	16.6 (44)	-16.2 (52)	41.4 (44)	1.5 (49)	4.5 (56)	11.4 (42)	19.1 (45)	-3.4 (48)	1.2 (54)	23.9 (48)	17.7 (53)
<i>MSCI AC World IMI (Net)</i>	16.1 (47)	-16.5 (53)	40.9 (45)	1.2 (50)	4.6 (56)	11.1 (44)	19.0 (45)	-3.9 (51)	0.8 (57)	23.4 (52)	17.1 (58)
Wellington Global Perspectives	13.4 (68)	-17.1 (56)	60.0 (8)	-11.7 (91)	-3.8 (90)	15.7 (20)	24.8 (15)	-4.2 (52)	-1.4 (70)	33.1 (5)	30.7 (4)
<i>Performance Benchmark</i>	13.0 (70)	-21.8 (78)	54.1 (13)	-5.5 (76)	-3.0 (88)	13.8 (27)	20.5 (36)	-4.7 (56)	1.5 (52)	26.0 (31)	20.6 (30)

Asset Allocation & Performance

Calendar Year Performance

	Performance %										
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
T. Rowe Price Global Equity	20.0 (21)	-28.7 (91)	52.0 (14)	22.8 (6)	8.0 (35)	21.3 (8)	28.8 (8)	-0.6 (33)	7.5 (10)	32.0 (6)	18.2 (49)
MSCI AC World Index (Net)	16.5 (45)	-15.8 (49)	39.3 (53)	2.1 (46)	5.7 (50)	10.7 (48)	18.8 (48)	-3.7 (50)	0.7 (57)	22.9 (55)	16.6 (62)
MSCI AC World Index Growth (net)	23.1 (10)	-23.5 (82)	39.7 (51)	16.6 (10)	7.2 (41)	16.1 (19)	18.6 (49)	-2.7 (44)	4.9 (25)	23.1 (54)	15.4 (68)
Lazard	10.4 (79)	-25.6 (86)	47.5 (23)	1.6 (48)	2.7 (69)	9.8 (53)	26.2 (12)	-10.7 (88)	7.3 (11)	23.3 (52)	15.8 (67)
MSCI AC World Index (Net)	16.5 (45)	-15.8 (49)	39.3 (53)	2.1 (46)	5.7 (50)	10.7 (48)	18.8 (48)	-3.7 (50)	0.7 (57)	22.9 (55)	16.6 (62)
Harris Global Equity	18.4	-17.0	56.6	-6.6	-2.0	5.0	38.9	-12.8	0.7		
MSCI World Index (Net)	18.5	-14.3	39.0	2.8	6.3	11.1	18.2	-2.8	1.4		
MSCI World Value (Net)	10.7	-6.6	37.9	-11.3	4.2	5.6	18.7	-3.7	-2.9		
Arrowstreet Global Equity - Alpha Extension Fund											
MSCI AC World IMI (Net)											
Fixed Income	1.4	-7.5	3.1	6.4	6.4	1.3	5.2	3.5	1.0	6.1	3.8
Performance Benchmark	0.0	-10.9	1.1	7.9	8.1	-0.3	0.9	5.8	1.6	5.2	0.2
BlackRock	-0.4 (75)	-10.9 (69)	0.9 (73)	9.0 (18)	8.0 (26)	-0.3 (76)	0.3 (69)	6.0 (23)	2.4 (15)	5.2 (50)	0.3 (63)
Performance Benchmark	0.0 (69)	-10.9 (69)	1.1 (69)	7.9 (29)	8.1 (24)	-0.3 (74)	0.9 (55)	5.8 (25)	1.6 (37)	5.2 (49)	0.2 (66)
Loomis Sayles	3.3 (26)	-12.5 (82)	9.3 (21)	7.6 (31)	7.4 (38)	1.8 (26)	8.1 (16)	1.9 (69)	1.1 (56)	12.0 (9)	10.7 (7)
Performance Benchmark	2.7 (31)	-11.5 (75)	4.9 (34)	6.6 (40)	8.2 (21)	0.5 (48)	4.0 (27)	5.0 (36)	1.0 (61)	6.8 (35)	2.8 (30)
Putnam	2.4 (70)	-5.1 (41)	4.0 (84)	0.1 (63)	3.7 (42)	4.1 (54)	7.9 (30)	-3.6 (78)	-0.7 (60)	3.7 (85)	5.5 (54)
LIBOR	3.6 (62)	0.0 (18)	0.2 (90)	2.1 (43)	2.6 (54)	1.5 (77)	0.8 (86)	0.4 (46)	0.2 (40)	0.3 (94)	0.4 (100)
SSgA Aggregate Bond Index	-1.0 (85)	-10.4 (62)	-0.3 (92)	8.7 (21)	7.9 (28)	-0.4 (77)	-0.3 (83)	6.0 (23)	1.9 (27)	4.3 (61)	-0.6 (83)
Barclays Aggregate Index	-0.9 (85)	-10.3 (61)	-0.3 (93)	8.7 (21)	7.9 (28)	-0.4 (77)	-0.3 (84)	6.0 (23)	1.9 (29)	4.4 (60)	-0.7 (85)
Wellington Global Total Return	4.8 (50)	3.8 (6)	1.7 (88)	2.1 (43)	5.3 (28)	5.1 (46)	-0.7 (88)	1.3 (41)	0.5 (32)		
BofA Merrill Lynch 3 Month US T-Bill	3.6 (62)	0.2 (15)	0.1 (90)	1.6 (47)	2.3 (58)	1.4 (78)	0.5 (86)	0.2 (46)	0.0 (42)		
Reams Core Plus Bond Fund	2.6	-10.7	2.1	15.3	8.6	0.0	0.0	6.1	1.5		
Barclays Aggregate Index	-0.9	-10.3	-0.3	8.7	7.9	-0.4	-0.3	6.0	1.9		
BRS Recycling Tax Credit											
BRS Recycling Tax Credit Phase 2											
BRS Recycling Tax Credit Phase 3											

Asset Allocation & Performance

Calendar Year Performance

	Performance %										
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Opportunistic/Alternatives	7.9	0.2	10.4	-5.3	-0.2	0.6	6.8	-1.7	5.8	10.2	12.9
<i>Custom Alternatives Benchmark</i>	4.9	-0.2	11.5	-2.8	2.4	3.4	2.8	-3.7	1.7	6.3	7.1
Anchorage	6.9	0.1	23.9	-5.4	1.4	6.2	5.9	-3.9	3.8	18.9	19.4
<i>Credit Suisse Event Driven</i>	5.2	-5.4	27.5	-6.9	1.9	3.8	9.3	-10.4	-2.0	14.1	14.5
York	35.5	-9.1	5.3	-45.2	-5.9	12.2	14.3	-12.9	-7.2	22.4	19.4
<i>Credit Suisse Event Driven</i>	5.2	-5.4	27.5	-6.9	1.9	3.8	9.3	-10.4	-2.0	14.1	14.5
Capula	11.8	6.6	2.5	9.8	6.3	3.8	7.8	6.1	8.9	7.9	4.0
<i>HFRI Macro (Total) Index</i>	-0.4	7.9	15.0	0.8	2.4	1.1	-2.4	1.8	4.2	1.5	-0.1
Graham	3.7	23.6	27.4	-5.6	2.1	6.5	-3.2	-1.0	23.9	2.7	5.9
<i>HFRI Macro (Total) Index</i>	-0.4	7.9	15.0	0.8	2.4	1.1	-2.4	1.8	4.2	1.5	-0.1
Circumference Group Core Value	16.4	-10.1	27.9	5.0	2.7	15.9	14.0				
<i>Russell 2000 Index</i>	12.3	-25.2	62.0	-6.6	-3.3	17.6	24.6				
Aeolus Keystone Fund	11.3	-8.2	-0.2	5.1	-5.8	-17.9	11.2				
<i>FTSE 3 Month T-Bill</i>	3.7	0.2	0.1	1.6	2.3	1.3	0.5				
<i>Eurekahedge ILS Advisers Index</i>	4.2	0.4	3.6	2.9	-5.5	-6.6	5.0				
Nephila Rubik Holdings	2.2	-15.1	-9.6	3.1	-6.9	-7.7	2.2				
<i>FTSE 3 Month T-Bill</i>	3.7	0.2	0.1	1.6	2.3	1.3	0.5				
<i>Eurekahedge ILS Advisers Index</i>	4.2	0.4	3.6	2.9	-5.5	-6.6	5.0				
Parametric Global Defensive Equity Fund	12.6	-5.5	22.6	-4.2	3.9	5.8					
<i>Performance Benchmark</i>	10.4	-7.8	18.5	2.4	4.4	6.0					
<i>MSCI AC World Index</i>	17.1	-15.4	39.9	2.6	6.3	11.3					
Man Alternative Risk Premia	8.5	12.1	2.8	-7.9	1.8						
<i>SG Multi Alternative Risk Premia Index</i>	6.1	4.0	3.1	-11.6	0.4						
CFM Systematic Global Macro Fund	-4.8										
<i>HFRI Macro: Systematic Diversified Index</i>	-3.4										
Pillar Opportunity	-3.0										
<i>FTSE 3 Month T-Bill</i>	3.7										
<i>Eurekahedge ILS Advisers Index</i>	4.2										
Chatham PDSC III	18.8										
<i>HFRI Event-Driven (Total) Index</i>	5.3										
Silver Point Capital Fund	8.0										
<i>HFRI ED: Distressed/Restructuring Index</i>	1.6										
Prophet Mtg. Servicing Opportunities											
<i>Credit Suisse Hedge Fund Index</i>											
Chatham PDSC IV											
<i>HFRI Event-Driven (Total) Index</i>											

Asset Allocation & Performance

Calendar Year Performance

	Performance %										
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Real Assets	1.5	16.0	4.7	3.9	5.6	9.4	7.5	9.5	11.7	9.0	
<i>Total Real Assets Benchmark</i>	1.3	20.6	2.4	4.1	5.7	6.2	6.6	10.0	11.5	11.4	
Real Estate	-3.5	21.7	0.8	2.0	5.7	11.1	6.9	12.0	13.4	12.1	7.9
<i>NFI-ODCE (Net)</i>	-3.9	27.3	1.5	3.9	6.5	7.1	7.4	12.6	12.4	12.7	10.5
Timber	7.1	13.2	4.9	12.2	-0.3	1.2	8.0	0.4	9.4	-1.1	6.8
<i>Timberland Property Benchmark</i>	11.3	11.8	1.6	3.1	0.1	2.6	3.7	2.5	10.5	7.7	6.9
BTG Timber Separate Account											
BTG U.S. Timberland Fund, L.P.											
Agriculture	10.1	12.8	6.0	1.8	3.5	3.3	4.3	9.8	2.5	11.0	11.5
<i>Agriculture Benchmark</i>	9.1	9.7	4.1	3.3	5.4	3.5	4.5	5.6	6.5	12.8	20.9
HFMS Farmland	5.8	14.1	7.0	1.4	3.4	2.9	3.9	10.7	2.5	11.0	11.5
<i>HFMS custom NCREIF Farmland Index</i>	9.1	9.7	4.4	4.6	4.9	2.0	4.0	4.8	6.5	12.8	20.9
UBS Agrivest Core Farmland Fund	26.4	9.4	3.5	3.1	4.0	4.5	5.0	6.2			
<i>UBS Agrivest custom NCREIF Farmland Index</i>	9.1	9.7	4.2	4.7	6.2	5.0	5.5	8.4			
Infrastructure	12.6	16.3	21.2	7.2	14.6						
<i>CPI + 5%</i>	8.1	14.5	10.6	5.7	6.7						
Private Equity	2.1	16.6	33.3	4.9	12.8	22.3	16.7	7.7	11.9	20.6	12.5
<i>Private Equity Policy</i>	-6.9	13.9	65.9	-7.5	10.8	16.1	20.4	1.6	14.5	25.0	16.8
Cash	7.8	2.1	0.8	3.8	6.5	1.2	5.0	3.2			

*The Real Assets and Private Equity returns and their benchmark returns are shown on a one-quarter lag.

*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 151 of this report.

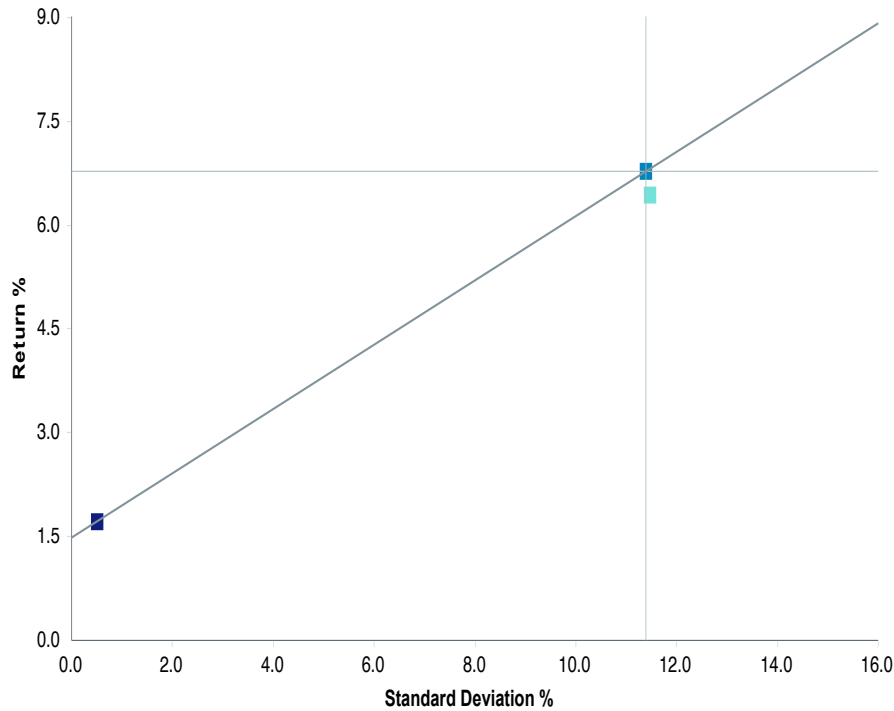
*The inception date above for infrastructure reflects the inception date for the calculation and reporting of time-weighted returns. The Infrastructure program began in July 2014 and the full history of Infrastructure returns are included in Total Real Assets and Total Fund performance.

*The BRS Recycling Tax Credit represents an annual income stream of \$16 million dollars over the next 14 years, which ATRS purchased for approximately \$162 million. This represents an approximate 9.9% yield for the 2017 fiscal year. The value shown above represents the year-end market value in accordance with GASB Statement 72, representing the 14 years of annual income, and has been incorporated into Total Fixed Income and Total Fund performance.

Risk Profile Total Fund

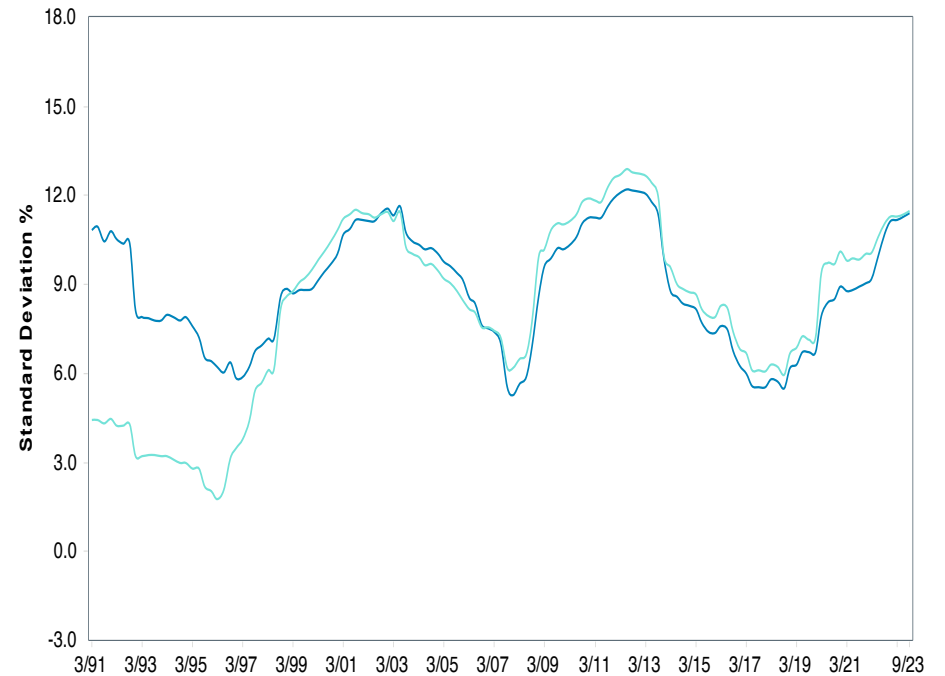
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
5 Years



■ Total Fund ■ Performance Benchmark ■ 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



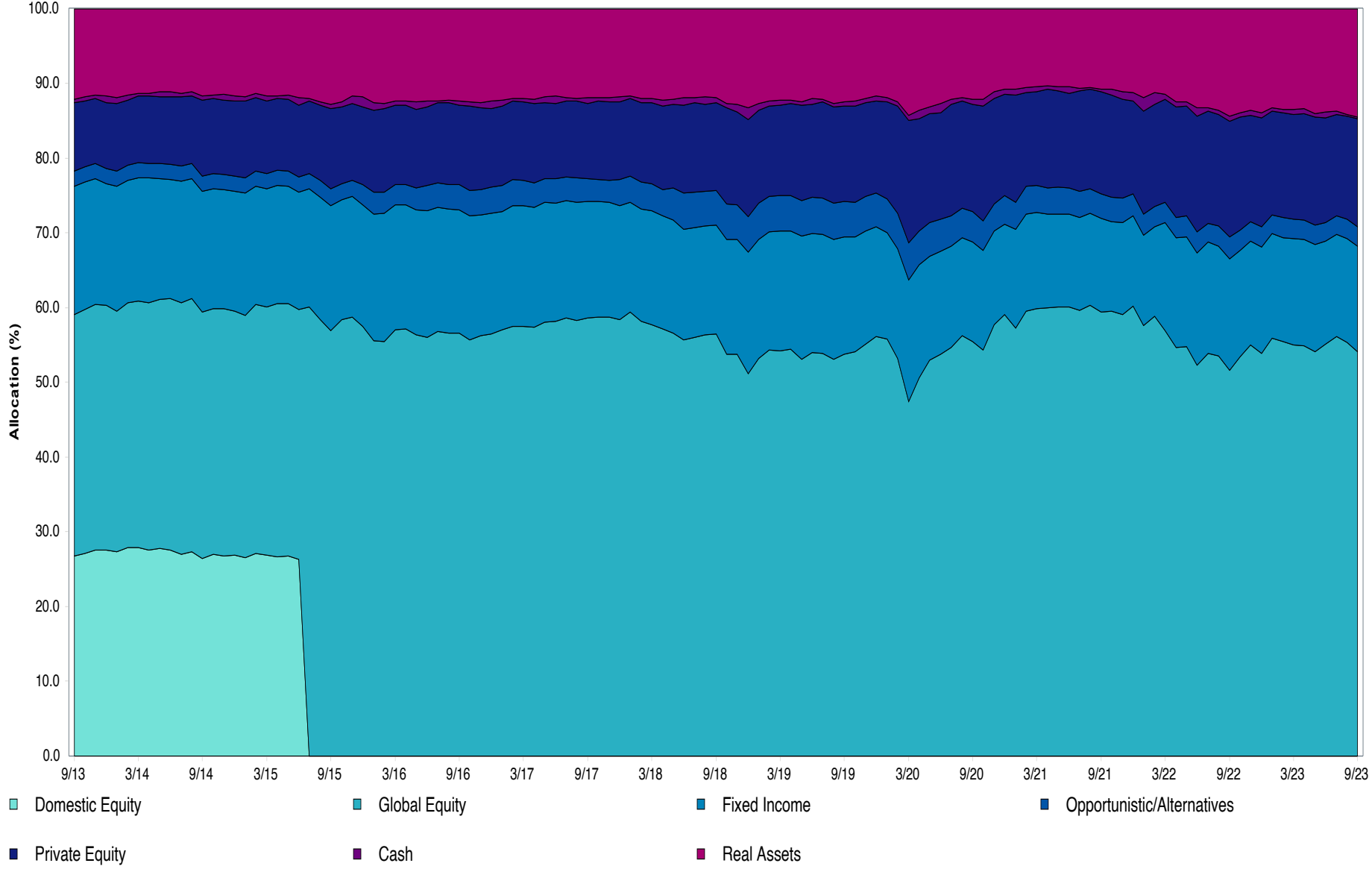
— Total Fund — Performance Benchmark

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Total Fund	-0.31	3.63	-0.09	0.90	0.45	0.00	0.96	6.43	11.48	0.95
Performance Benchmark	0.00	0.00	-	1.00	0.48	0.00	1.00	6.78	11.39	1.00
90 Day U.S. Treasury Bill	-5.51	11.48	-0.48	0.02	-	1.77	-0.01	1.72	0.50	-0.15

Historical Asset Allocation by Segment

10 Years Ending September 30, 2023



Total Fund Asset Allocation

Asset Allocation as of 9/30/2023								Values in \$1,000		
	Total Equity	U.S. Bond	Real Estate	Private Equity	Cash	Total	Percent of Total	ATRS Benchmark Policy	ATRS Long-Term Target	
Jacobs Levy 130/30	\$1,236,637.6					\$1,236,637.6	6.18%			
Kennedy Capital Management	\$565,180.7					\$565,180.7	2.83%			
Stephens	\$536,196.0					\$536,196.0	2.68%			
Voya Absolute Return	\$758,117.1					\$758,117.1	3.79%			
Voya U.S. Convertibles	\$899,706.5					\$899,706.5	4.50%			
Pershing Square Holdings	\$260,870.4					\$260,870.4	1.30%			
SSgA Global Index	\$1,176,723.3					\$1,176,723.3	5.88%			
BlackRock MSCI ACWI IMI Fund	\$1,110,637.1					\$1,110,637.1	5.55%			
Wellington Global Perspectives	\$604,493.1					\$604,493.1	3.02%			
T. Rowe Price Global Equity	\$1,175,199.7					\$1,175,199.7	5.88%			
Lazard	\$675,426.7					\$675,426.7	3.38%			
Harris Global Equity	\$629,123.1					\$629,123.1	3.15%			
Triam Partners	\$79,704.3					\$79,704.3	0.40%			
Triam Partners Co-Investments	\$88,576.3					\$88,576.3	0.44%			
Capital Guardian & Knight Vinke	\$56.9					\$56.9	0.00%			
Global Equity Transition Account	\$0.0					\$0.0	0.00%			
Arrowstreet	\$828,400.9					\$828,400.9	4.14%			
Total Equity						\$10,625,049.7	53.13%	55.30%	53.00%	
BlackRock		\$242,502.1				\$242,502.1	1.21%			
Loomis Sayles		\$630,567.1				\$630,567.1	3.15%			
SSgA Aggregate Bond Index		\$672,499.9				\$672,499.9	3.36%			
Wellington Global Total Return		\$400,065.5				\$400,065.5	2.00%			
Reams Core Plus Bond Fund		\$540,288.1				\$540,288.1	2.70%			
BRS Recycling Tax Credit		\$176,000.0				\$176,000.0	0.88%			
BRS Recycling Tax Credit Phase 2		\$77,031.6				\$77,031.6	0.39%			
BRS Recycling Tax Credit Phase 3		\$82,119.8				\$82,119.8	0.41%			
Total Fixed Income						\$2,821,074.1	14.11%	15.00%	15.00%	
Anchorage				\$29,480.6		\$29,480.6	0.15%			
Capula				\$98,610.6		\$98,610.6	0.49%			
Graham				\$100,930.1		\$100,930.1	0.50%			
York				\$9,220.3		\$9,220.3	0.05%			
Circumference Group Core Value				\$39,054.4		\$39,054.4	0.20%			
Aeolus Keystone Fund				\$26,647.4		\$26,647.4	0.13%			
Nephila Rubik Holdings				\$0.0		\$0.0	0.00%			
Parametric Global Defensive Equity				\$204,707.0		\$204,707.0	1.02%			
Man Alternative Risk Premia				\$115,230.8		\$115,230.8	0.58%			
CFM Systematic Global Macro				\$99,960.0		\$99,960.0	0.50%			
Juniperus				\$101,295.9		\$101,295.9	0.51%			
Chatham PDSC III				\$65,942.9		\$65,942.9	0.33%			
Silver Point Capital				\$51,451.0		\$51,451.0	0.26%			
Chatham PDSC IV				\$59,043.9		\$59,043.9	0.30%			
Prophet				\$43,378.9		\$43,378.9	0.22%			
Total Opportunistic/Alternatives						\$1,044,953.7	5.23%	5.11%	5.00%	
Real Estate			\$1,521,248.9			\$1,521,248.9	7.61%			
Timber			\$338,166.4			\$338,166.4	1.69%			
Agriculture			\$238,062.5			\$238,062.5	1.19%			
Infrastructure			\$482,858.3			\$482,858.3	2.41%			
Total Real Assets						\$2,580,336.1	12.90%	12.59%	15.00%	
Total Private Equity				\$2,896,123.2		\$2,896,123.2	14.48%	12.00%	12.00%	
Total Cash					\$31,511.6	\$31,511.6	0.16%	0.00%	0.00%	
Total Fund	\$10,625,049.7	\$2,821,074.1	\$2,580,336.1	\$3,941,076.9	\$31,511.6	\$19,999,048.4	100.00%	100.00%	100.00%	

*Note: The market values for the Real Assets and Private Equity investments shown above are lagged one quarter and adjusted for the current quarter's cash flows. Market values and allocation percentages may not add to the total due to rounding.

Real Estate Asset Allocation

Asset Allocation as of 9/30/2023				Values in \$1,000			
	Real Estate	Percent of Real Estate	Percent of Total Fund		Real Estate	Percent of Real Estate	Percent of Total Fund
Almanac Realty Securities Fund V	\$71.9	0.00%	0.00%	LaSalle Income & Growth Fund VI	\$3,337.7	0.22%	0.02%
Almanac Realty Securities Fund VI	\$3,738.7	0.25%	0.02%	LaSalle Income & Growth Fund VII	\$8,530.9	0.56%	0.04%
Almanac Realty Securities Fund VII	\$16,880.1	1.11%	0.08%	LaSalle Income & Growth Fund VIII	\$33,358.2	2.19%	0.17%
Almanac Realty Securities Fund VIII	\$19,077.8	1.25%	0.10%	LaSalle US Value Partners IX	-\$1,094.6	-0.07%	-0.01%
Almanac Realty Securities Fund IX	\$6,939.9	0.46%	0.03%	LBA Logistics Value Fund	\$24,429.7	1.61%	0.12%
American Center	\$26,631.4	1.75%	0.13%	Lone Star Real Estate Fund IV	\$6,292.8	0.41%	0.03%
AR Insurance	\$2,368.4	0.16%	0.01%	Lone Star Real Estate Fund VII	-\$168.6	-0.01%	0.00%
AR Teachers Retirement Building	\$4,791.3	0.31%	0.02%	Long Wharf Real Estate Partners V	\$17,752.0	1.17%	0.09%
Blackstone Real Estate Partners VII	\$8,671.4	0.57%	0.04%	Long Wharf Real Estate Partners VI	\$33,732.4	2.22%	0.17%
Blackstone RE Europe VI	\$34,996.0	2.30%	0.17%	Mesa West Income Fund V	\$12,164.9	0.80%	0.06%
Blackston RE X	\$3,069.8	0.20%	0.02%	Metropolitan RE Co-Investments	\$8,821.8	0.58%	0.04%
Carlyle Realty Partners VII	\$7,366.8	0.48%	0.04%	Met Life Commercial Mtg Inc Fund	\$45,756.0	3.01%	0.23%
Carlyle Realty VIII	\$13,211.1	0.87%	0.07%	Morgan Stanley Prime Property Fund	\$62,173.6	4.09%	0.31%
Carlyle Realty IX	\$5,806.6	0.38%	0.03%	New Boston Fund VII	\$12,649.5	0.83%	0.06%
CBREI SP U.S. Opportunity V	\$296.8	0.02%	0.00%	O'Connor NAPP II	\$4,438.7	0.29%	0.02%
CBREI SP VIII	\$17,616.7	1.16%	0.09%	PRISA	\$307,412.2	20.21%	1.54%
CBREI SP IX	\$27,407.5	1.80%	0.14%	Recoveries Land	\$65.0	0.00%	0.00%
Cerberus Institutional RE Partners III	\$9,465.5	0.62%	0.05%	Rockwood Capital RE Partners IX	\$4,721.4	0.31%	0.02%
Calmwater	\$10,998.5	0.72%	0.05%	Rockwood Capital RE XI	\$29,915.8	1.97%	0.15%
Fletcher Properties	\$1,064.6	0.07%	0.01%	Rose Law Firm	\$4,096.4	0.27%	0.02%
FPA Core Plus IV	\$35,420.2	2.33%	0.18%	RREEF Core Plus Industrial Fund	\$50,259.2	3.30%	0.25%
GCP GLP IV	\$37,885.2	2.49%	0.19%	Texarkana DHS	\$0.0	0.00%	0.00%
Harbert European Real Estate	\$3,871.5	0.25%	0.02%	Torchlight Debt Opportunity Fund IV	\$2,207.9	0.15%	0.01%
Heitman European Property IV	\$292.9	0.02%	0.00%	Torchlight Debt Opportunity Fund V	\$2,444.6	0.16%	0.01%
JP Morgan Strategic Property Fund	\$176,773.7	11.62%	0.88%	Torchlight Debt Opportunity Fund VI	\$18,595.5	1.22%	0.09%
Kayne Anderson V	\$20,636.4	1.36%	0.10%	Torchlight Debt Opportunity Fund VII	\$26,796.1	1.76%	0.13%
Kayne Anderson VI	\$27,792.9	1.83%	0.14%	UBS Trumbull Property Fund	\$131,257.2	8.63%	0.66%
Landmark Fund VI	\$117.4	0.01%	0.00%	UBS Trumbull Property Income Fund	\$54,922.9	3.61%	0.27%
Landmark Real Estate IX	-\$399.6	-0.03%	0.00%	Victory	\$32,702.1	2.15%	0.16%
Landmark Real Estate VIII	\$13,045.6	0.86%	0.07%	Walton Street Real Estate Debt II	\$15,937.7	1.05%	0.08%
LaSalle Asia Opportunity Fund IV	\$1,600.0	0.11%	0.01%	West Mphs. DHS	\$0.0	0.00%	0.00%
LaSalle Asia Opportunity Fund V	\$15,843.3	1.04%	0.08%	Westbrook IX	\$7,475.3	0.49%	0.04%
LaSalle Asia Opportunity Fund VI	-\$1,371.1	-0.09%	-0.01%	Westbrook Real Estate Fund X	\$8,285.3	0.54%	0.04%
				Total Real Estate	\$1,521,248.9	100.00%	7.61%

*Note: The market values for the Real Assets and Private Equity investments shown above are lagged one quarter and adjusted for the current quarter's cash flows. Market values and allocation percentages may not add to the total due to rounding.

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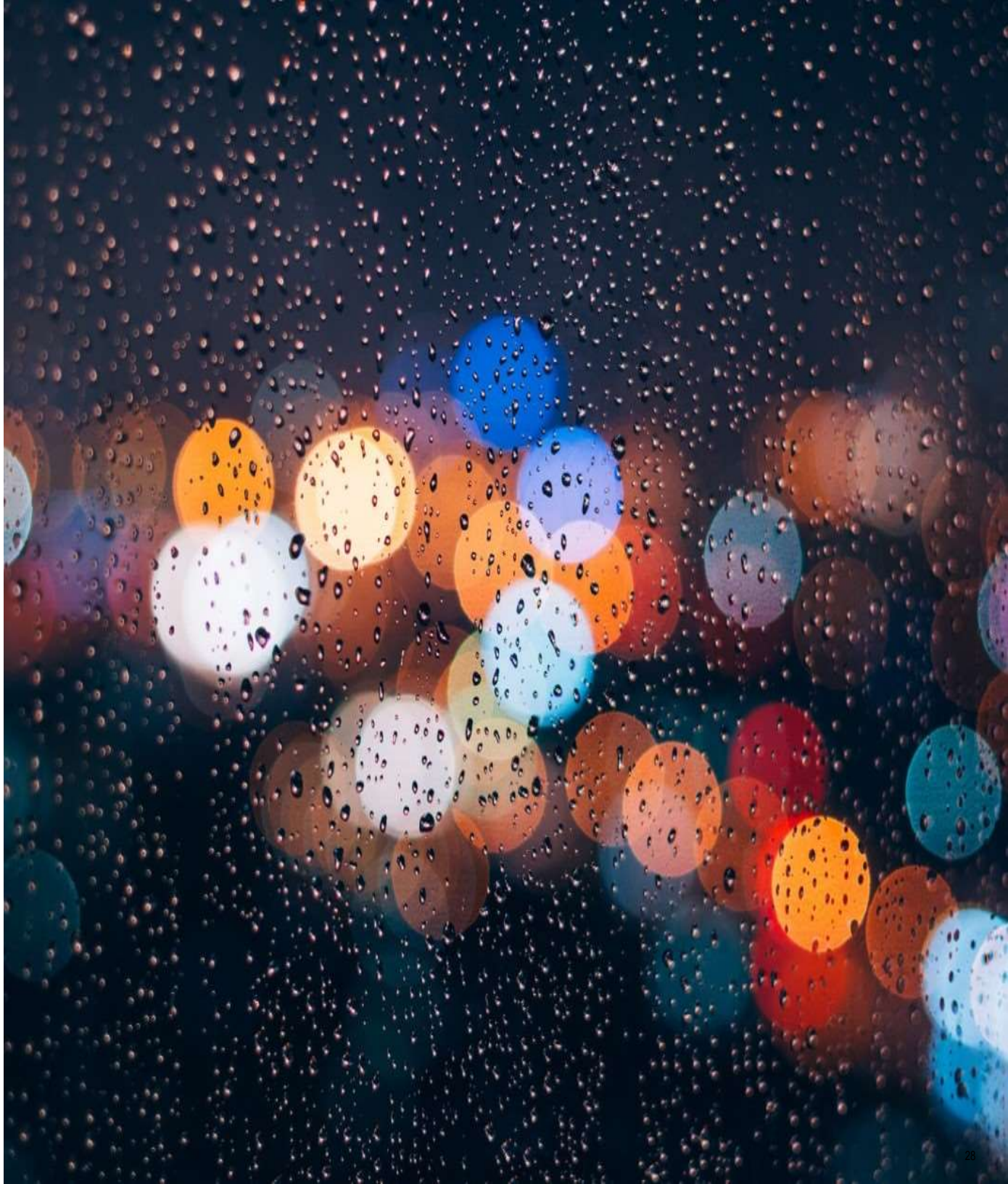
Private Equity Asset Allocation

Asset Allocation as of 9/30/2023				Values in \$1,000			
	Private Equity	Percent of Private Equity	Percent of Total Fund		Private Equity	Percent of Private Equity	Percent of Total Fund
Alpine VIII	\$21,420.3	0.74%	0.11%	Insight Mezzanine I	\$1,916.8	0.07%	0.01%
Arlington Capital IV	\$32,835.8	1.13%	0.16%	JF Lehman III	\$23,630.2	0.82%	0.12%
Arlington Capital V	\$38,133.3	1.32%	0.19%	JF Lehman IV	\$11,511.2	0.40%	0.06%
Arlington Capital VI	\$8,160.1	0.28%	0.04%	JF Lehman V	\$38,058.6	1.31%	0.19%
Advent GPE VI	\$3,194.8	0.11%	0.02%	JF Lehman VI	\$3,263.2	0.11%	0.02%
Altus Capital II	\$3,963.9	0.14%	0.02%	KPS III	\$0.0	0.00%	0.00%
American Industrial Partners VI	\$35,036.9	1.21%	0.18%	KPS IV	\$10,930.2	0.38%	0.05%
American Industrial Partners VII	\$34,568.8	1.19%	0.17%	KPS V	\$20,940.3	0.72%	0.10%
Altaris Constellation Partners	\$19,145.8	0.66%	0.10%	KPS Mid-Cap	\$15,207.7	0.53%	0.08%
Altaris Health Partners IV	\$21,726.2	0.75%	0.11%	Levine Leichtman V	\$7,245.9	0.25%	0.04%
Atlas Capital II	\$12,416.2	0.43%	0.06%	Lime Rock III	\$19,540.8	0.67%	0.10%
Audax Mezzanine III	\$1,359.8	0.05%	0.01%	LLR III	\$1,042.2	0.04%	0.01%
Big River - Equity	\$1,770.4	0.06%	0.01%	LLR VI	\$23,968.2	0.83%	0.12%
Big River - Holdings Note 2023	\$0.0	0.00%	0.00%	Mason Wells III	\$40.3	0.00%	0.00%
Big River - Holdings Note 3/16/23	\$0.0	0.00%	0.00%	NGP IX	\$93.8	0.00%	0.00%
Bison V	\$23,516.5	0.81%	0.12%	NGP X	\$3,253.2	0.11%	0.02%
Bison VI	\$8,362.0	0.29%	0.04%	NGP XI	\$18,877.9	0.65%	0.09%
Boston Ventures VII	\$1,399.9	0.05%	0.01%	NGP XII	\$16,287.4	0.56%	0.08%
Boston Ventures IX	\$38,657.1	1.33%	0.19%	One Rock Capital Partners II	\$35,114.2	1.21%	0.18%
Boston Ventures X	\$31,971.6	1.10%	0.16%	PineBridge	\$8,947.4	0.31%	0.04%
Boston Ventures XI	\$3,801.1	0.13%	0.02%	Revelstoke	\$15,511.8	0.54%	0.08%
BV VIII	\$22,653.9	0.78%	0.11%	Riverside Value Fund I	\$10,297.2	0.36%	0.05%
Castlelake II	\$8,657.8	0.30%	0.04%	Riverside V	\$23,061.9	0.80%	0.12%
Castlelake III	\$10,409.2	0.36%	0.05%	Riverside VI	\$30,179.5	1.04%	0.15%
Clearlake V	\$35,858.8	1.24%	0.18%	Siris III	\$20,573.6	0.71%	0.10%
Clearlake VI	\$45,186.0	1.56%	0.23%	Siris IV	\$36,615.9	1.26%	0.18%
Clearlake VII	\$17,940.3	0.62%	0.09%	SK Capital V	\$38,196.6	1.32%	0.19%
Court Square III	\$31,836.0	1.10%	0.16%	Sk Capital VI	\$14,499.8	0.50%	0.07%
CSFB-ATRS 2005-1 Series	\$16,172.8	0.56%	0.08%	Sycamore Partners II	\$14,567.2	0.50%	0.07%
CSFB-ATRS 2006-1 Series	\$30,605.2	1.06%	0.15%	Sycamore Partners III	\$21,369.5	0.74%	0.11%
Diamond State Ventures II	\$2,796.9	0.10%	0.01%	TA XI	\$6,960.0	0.24%	0.03%
DW Healthcare III	\$5,828.1	0.20%	0.03%	Tennenbaum VI	\$162.6	0.01%	0.00%
DW Healthcare IV	\$26,123.1	0.90%	0.13%	Thoma Bravo Discover	\$6,395.9	0.22%	0.03%
DW Healthcare V	\$29,202.3	1.01%	0.15%	Thoma Bravo Discover II	\$21,244.1	0.73%	0.11%
EnCap IX	\$7,571.8	0.26%	0.04%	Thoma Bravo Discover III	\$21,775.7	0.75%	0.11%
EnCap VIII	\$18,216.9	0.63%	0.09%	Thomas Bravo Discover IV	\$6,500.7	0.22%	0.03%
EnCap X	\$16,825.0	0.58%	0.08%	Thoma Bravo Explore I	\$23,139.7	0.80%	0.12%
EnCap XI	\$33,013.3	1.14%	0.17%	Thoma Bravo XI	\$23,711.6	0.82%	0.12%
Franklin Park Series	\$1,151,168.2	39.75%	5.76%	Thoma Bravo XII	\$32,445.2	1.12%	0.16%
Greenbriar V	\$34,056.4	1.18%	0.17%	Thoma Bravo XIII	\$47,855.8	1.65%	0.24%
Greenbriar VI	\$4,263.2	0.15%	0.02%	Thoma Bravo XIV	\$21,388.0	0.74%	0.11%
GCG IV	\$14,983.4	0.52%	0.07%	Thoma Bravo XV	\$10,049.0	0.35%	0.05%
GCG V	\$35,623.9	1.23%	0.18%	Vista Equity III	\$2,167.8	0.07%	0.01%
GCG VI	\$1,445.3	0.05%	0.01%	Vista Foundation II	\$7,175.7	0.25%	0.04%
GTLA Holdings	\$70,700.0	2.44%	0.35%	Vista Foundation III	\$30,550.6	1.05%	0.15%
Highland	\$82,775.0	2.86%	0.41%	Wellspring V	\$13,707.9	0.47%	0.07%
Hybar LLC	\$180.6	0.01%	0.00%	Wicks IV	\$8,307.1	0.29%	0.04%
Insight Equity II	\$6,619.2	0.23%	0.03%	WNG II	\$25,690.7	0.89%	0.13%
Total Private Equity					\$2,896,123.2	100.00%	14.48%

*Note: The market values for the Real Assets and Private Equity investments shown above are lagged one quarter and adjusted for the current quarter's cash flows.
Market values and allocation percentages may not add to the total due to rounding.

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Total Equity

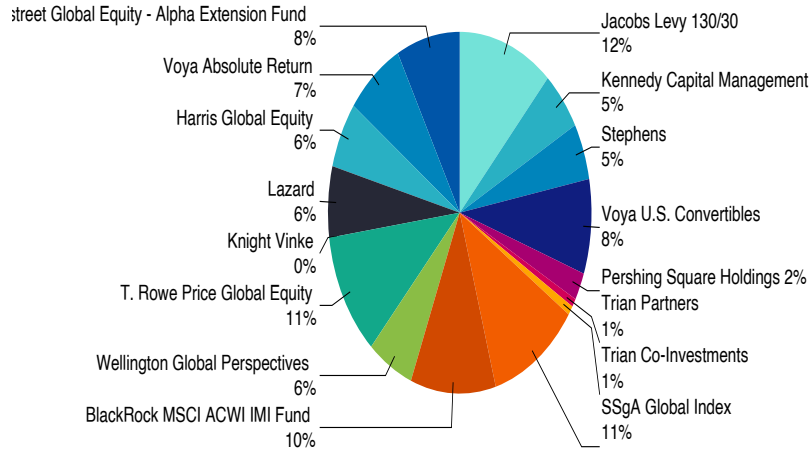


Composite Portfolio Overview Total Equity

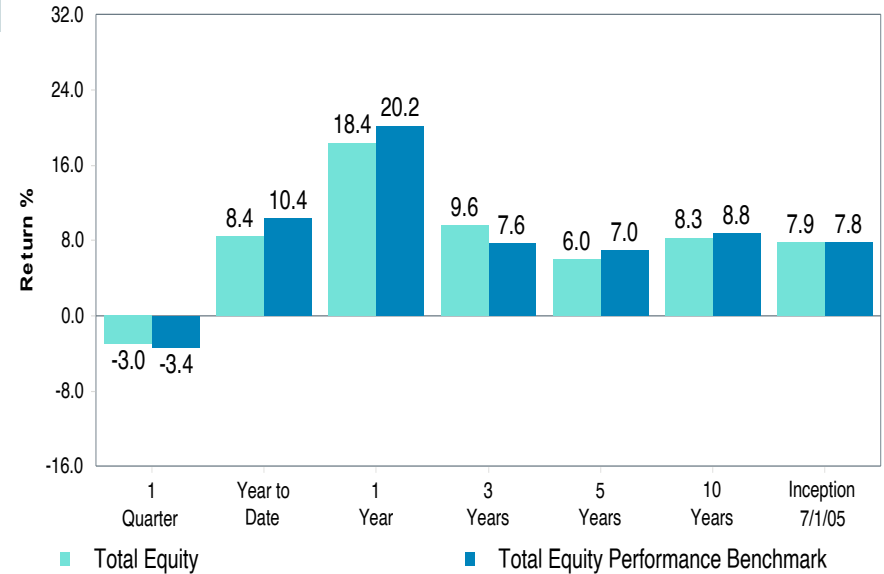
As of September 30, 2023

Current Allocation

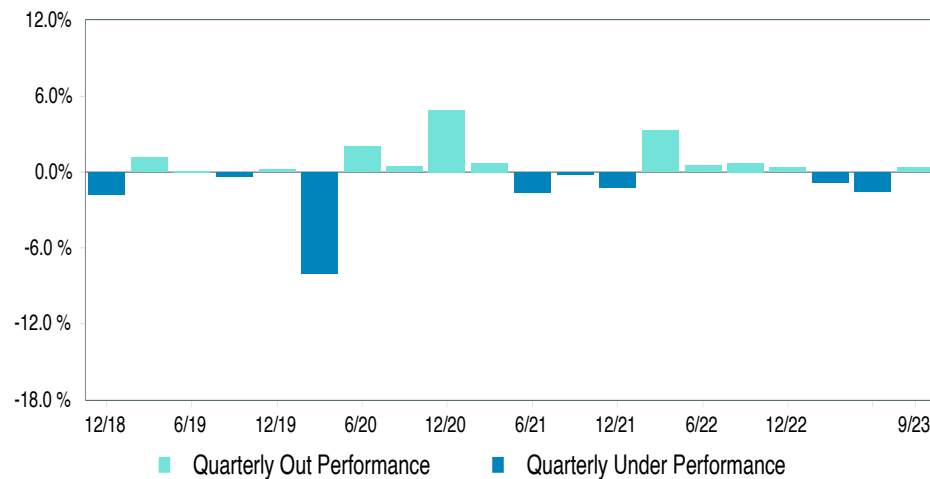
September 30, 2023 : \$10,625,049,735



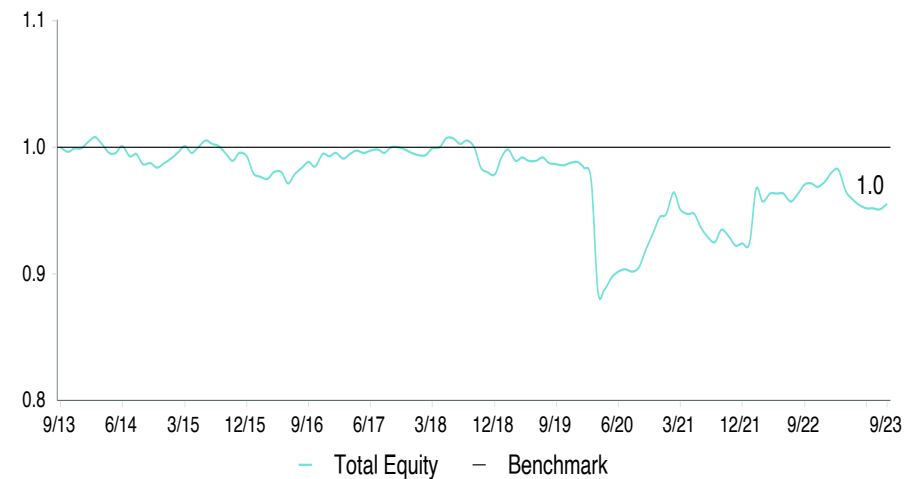
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years

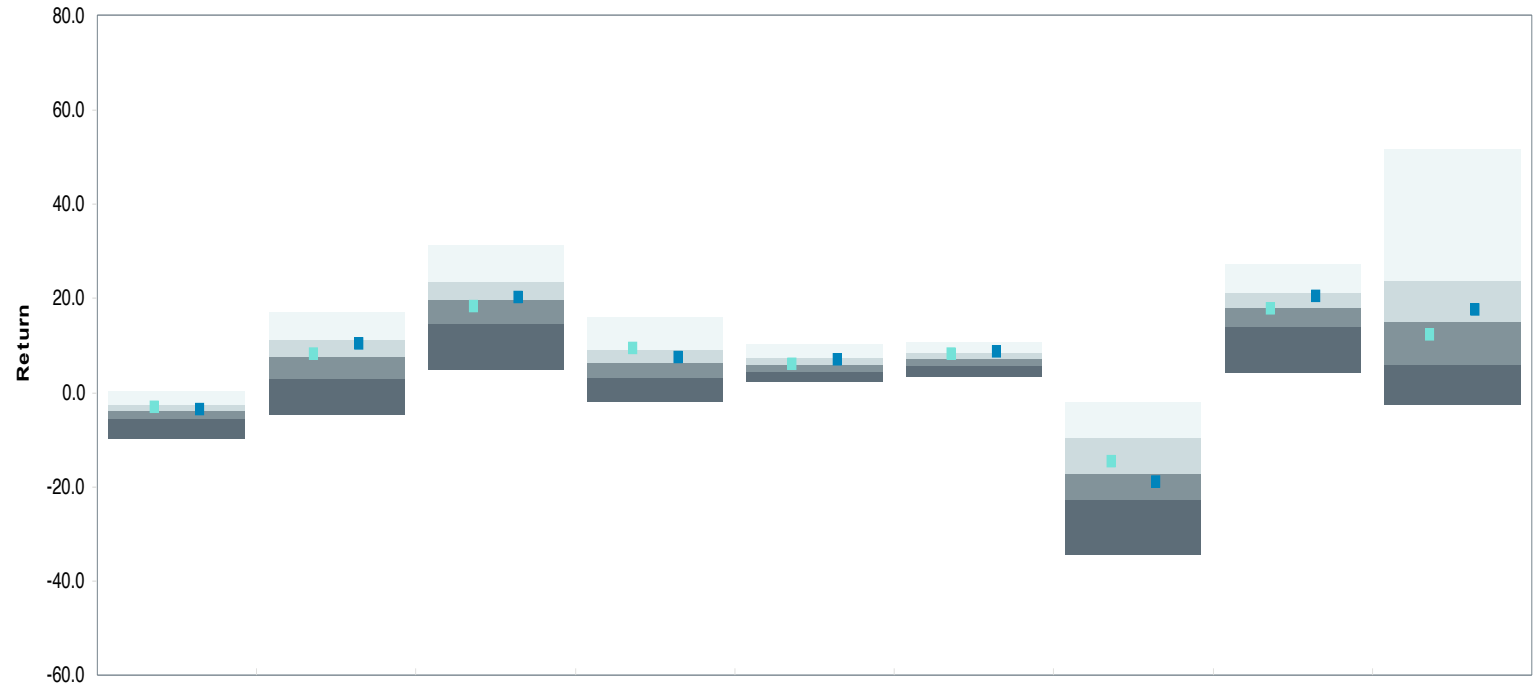


Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.

Peer Group Analysis

As of September 30, 2023

IM Global Equity (SA+CF)



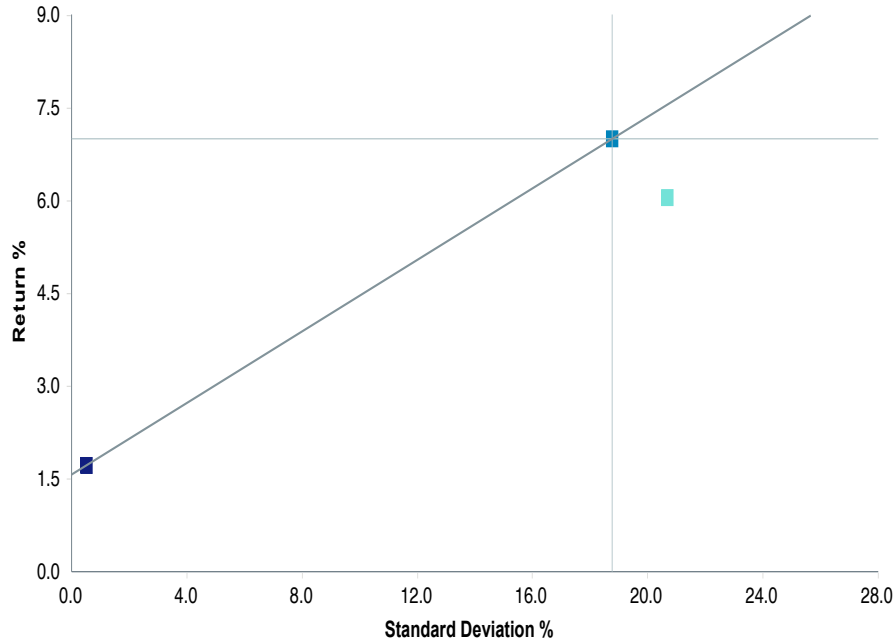
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
Total Equity	-3.0 (34)	8.4 (47)	18.4 (58)	9.6 (21)	6.0 (50)	8.3 (30)	-14.4 (38)	17.9 (51)	12.4 (58)
Total Equity Performance Benchmark	-3.4 (43)	10.4 (31)	20.2 (48)	7.6 (38)	7.0 (34)	8.8 (21)	-18.7 (58)	20.5 (29)	17.6 (41)
5th Percentile	0.3	17.1	31.3	16.0	10.2	10.8	-2.1	27.4	51.7
1st Quartile	-2.5	11.3	23.7	9.0	7.5	8.5	-9.5	21.3	23.8
Median	-4.0	7.6	19.8	6.3	6.0	7.1	-17.2	18.0	15.0
3rd Quartile	-5.6	3.1	14.6	3.1	4.6	5.8	-22.7	14.1	6.0
95th Percentile	-9.7	-4.6	4.9	-2.1	2.4	3.5	-34.5	4.3	-2.5
Population	465	463	453	426	387	280	496	504	516

Parentheses contain percentile rankings.

Risk Profile Total Equity

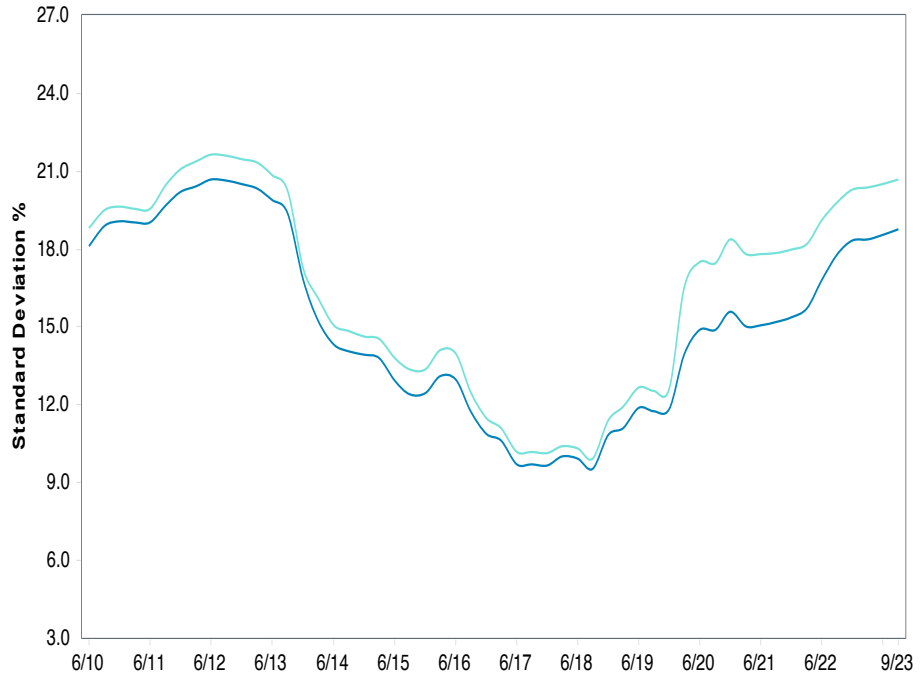
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



- Total Equity
- Total Equity Performance Benchmark
- 90 Day U.S. Treasury Bill

Standard Deviation Rolling 5 Years



- Total Equity
- Total Equity Performance Benchmark

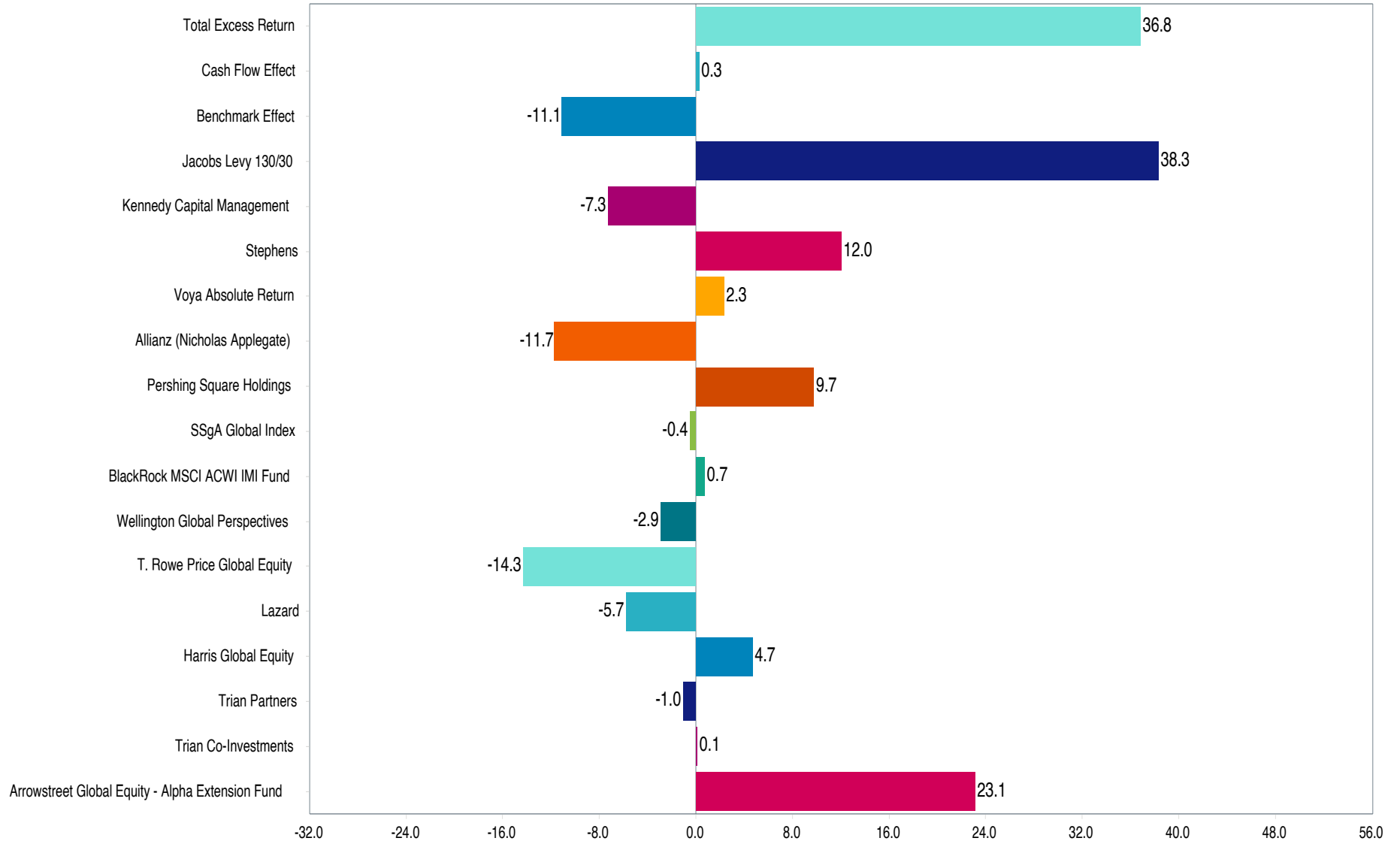
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Total Equity	-0.47	4.79	-0.10	0.95	0.31	-1.11	1.07	6.05	20.69	0.98
Total Equity Performance Benchmark	0.00	0.00	-	1.00	0.36	0.00	1.00	7.01	18.77	1.00
90 Day U.S. Treasury Bill	-6.84	18.85	-0.36	0.02	-	1.75	0.00	1.72	0.50	-0.14

Asset Class Attribution

1 Quarter Ending September 30, 2023

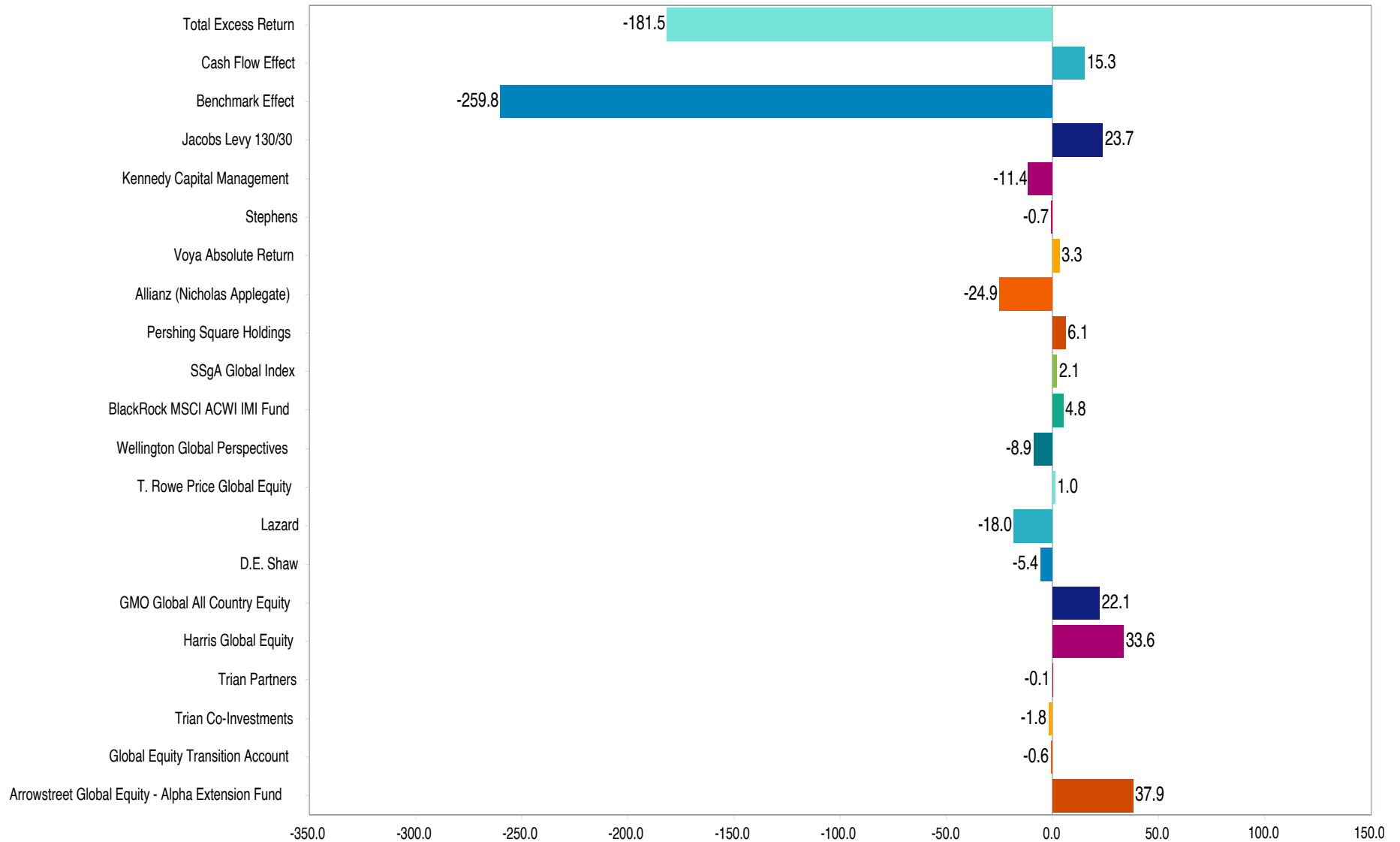
1 Quarter



Asset Class Attribution

1 Year Ending September 30, 2023

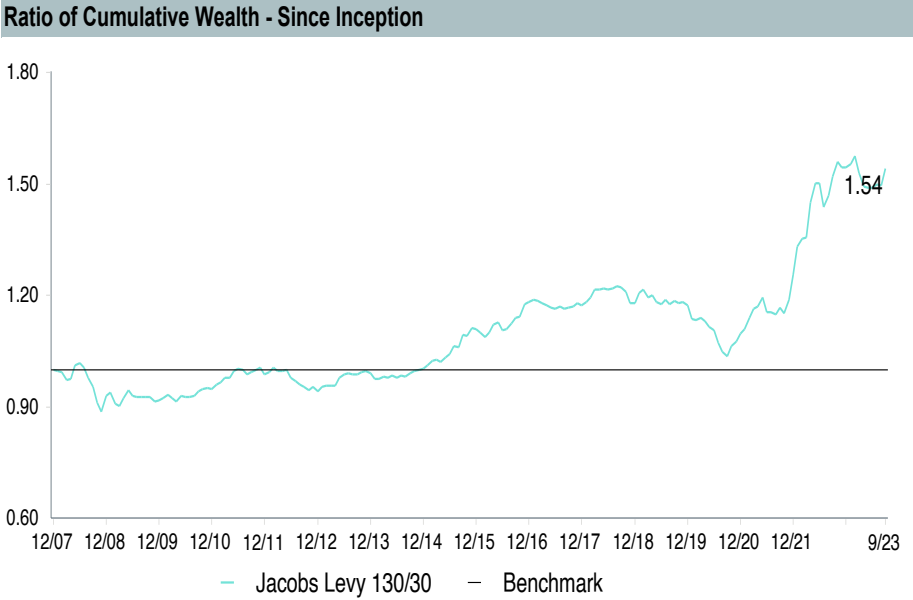
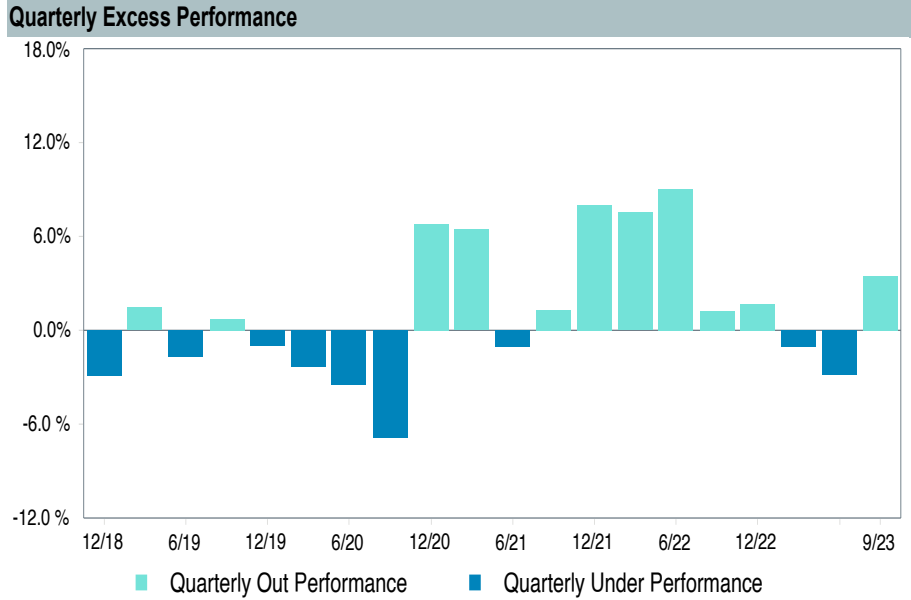
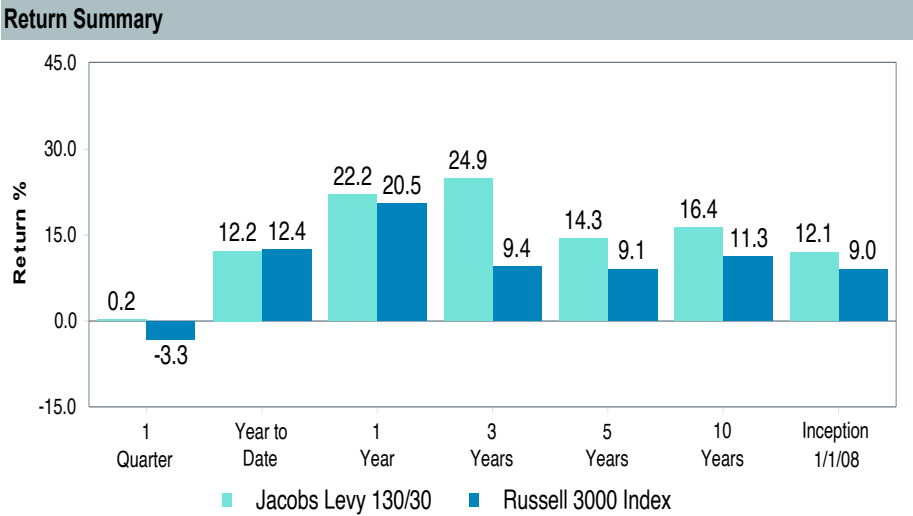
1 Year



Manager Performance Summary Jacobs Levy 130/30

As of September 30, 2023

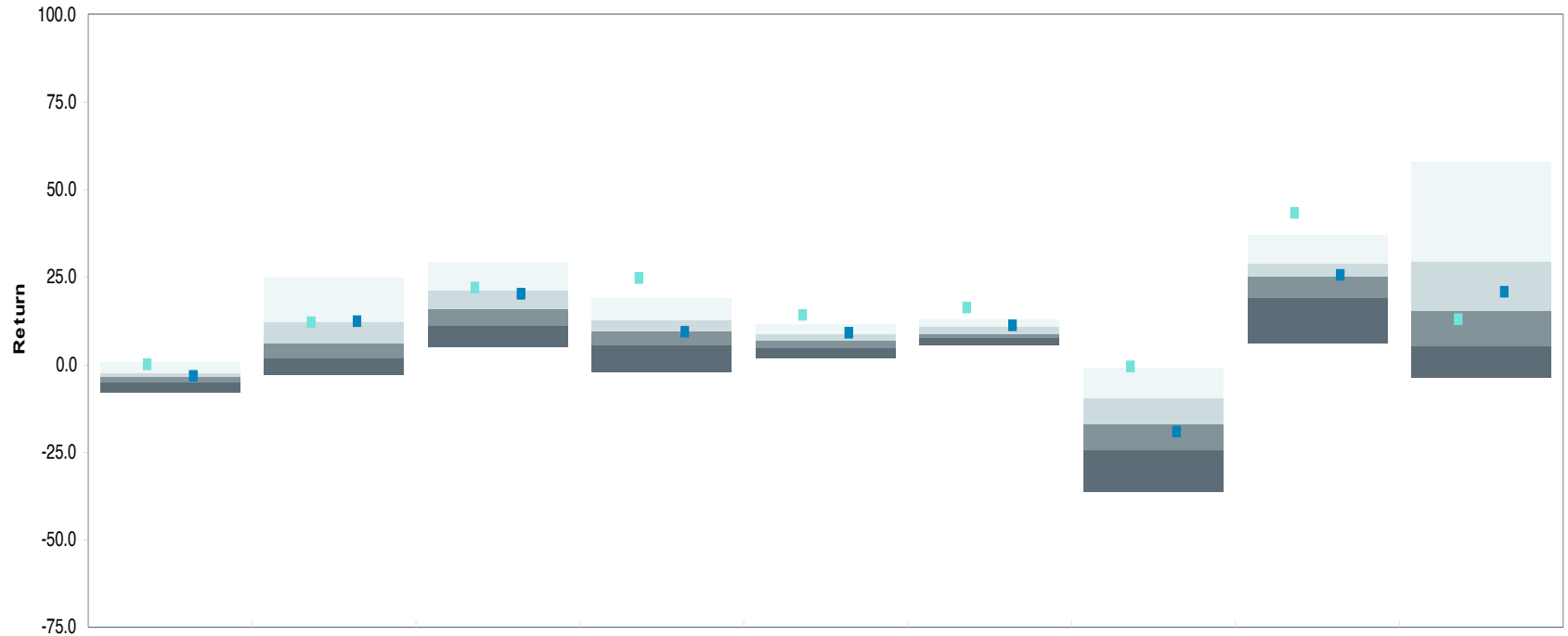
Account Information	
Account Name	Jacobs Levy 130/30
Inception Date	12/31/2007
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	Russell 3000 Index
Peer Group	IM U.S. Equity (SA+CF)



Jacobs Levy 130/30

As of September 30, 2023

IM U.S. Equity (SA+CF)



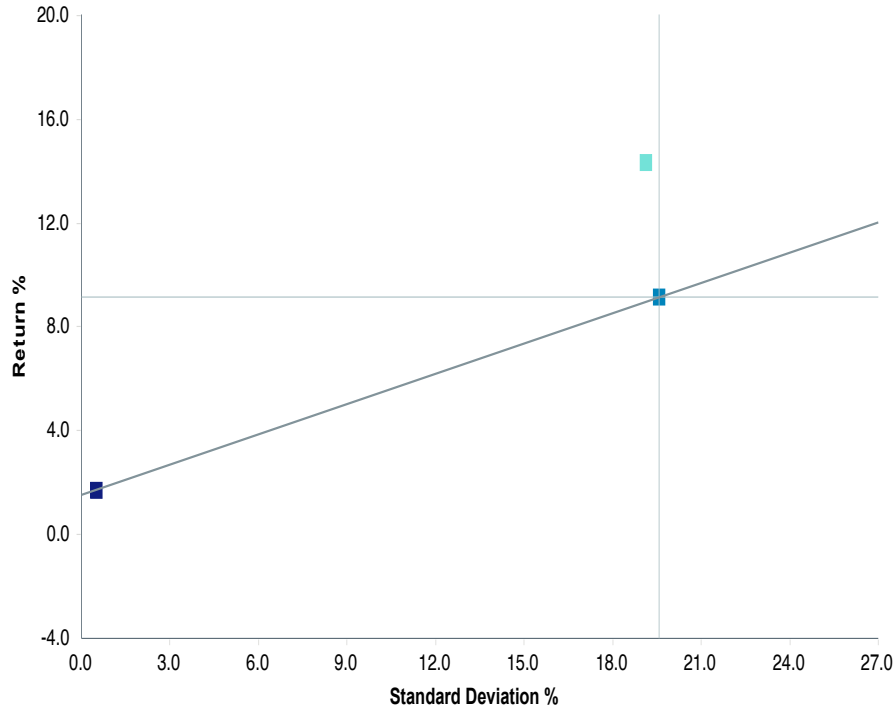
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
Jacobs Levy 130/30	0.2 (7)	12.2 (25)	22.2 (21)	24.9 (2)	14.3 (2)	16.4 (1)	-0.5 (5)	43.5 (2)	13.2 (56)
Russell 3000 Index	-3.3 (44)	12.4 (25)	20.5 (29)	9.4 (51)	9.1 (22)	11.3 (21)	-19.2 (62)	25.7 (46)	20.9 (37)
5th Percentile	0.6	24.8	29.0	19.1	11.7	13.2	-0.6	37.3	58.1
1st Quartile	-2.3	12.2	21.1	12.7	8.8	11.0	-9.5	29.0	29.5
Median	-3.5	6.3	16.2	9.4	6.8	9.0	-17.0	25.0	15.5
3rd Quartile	-5.0	2.1	11.4	5.5	4.6	7.6	-24.3	19.2	5.3
95th Percentile	-8.0	-2.8	5.1	-2.0	1.8	5.7	-36.3	6.1	-3.6
Population	1,797	1,789	1,789	1,724	1,653	1,341	2,000	2,059	2,154

Parentheses contain percentile rankings.

Risk Profile Jacobs Levy 130/30

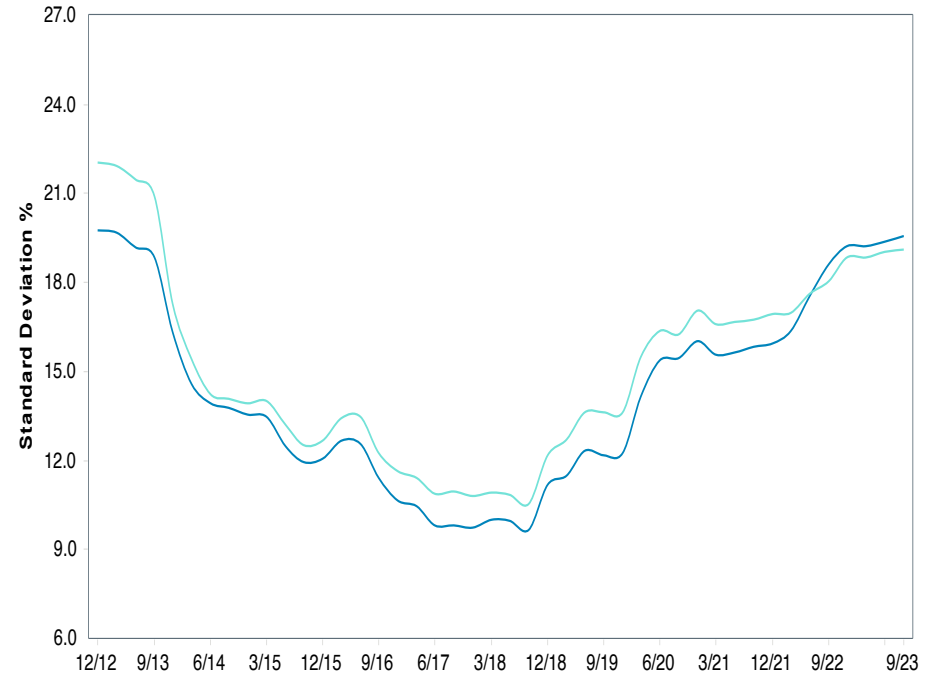
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



■ Jacobs Levy 130/30 ■ Russell 3000 Index ■ 90 Day U.S. Treasury Bill

Standard Deviation Rolling 5 Years



— Jacobs Levy 130/30 — Russell 3000 Index

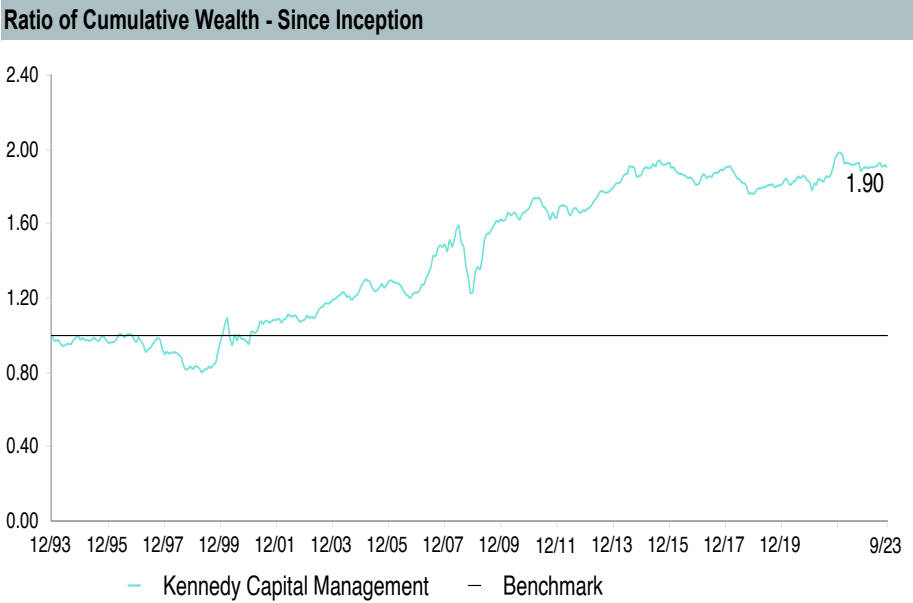
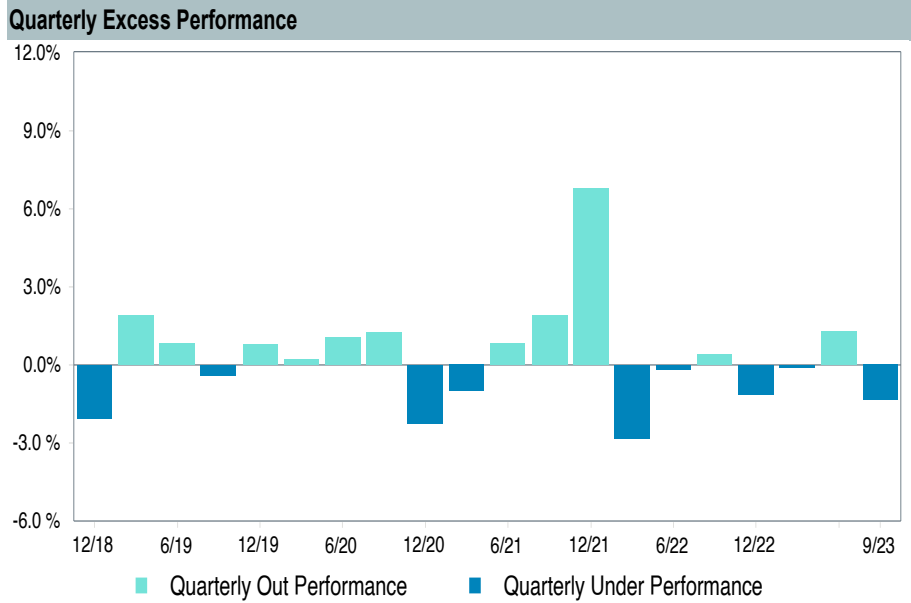
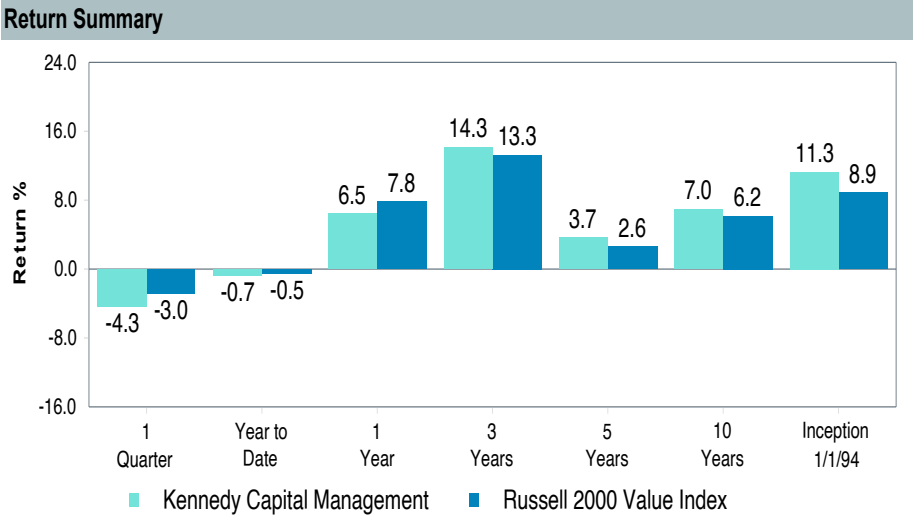
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Jacobs Levy 130/30	4.60	7.81	0.59	0.84	0.71	5.84	0.90	14.34	19.13	0.92
Russell 3000 Index	0.00	0.00	-	1.00	0.46	0.00	1.00	9.14	19.57	1.00
90 Day U.S. Treasury Bill	-8.97	19.65	-0.46	0.02	-	1.76	0.00	1.72	0.50	-0.15

Manager Performance Summary Kennedy Capital Management

As of September 30, 2023

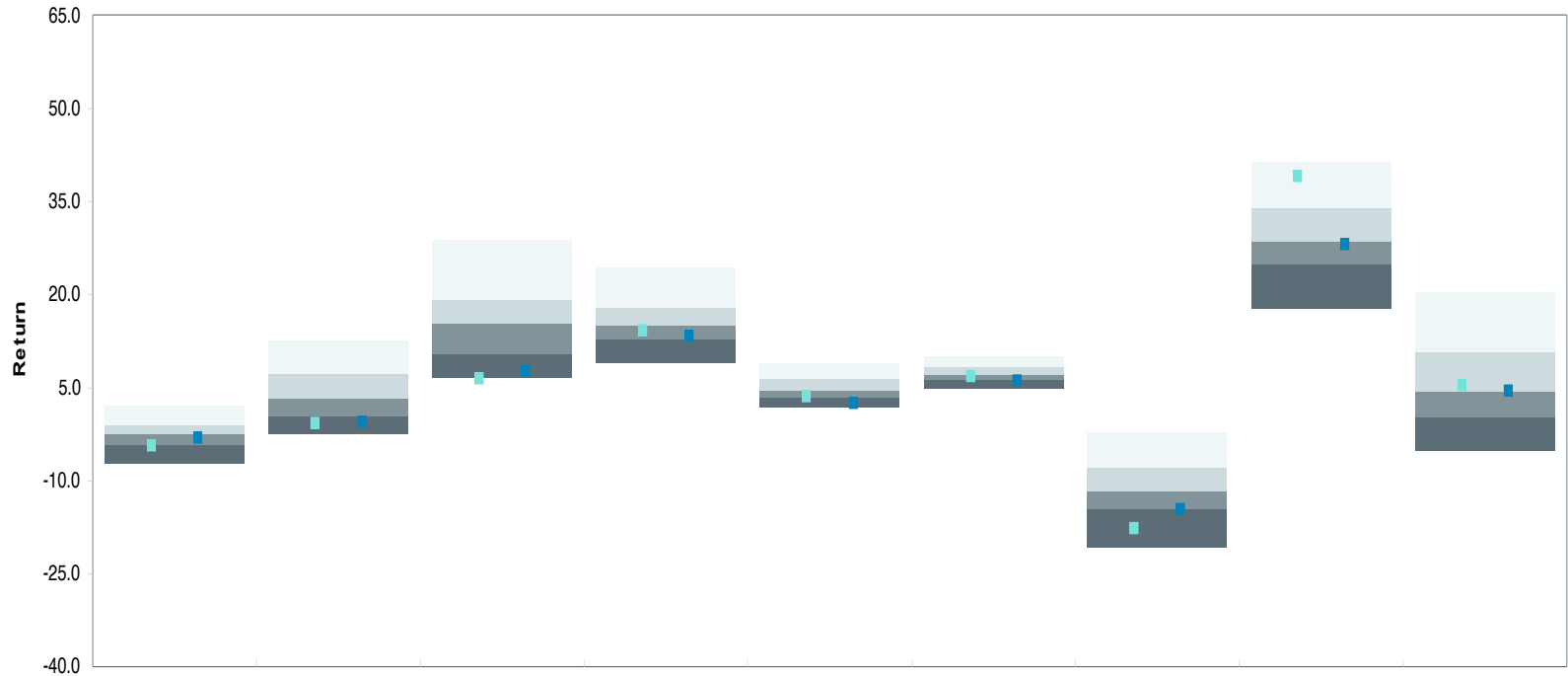
Account Information	
Account Name	Kennedy Capital Management
Inception Date	12/31/1993
Account Structure	Separate Account
Asset Class	US Equity
Benchmark	Russell 2000 Value Index
Peer Group	IM U.S. Small Cap Value Equity (SA+CF)



Kennedy Capital Management

As of September 30, 2023

IM U.S. Small Cap Value Equity (SA+CF)



	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
Kennedy Capital Management	-4.3 (78)	-0.7 (86)	6.5 (96)	14.3 (63)	3.7 (71)	7.0 (53)	-17.6 (89)	39.2 (10)	5.4 (45)
Russell 2000 Value Index	-3.0 (57)	-0.5 (83)	7.8 (89)	13.3 (72)	2.6 (90)	6.2 (81)	-14.5 (75)	28.3 (53)	4.6 (49)
5th Percentile	2.0	12.6	28.7	24.5	9.0	10.0	-2.4	41.4	20.4
1st Quartile	-1.0	7.3	19.2	18.0	6.3	8.4	-8.0	34.0	11.0
Median	-2.5	3.3	15.4	15.0	4.6	7.1	-11.6	28.6	4.3
3rd Quartile	-4.0	0.4	10.6	12.8	3.5	6.4	-14.5	24.9	0.1
95th Percentile	-7.2	-2.5	6.6	9.0	1.8	4.9	-20.7	17.7	-5.2
Population	154	154	154	148	142	125	174	177	187

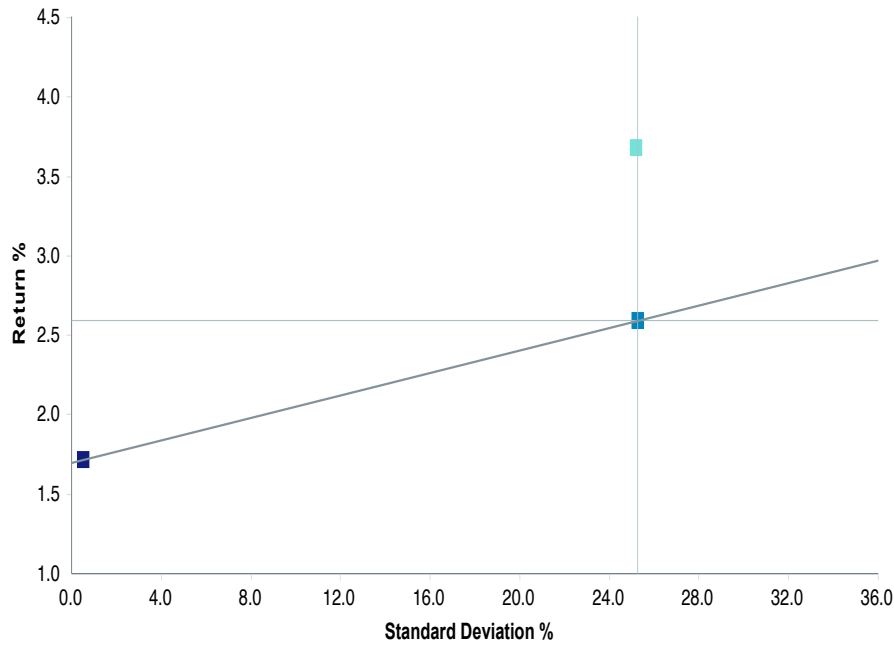
Parentheses contain percentile rankings.



Risk Profile Kennedy Capital Management

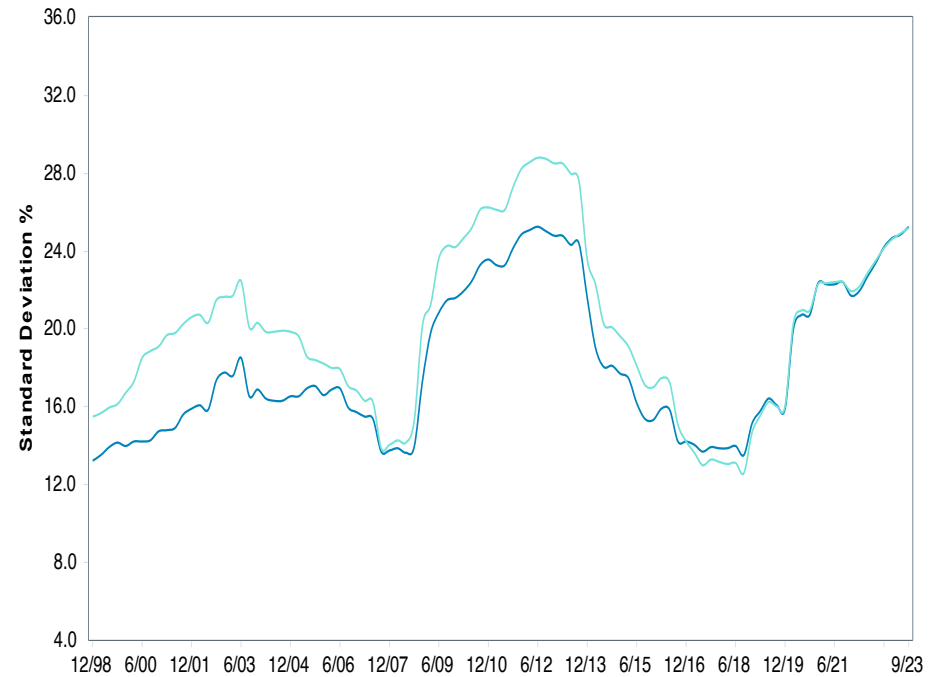
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
5 Years



- Kennedy Capital Management
- Russell 2000 Value Index
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



- Kennedy Capital Management
- Russell 2000 Value Index

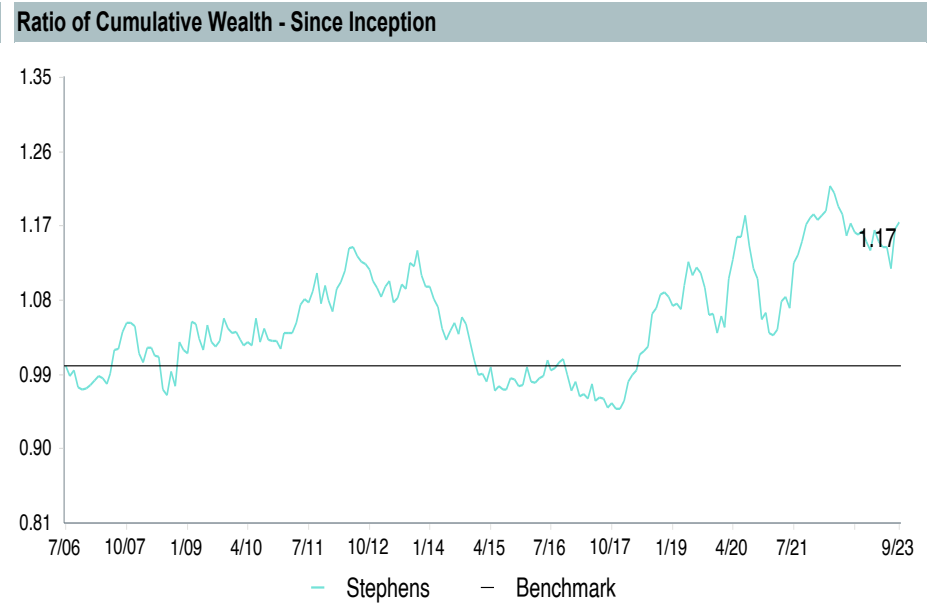
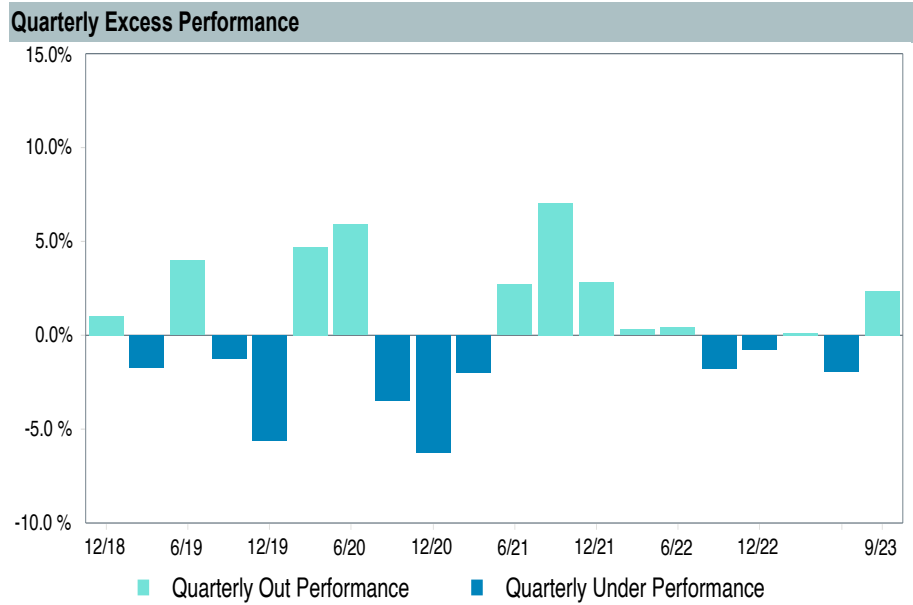
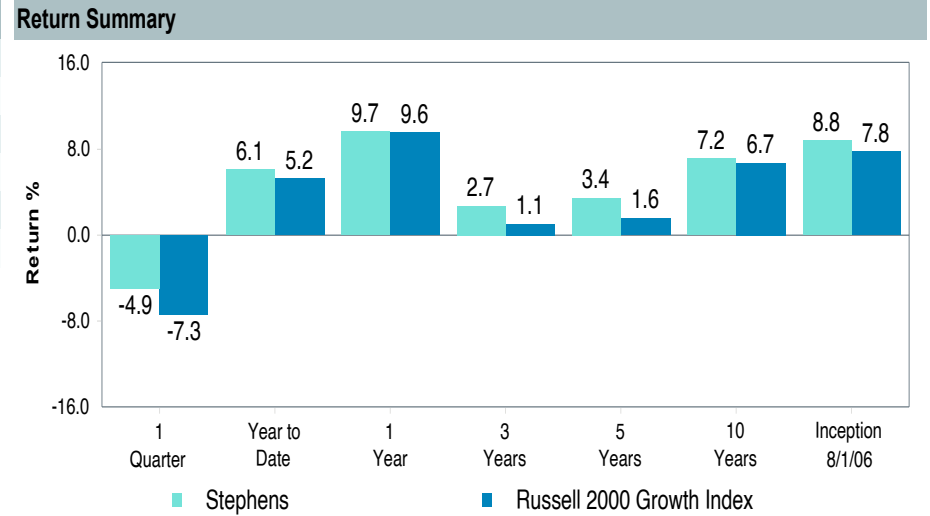
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Kennedy Capital Management	1.08	3.91	0.28	0.98	0.20	1.17	0.99	3.68	25.20	0.99
Russell 2000 Value Index	0.00	0.00	-	1.00	0.16	0.00	1.00	2.59	25.26	1.00
90 Day U.S. Treasury Bill	-4.08	25.39	-0.16	0.06	-	1.75	0.00	1.72	0.50	-0.24

Manager Performance Summary Stephens

As of September 30, 2023

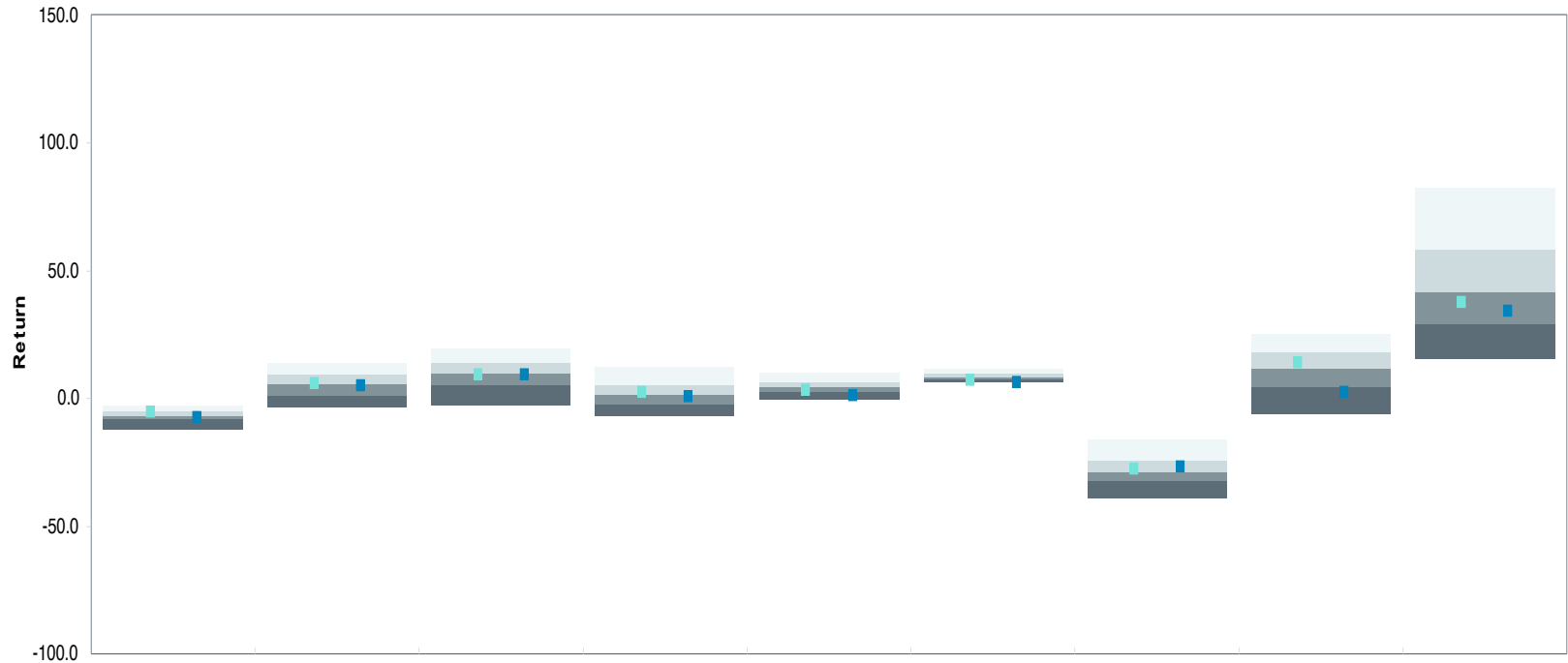
Account Information	
Account Name	Stephens
Inception Date	07/31/2006
Account Structure	Separate Account
Asset Class	US Equity
Benchmark	Russell 2000 Growth Index
Peer Group	IM U.S. Small Cap Growth Equity (SA+CF)



Stephens

As of September 30, 2023

IM U.S. Small Cap Growth Equity (SA+CF)



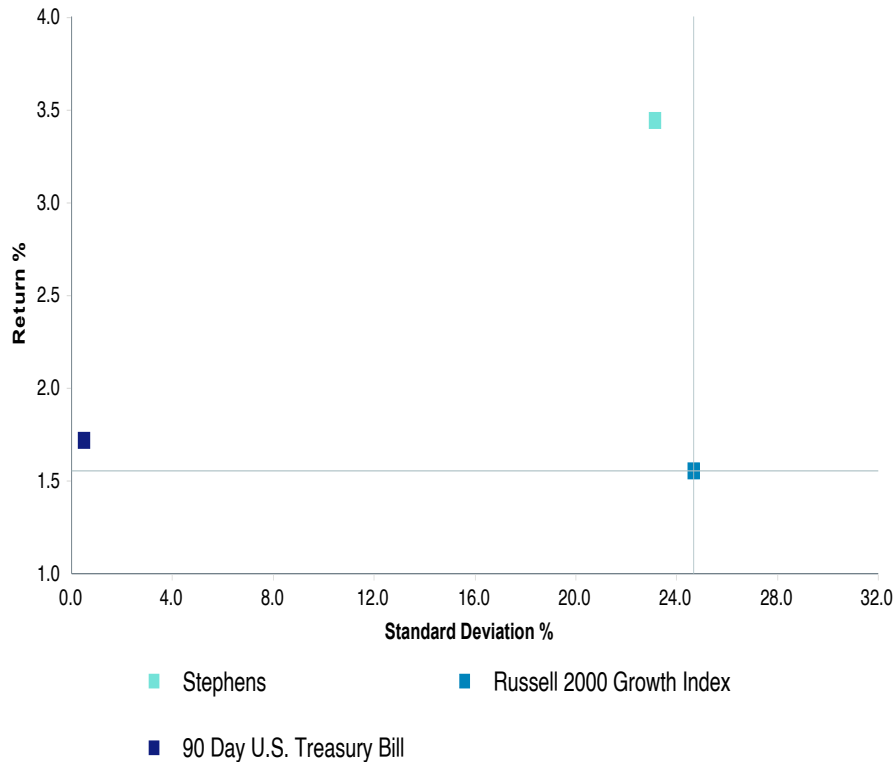
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
Stephens	-4.9 (19)	6.1 (46)	9.7 (54)	2.7 (40)	3.4 (67)	7.2 (86)	-27.6 (42)	14.3 (45)	37.8 (61)
Russell 2000 Growth Index	-7.3 (64)	5.2 (54)	9.6 (55)	1.1 (53)	1.6 (87)	6.7 (92)	-26.4 (35)	2.8 (83)	34.6 (66)
5th Percentile	-3.1	14.0	19.5	12.1	10.0	11.7	-16.4	25.0	82.8
1st Quartile	-5.3	9.4	14.0	5.3	6.6	9.8	-24.3	17.9	58.3
Median	-6.8	5.7	9.9	1.6	4.5	8.3	-28.6	11.7	41.9
3rd Quartile	-8.3	1.3	5.1	-2.2	2.6	7.7	-32.0	4.8	29.5
95th Percentile	-12.1	-3.4	-2.3	-7.0	-0.2	6.4	-38.9	-6.1	15.3
Population	122	122	122	119	114	97	133	137	139

Parentheses contain percentile rankings.

Risk Profile Stephens

As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
5 Years



Standard Deviation
Rolling 5 Years



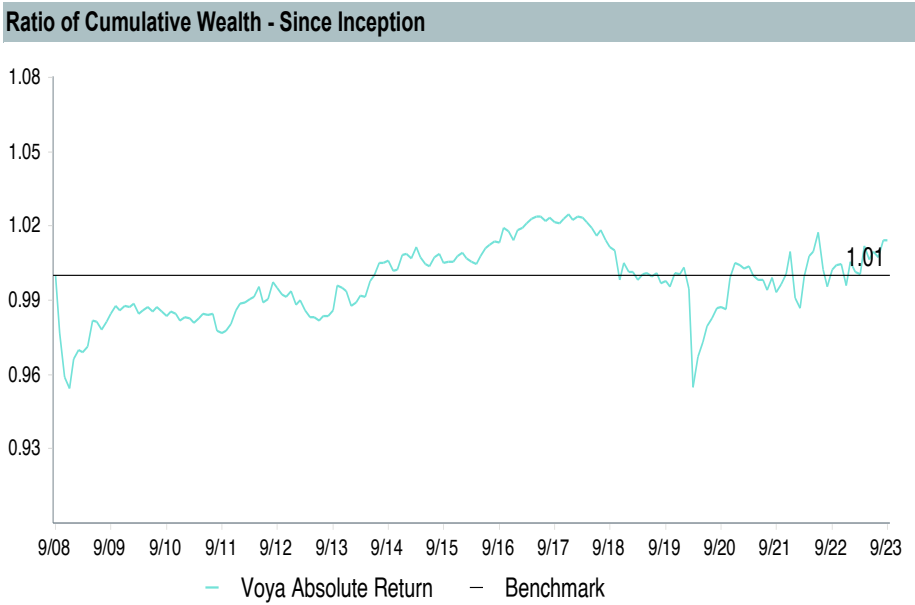
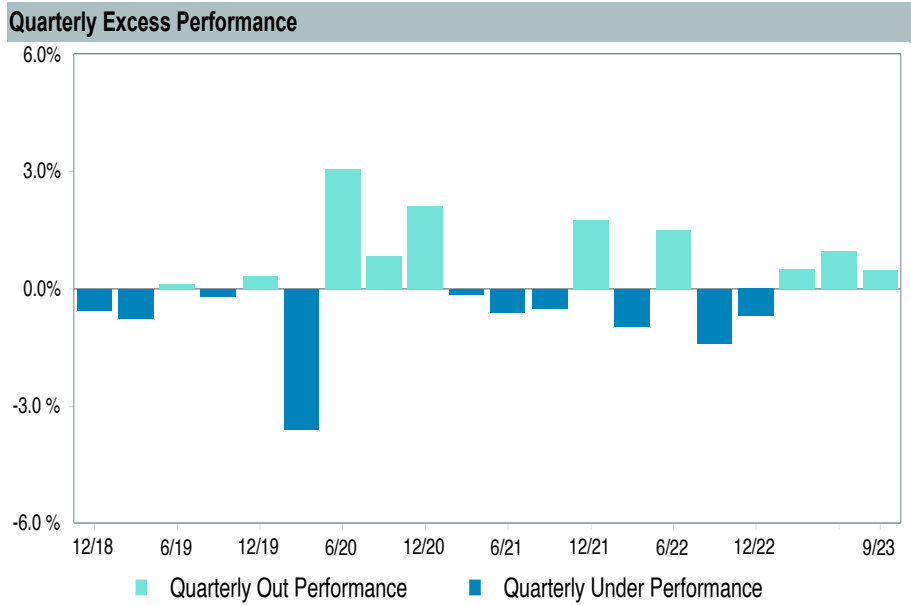
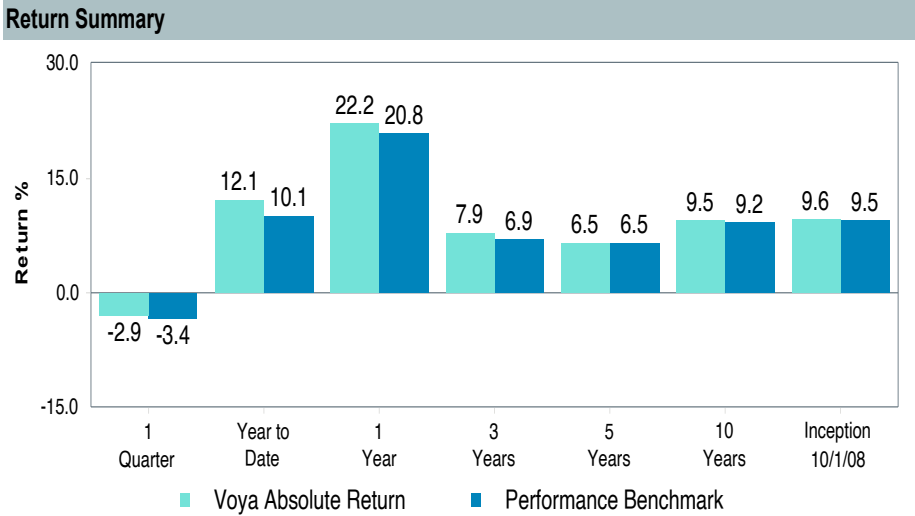
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Stephens	1.46	6.73	0.22	0.93	0.19	1.92	0.90	3.45	23.15	0.96
Russell 2000 Growth Index	0.00	0.00	-	1.00	0.12	0.00	1.00	1.55	24.67	1.00
90 Day U.S. Treasury Bill	-2.86	24.75	-0.12	0.03	-	1.73	0.00	1.72	0.50	-0.16

Manager Performance Summary Voya Absolute Return

As of September 30, 2023

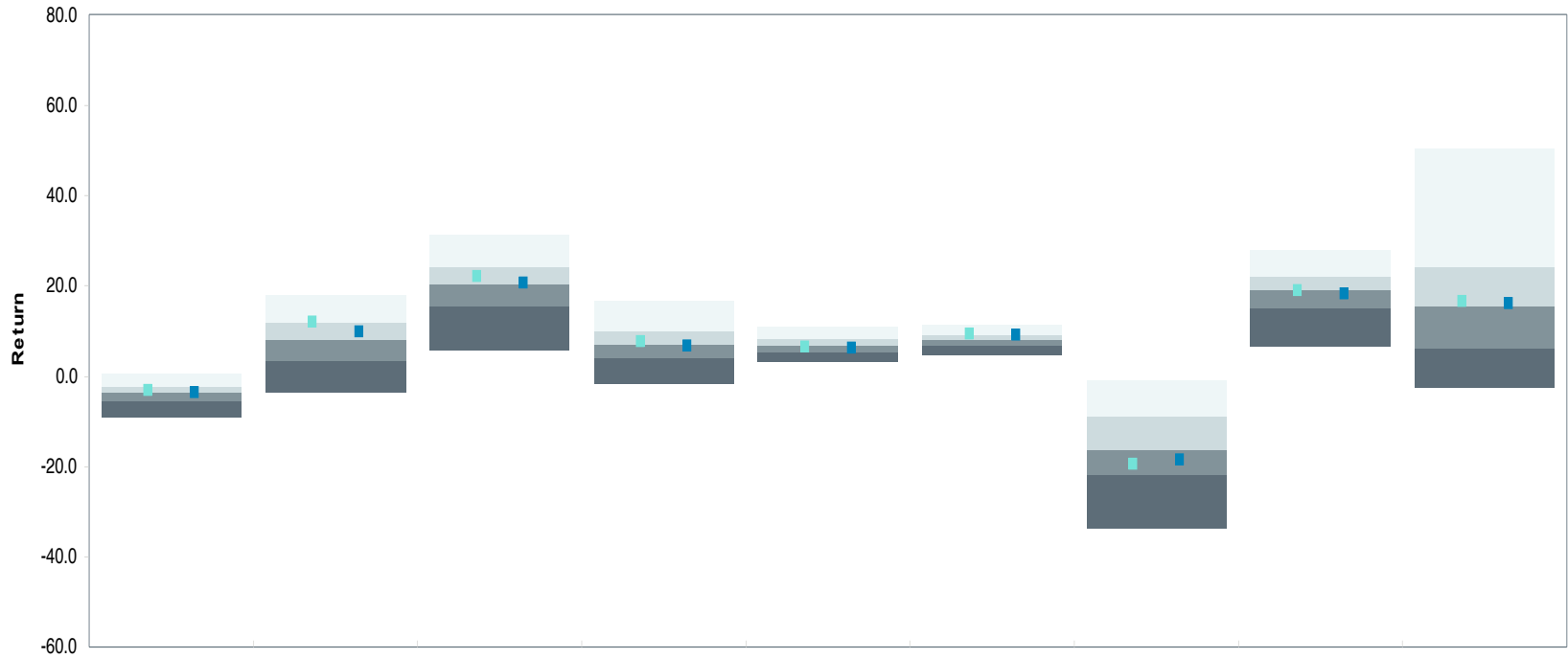
Account Information	
Account Name	Voya Absolute Return
Inception Date	09/30/2008
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	Performance Benchmark
Peer Group	IM Global Equity (MF)



Voya Absolute Return

As of September 30, 2023

IM Global Equity (SA+CF)



	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
Voya Absolute Return	-2.9 (38)	12.1 (23)	22.2 (39)	7.9 (42)	6.5 (56)	9.5 (23)	-19.5 (67)	19.0 (51)	16.8 (45)
Performance Benchmark	-3.4 (48)	10.1 (37)	20.8 (49)	6.9 (55)	6.5 (57)	9.2 (29)	-18.4 (61)	18.5 (55)	16.3 (48)
5th Percentile	0.6	18.0	31.3	16.8	11.0	11.5	-0.9	28.0	50.5
1st Quartile	-2.3	11.8	24.3	10.0	8.2	9.4	-8.9	22.4	24.2
Median	-3.5	8.0	20.5	7.2	6.9	8.0	-16.3	19.1	15.5
3rd Quartile	-5.3	3.5	15.5	4.1	5.4	6.9	-21.8	15.1	6.1
95th Percentile	-9.1	-3.7	6.0	-1.5	3.2	4.7	-33.7	6.6	-2.5
Population	499	497	493	470	433	330	536	544	581

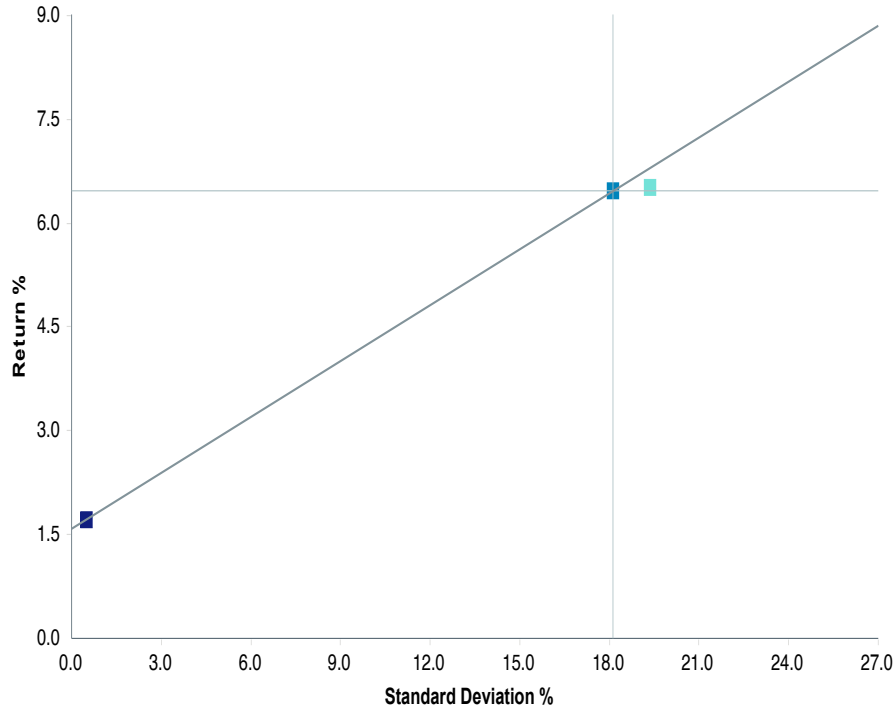
Parentheses contain percentile rankings.



Risk Profile Voya Absolute Return

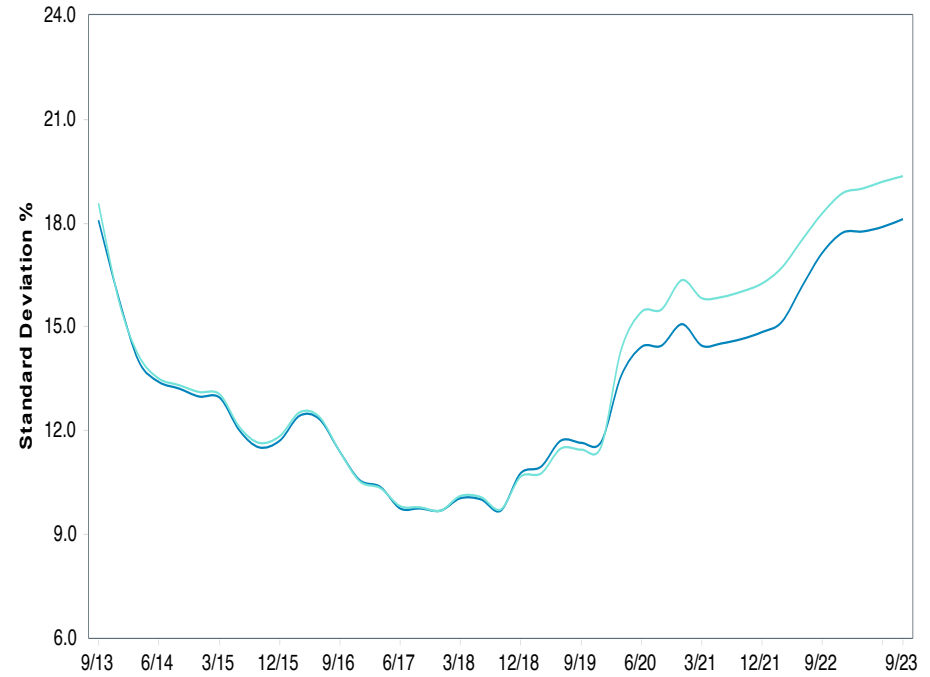
As of September 30, 2023

**Annualized Return vs. Annualized Standard Deviation
5 Years**



■ Voya Absolute Return ■ Performance Benchmark ■ 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 5 Years**



— Voya Absolute Return — Performance Benchmark

5 Years Historical Statistics

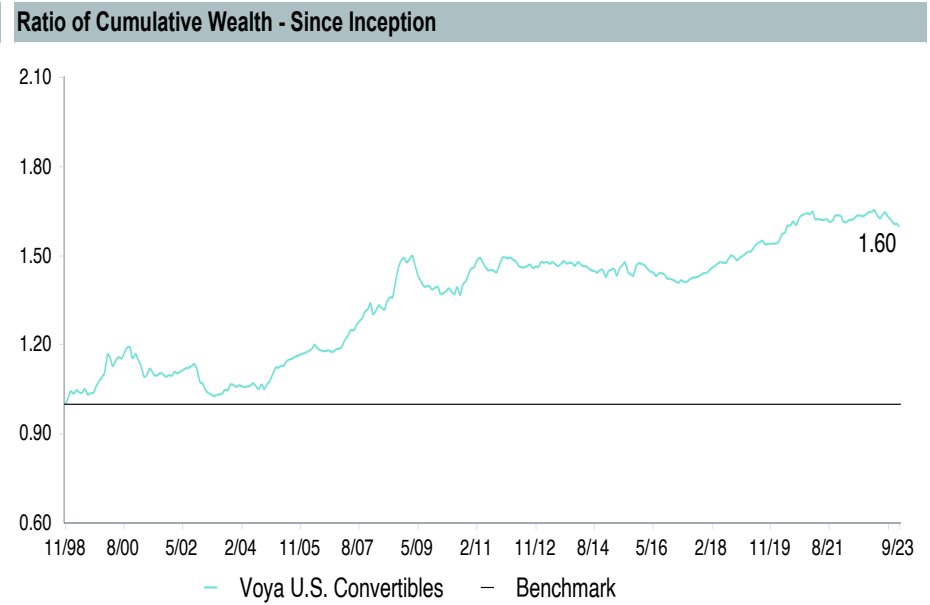
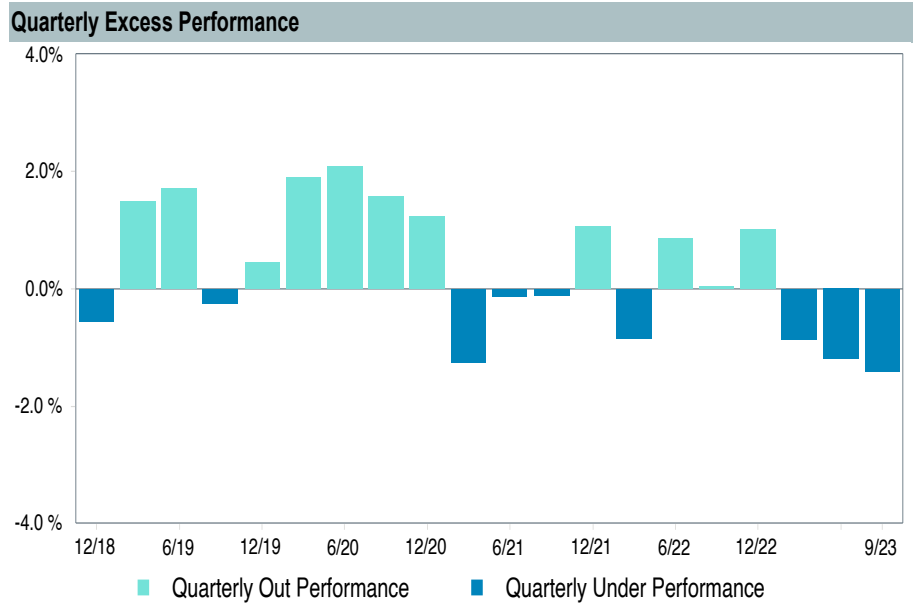
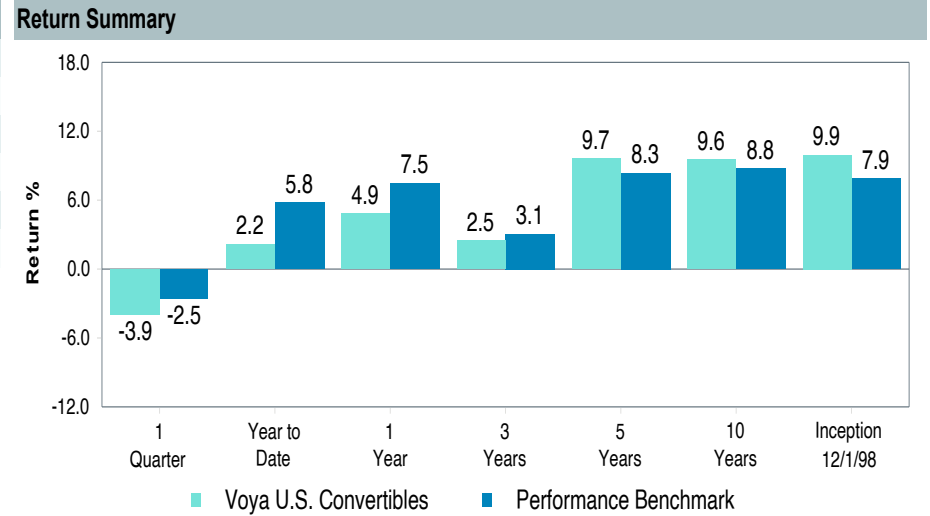
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Voya Absolute Return	0.30	2.73	0.11	0.98	0.33	-0.18	1.06	6.52	19.37	0.99
Performance Benchmark	0.00	0.00	-	1.00	0.34	0.00	1.00	6.46	18.12	1.00
90 Day U.S. Treasury Bill	-6.20	18.19	-0.34	0.02	-	1.75	0.00	1.72	0.50	-0.13



Manager Performance Summary Voya U.S. Convertibles

As of September 30, 2023

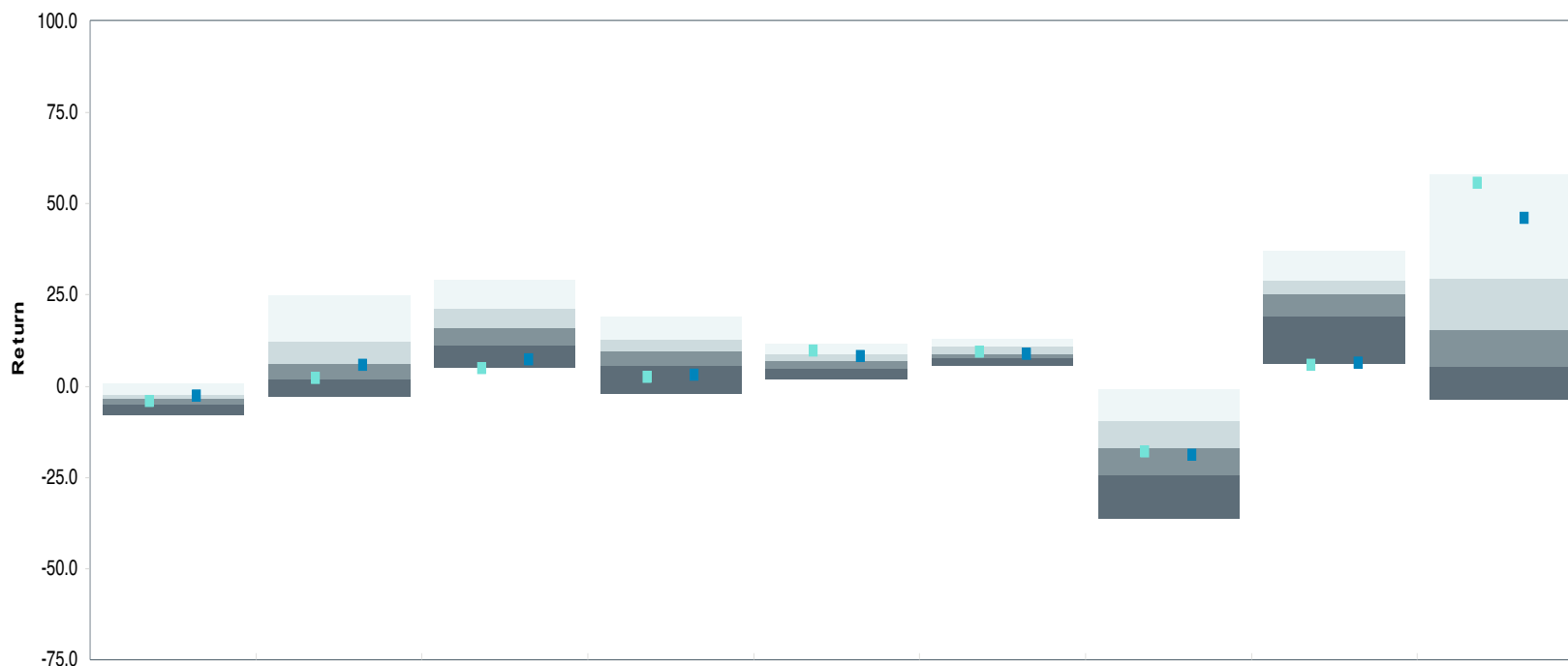
Account Information	
Account Name	Voya U.S. Convertibles
Inception Date	11/30/1998
Account Structure	Separate Account
Asset Class	US Equity
Benchmark	Performance Benchmark
Peer Group	IM U.S. Equity (SA+CF)



Voya U.S. Convertibles

As of September 30, 2023

IM U.S. Equity (SA+CF)



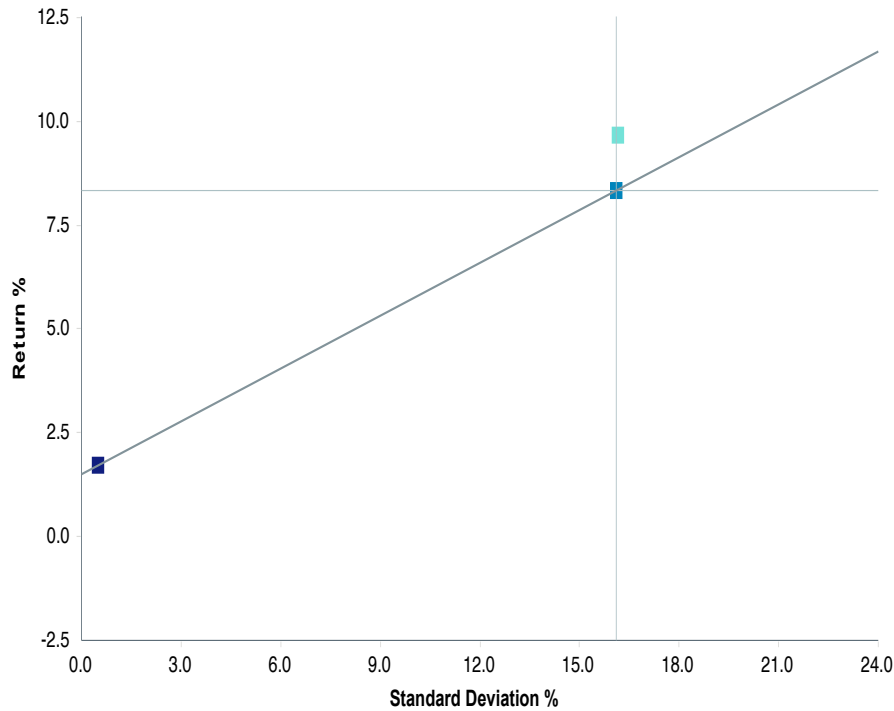
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
Voya U.S. Convertibles	-3.9 (59)	2.2 (75)	4.9 (96)	2.5 (87)	9.7 (17)	9.6 (41)	-17.7 (54)	5.9 (96)	55.7 (6)
Performance Benchmark	-2.5 (29)	5.8 (53)	7.5 (91)	3.1 (85)	8.3 (32)	8.8 (54)	-18.7 (59)	6.3 (95)	46.2 (10)
5th Percentile	0.6	24.8	29.0	19.1	11.7	13.2	-0.6	37.3	58.1
1st Quartile	-2.3	12.2	21.1	12.7	8.8	11.0	-9.5	29.0	29.5
Median	-3.5	6.3	16.2	9.4	6.8	9.0	-17.0	25.0	15.5
3rd Quartile	-5.0	2.1	11.4	5.5	4.6	7.6	-24.3	19.2	5.3
95th Percentile	-8.0	-2.8	5.1	-2.0	1.8	5.7	-36.3	6.1	-3.6
Population	1,797	1,789	1,789	1,724	1,653	1,341	2,000	2,059	2,154

Parentheses contain percentile rankings.

Risk Profile Voya U.S. Convertibles

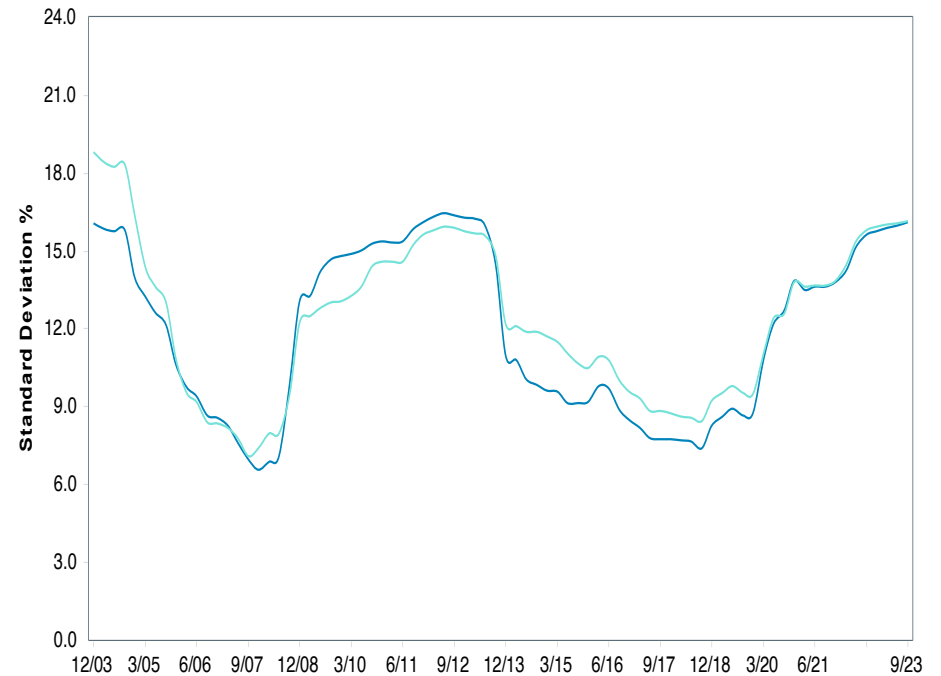
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
5 Years



■ Voya U.S. Convertibles ■ Performance Benchmark ■ 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



— Voya U.S. Convertibles — Performance Benchmark

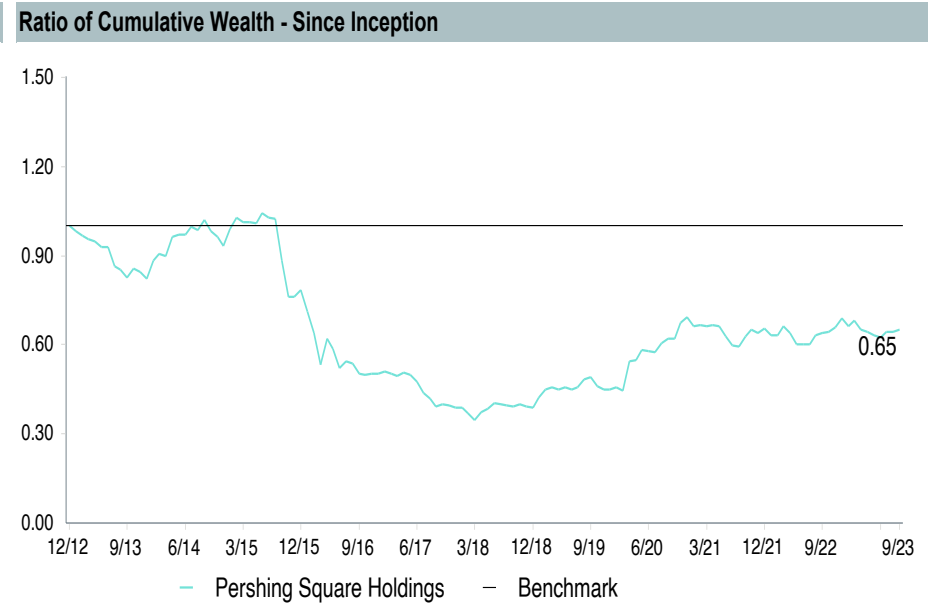
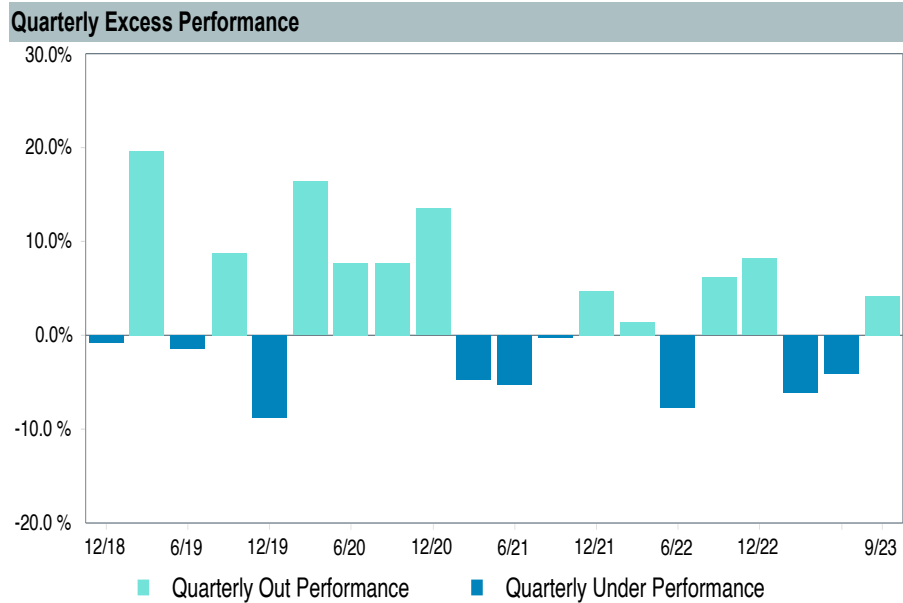
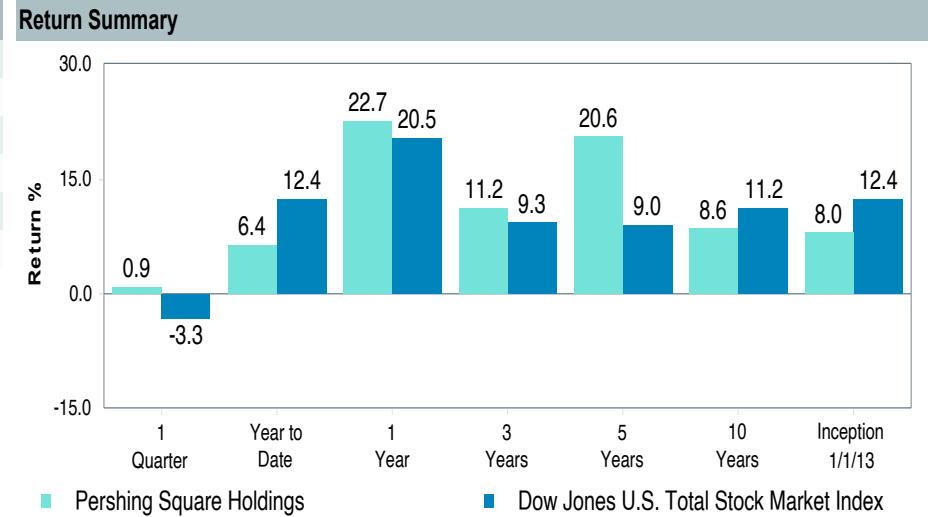
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Voya U.S. Convertibles	1.23	2.44	0.51	0.98	0.54	1.32	0.99	9.67	16.17	0.99
Performance Benchmark	0.00	0.00	-	1.00	0.47	0.00	1.00	8.34	16.12	1.00
90 Day U.S. Treasury Bill	-7.61	16.22	-0.47	0.04	-	1.77	-0.01	1.72	0.50	-0.19

Manager Performance Summary Pershing Square Holdings

As of September 30, 2023

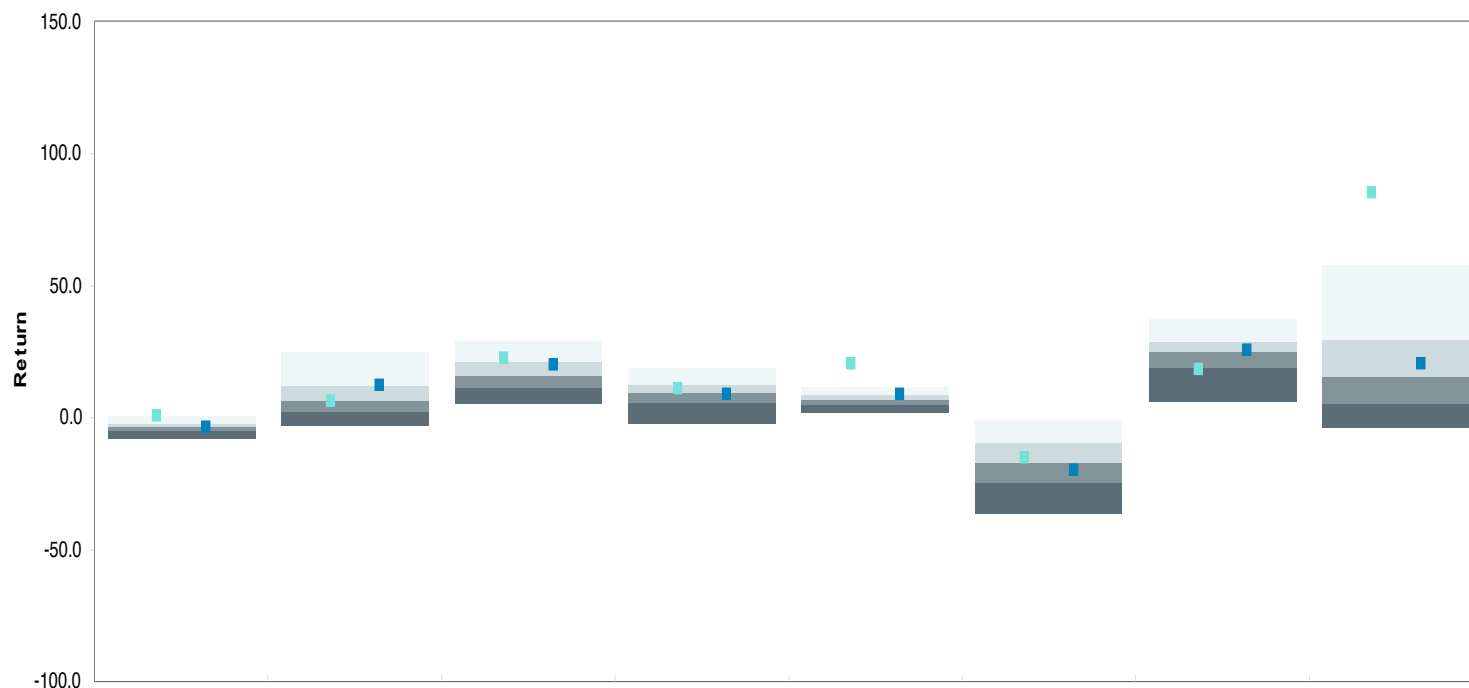
Account Information	
Account Name	Pershing Square Holdings
Inception Date	12/31/2012
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	Dow Jones U.S. Total Stock Market Index
Peer Group	IM U.S. Equity (SA+CF)



Pershing Square Holdings

As of September 30, 2023

IM U.S. Equity (SA+CF)



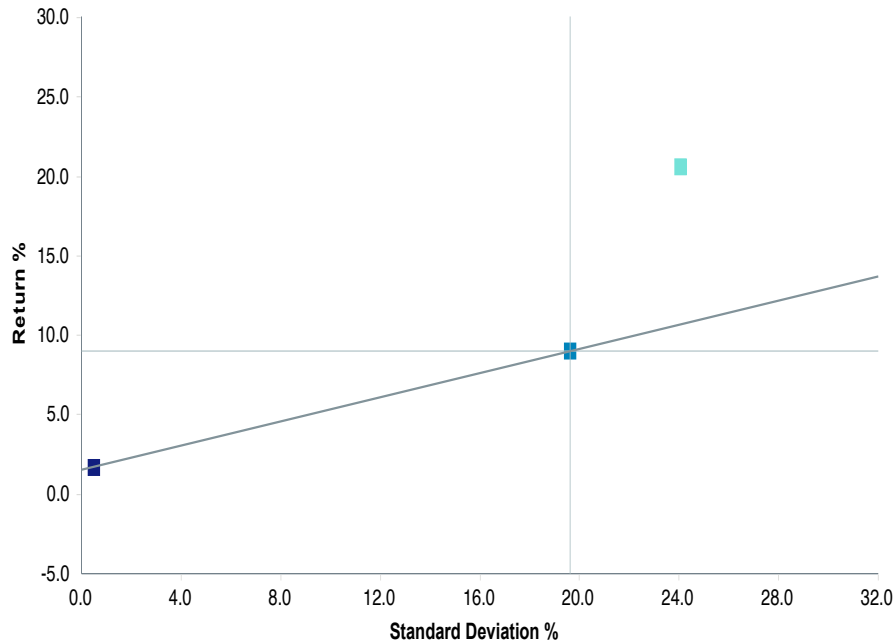
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	2022	2021	2020
Pershing Square Holdings	0.9 (5)	6.4 (50)	22.7 (20)	11.2 (35)	20.6 (1)	-15.1 (44)	18.7 (77)	85.7 (2)
Dow Jones U.S. Total Stock Market Index	-3.3 (46)	12.4 (24)	20.5 (29)	9.3 (52)	9.0 (24)	-19.5 (64)	25.7 (46)	20.8 (37)
5th Percentile	0.6	24.8	29.0	19.1	11.7	-0.6	37.3	58.1
1st Quartile	-2.3	12.2	21.1	12.7	8.8	-9.5	29.0	29.5
Median	-3.5	6.3	16.2	9.4	6.8	-17.0	25.0	15.5
3rd Quartile	-5.0	2.1	11.4	5.5	4.6	-24.3	19.2	5.3
95th Percentile	-8.0	-2.8	5.1	-2.0	1.8	-36.3	6.1	-3.6
Population	1,797	1,789	1,789	1,724	1,653	2,000	2,059	2,154

Parentheses contain percentile rankings.

Risk Profile Pershing Square Holdings

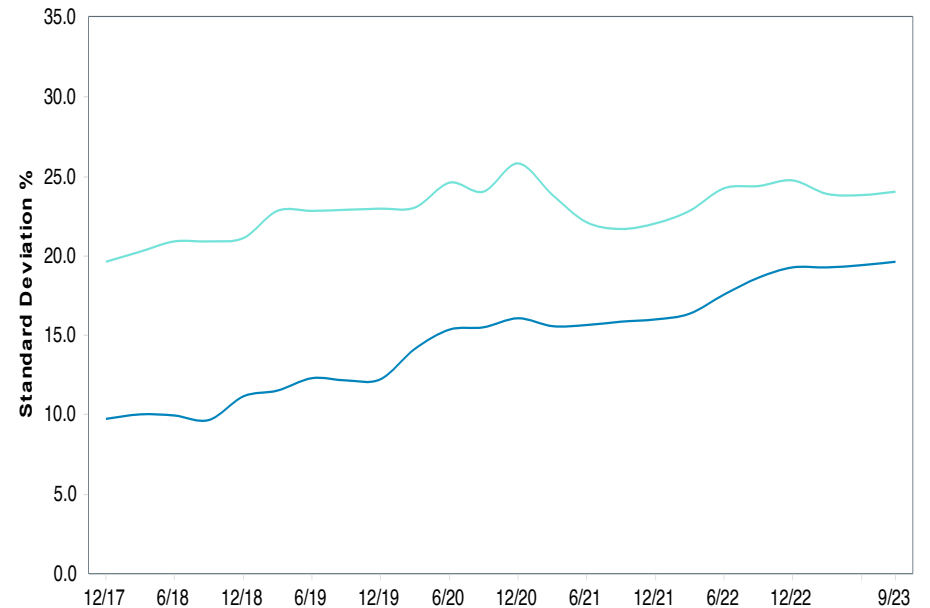
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



- Pershing Square Holdings
- Dow Jones U.S. Total Stock Market Index
- 90 Day U.S. Treasury Bill

Standard Deviation Rolling 5 Years



- Pershing Square Holdings
- Dow Jones U.S. Total Stock Market Index

5 Years Historical Statistics

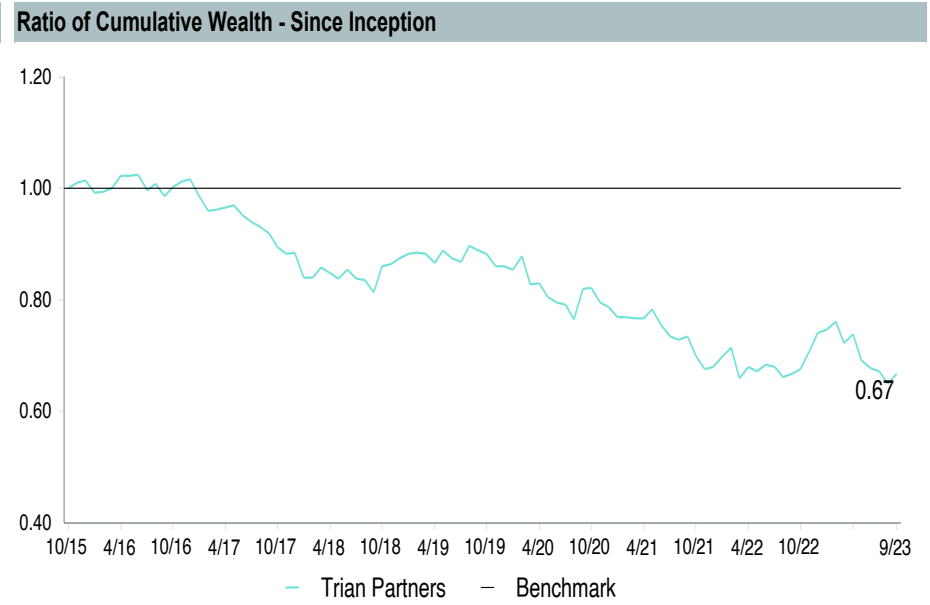
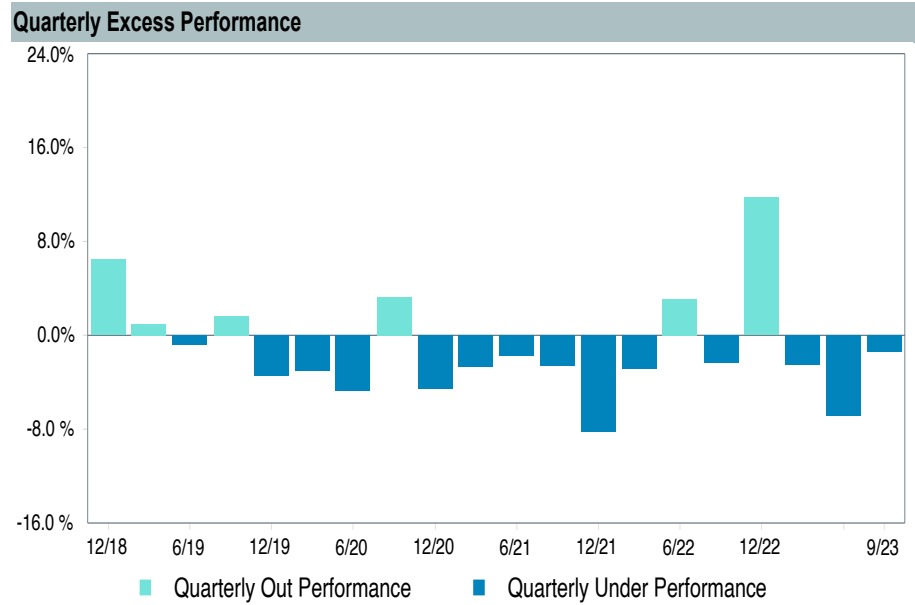
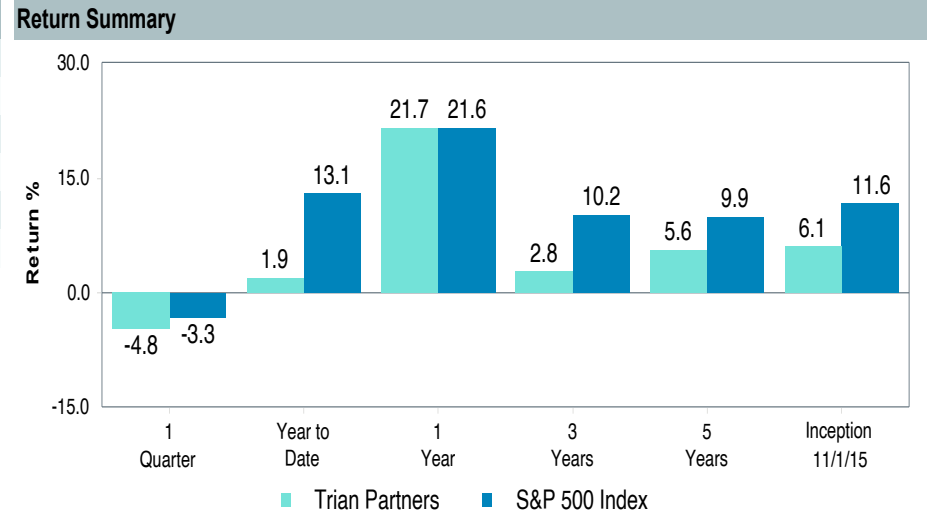
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Pershing Square Holdings	11.09	14.71	0.75	0.63	0.83	12.02	0.97	20.63	24.05	0.79
Dow Jones U.S. Total Stock Market Index	0.00	0.00	-	1.00	0.45	0.00	1.00	9.01	19.61	1.00
90 Day U.S. Treasury Bill	-8.86	19.69	-0.45	0.02	-	1.76	0.00	1.72	0.50	-0.15



Manager Performance Summary Trian Partners

As of September 30, 2023

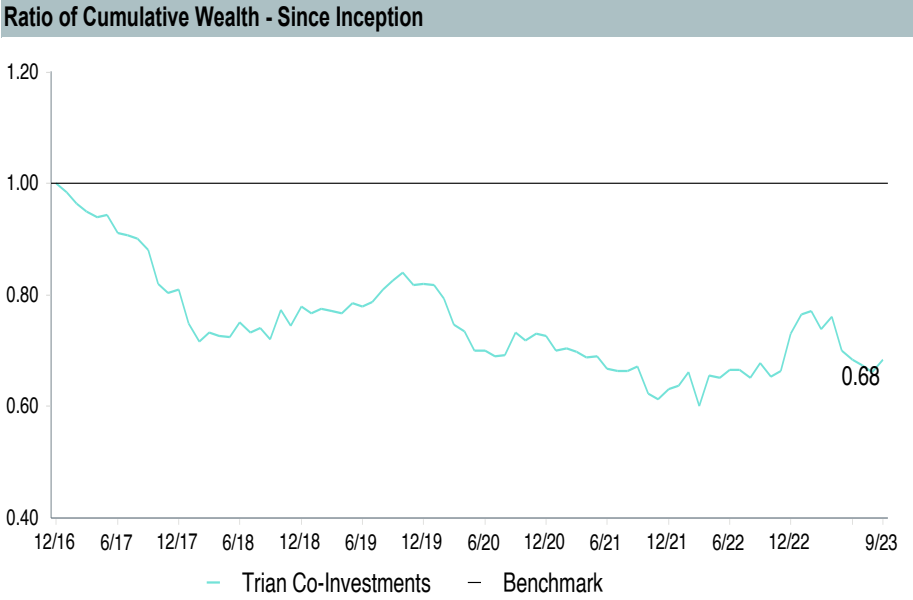
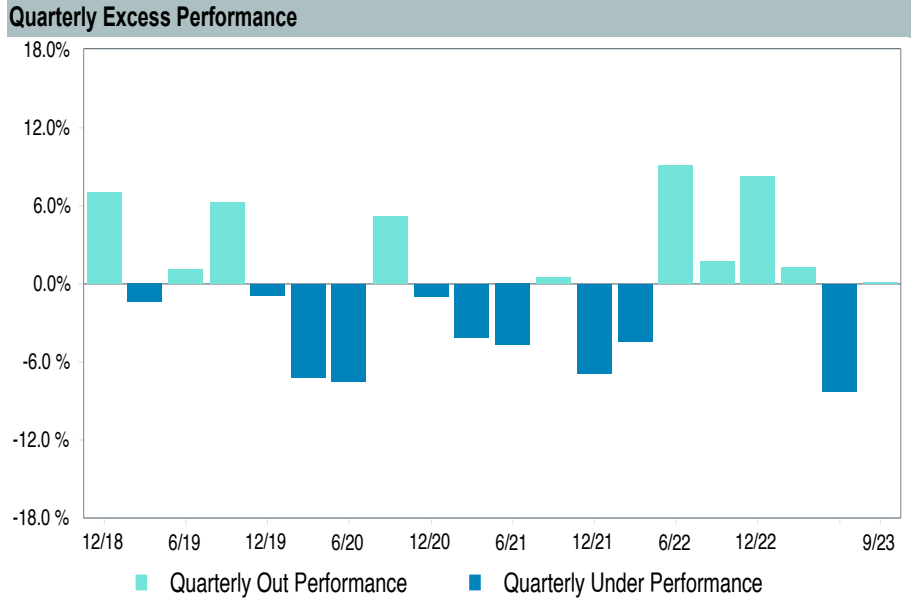
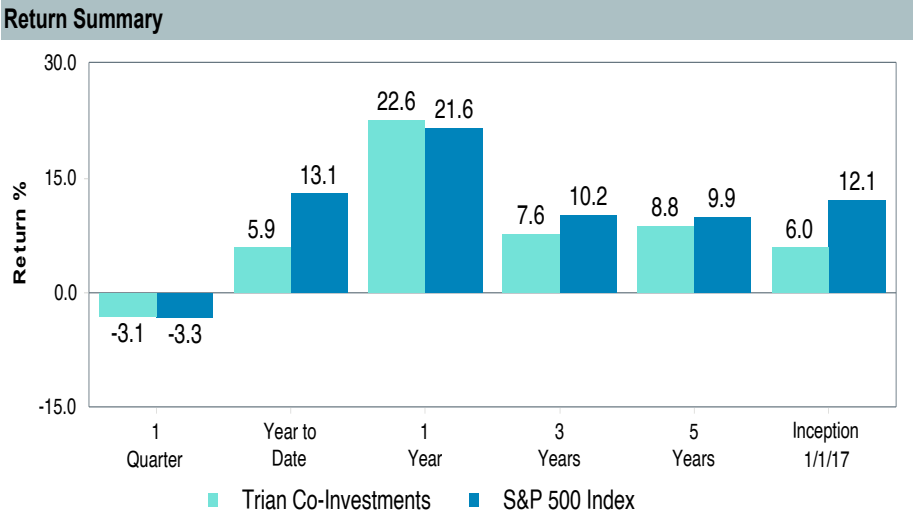
Account Information	
Account Name	Trian Partners
Inception Date	11/01/2015
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	S&P 500 Index
Peer Group	



Manager Performance Summary Trian Co-Investments

As of September 30, 2023

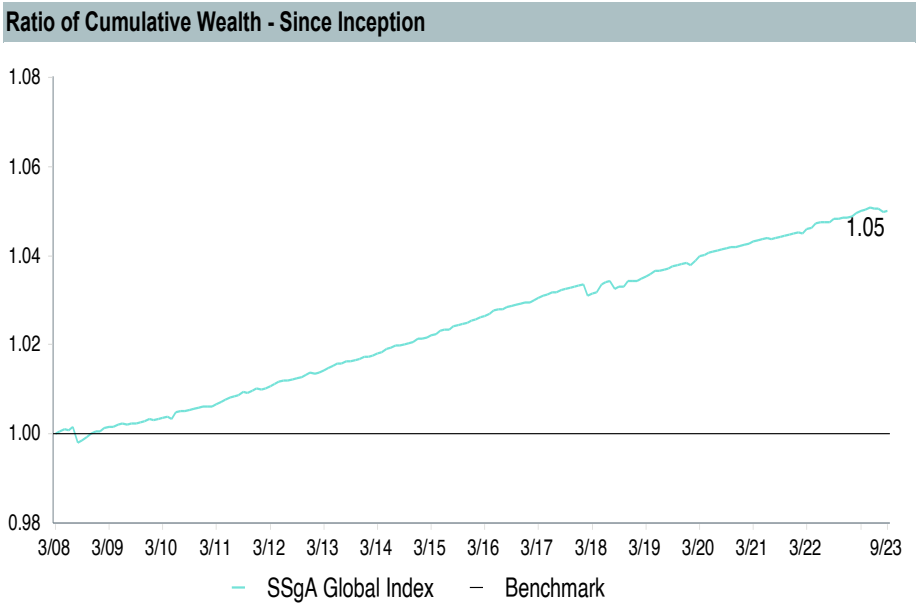
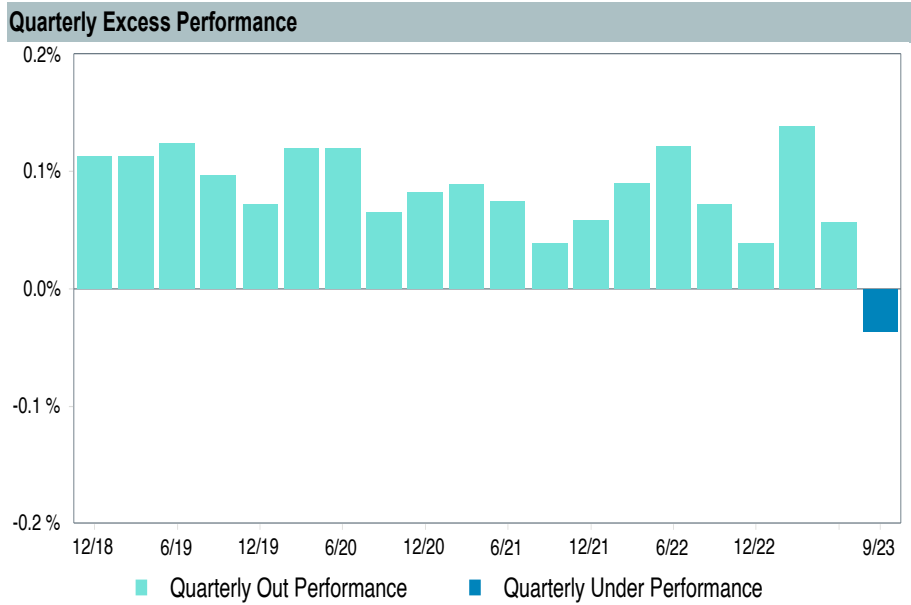
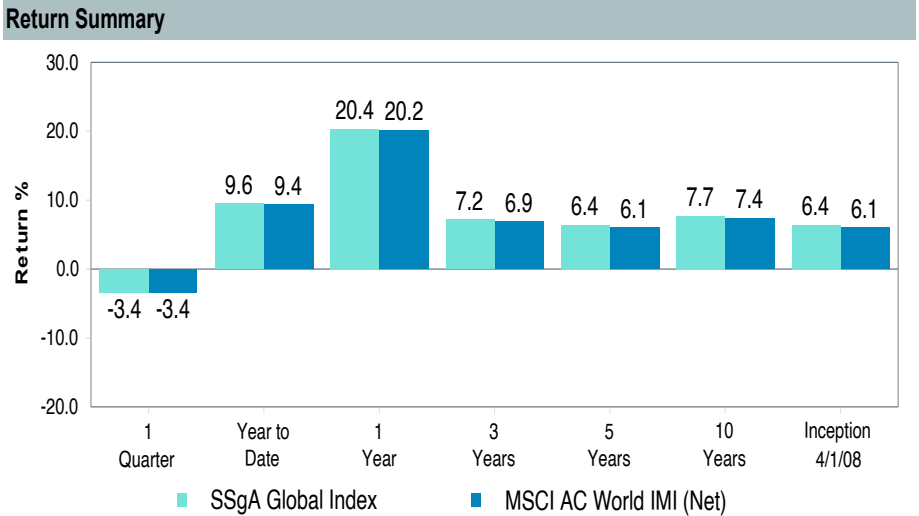
Account Information	
Account Name	Trian Co-Investments
Inception Date	01/01/2017
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	S&P 500 Index
Peer Group	



Manager Performance Summary SSgA Global Index

As of September 30, 2023

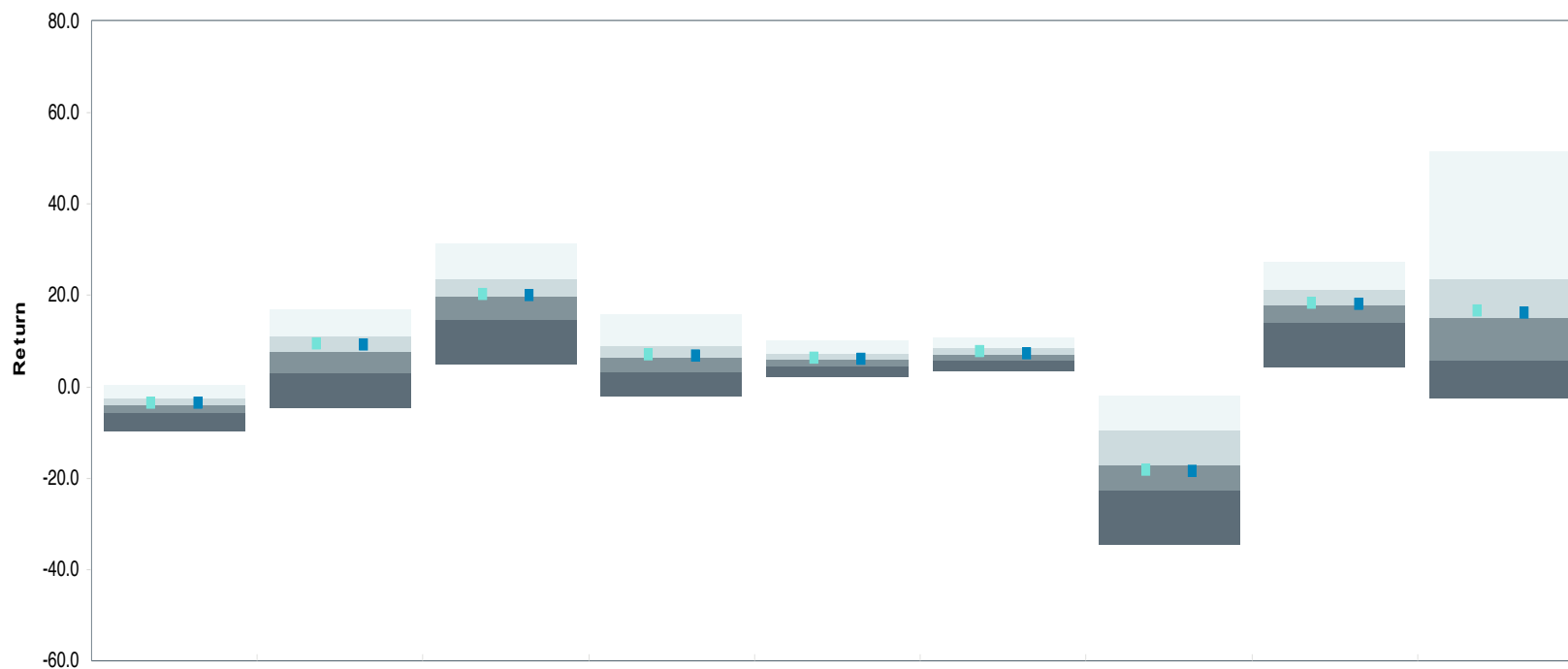
Account Information	
Account Name	SSgA Global Index
Inception Date	03/31/2008
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	MSCI AC World IMI (Net)
Peer Group	IM Global Equity (SA+CF)



SSgA Global Index

As of September 30, 2023

IM Global Equity (SA+CF)



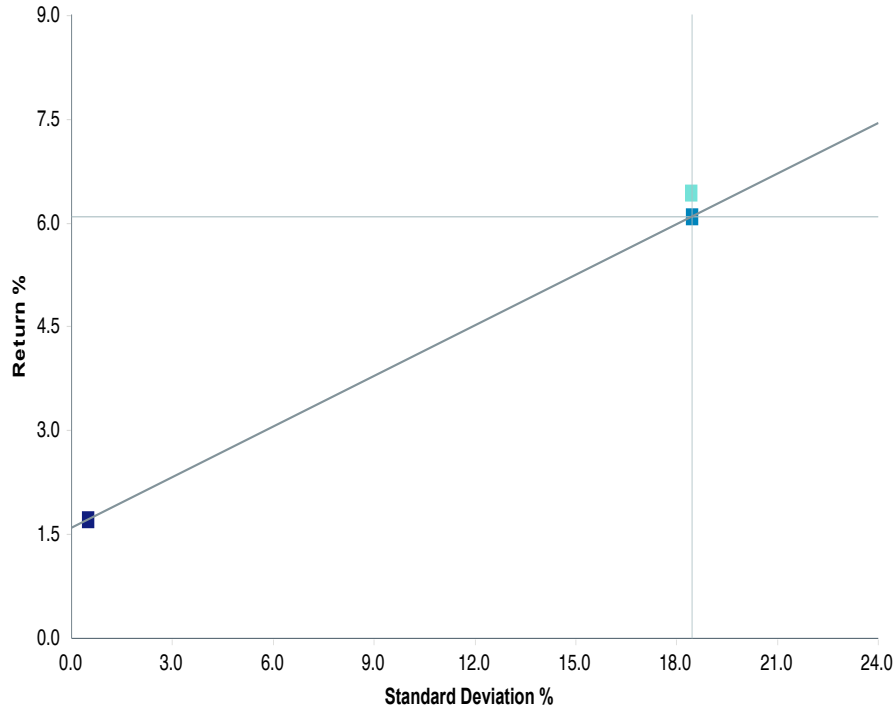
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
SSgA Global Index	-3.4 (43)	9.6 (37)	20.4 (47)	7.2 (42)	6.4 (44)	7.7 (39)	-18.1 (54)	18.5 (47)	16.7 (44)
MSCI AC World IMI (Net)	-3.4 (43)	9.4 (38)	20.2 (48)	6.9 (45)	6.1 (49)	7.4 (46)	-18.4 (55)	18.2 (49)	16.3 (46)
5th Percentile	0.3	17.1	31.3	16.0	10.2	10.8	-2.1	27.4	51.7
1st Quartile	-2.5	11.3	23.7	9.0	7.5	8.5	-9.5	21.3	23.8
Median	-4.0	7.6	19.8	6.3	6.0	7.1	-17.2	18.0	15.0
3rd Quartile	-5.6	3.1	14.6	3.1	4.6	5.8	-22.7	14.1	6.0
95th Percentile	-9.7	-4.6	4.9	-2.1	2.4	3.5	-34.5	4.3	-2.5
Population	465	463	453	426	387	280	496	504	516

Parentheses contain percentile rankings.

Risk Profile SSgA Global Index

As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



Standard Deviation Rolling 5 Years



■ SSgA Global Index ■ MSCI AC World IMI (Net) ■ 90 Day U.S. Treasury Bill — SSgA Global Index — MSCI AC World IMI (Net)

5 Years Historical Statistics

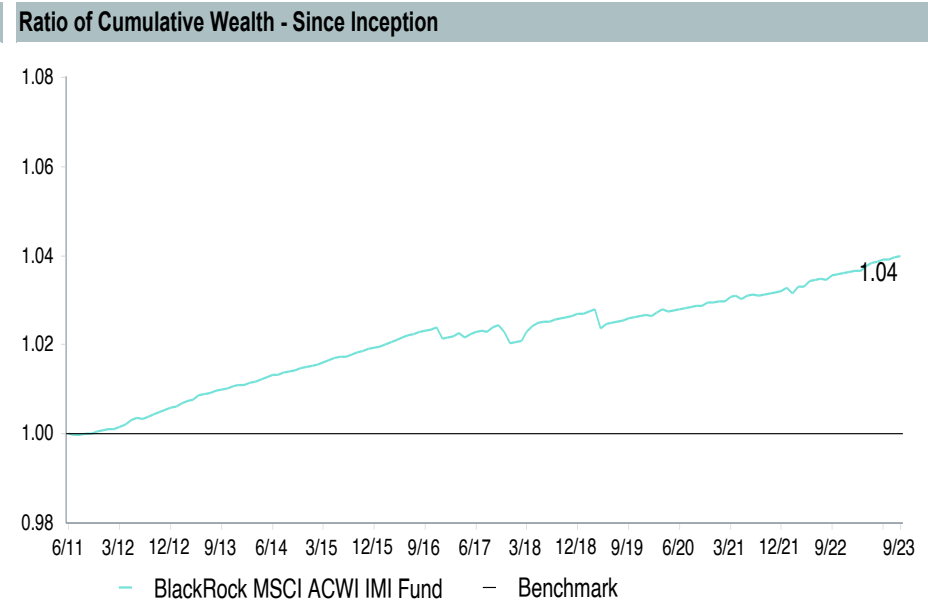
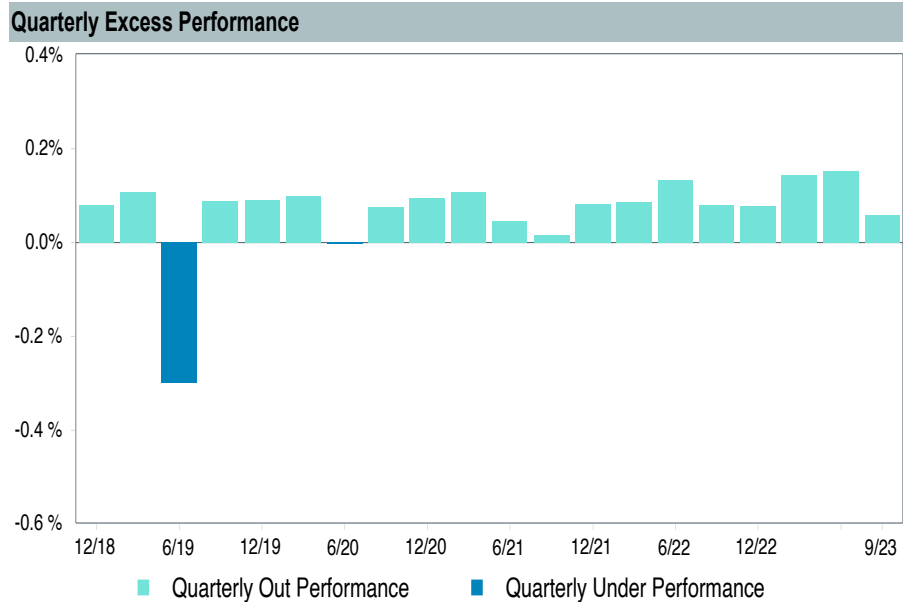
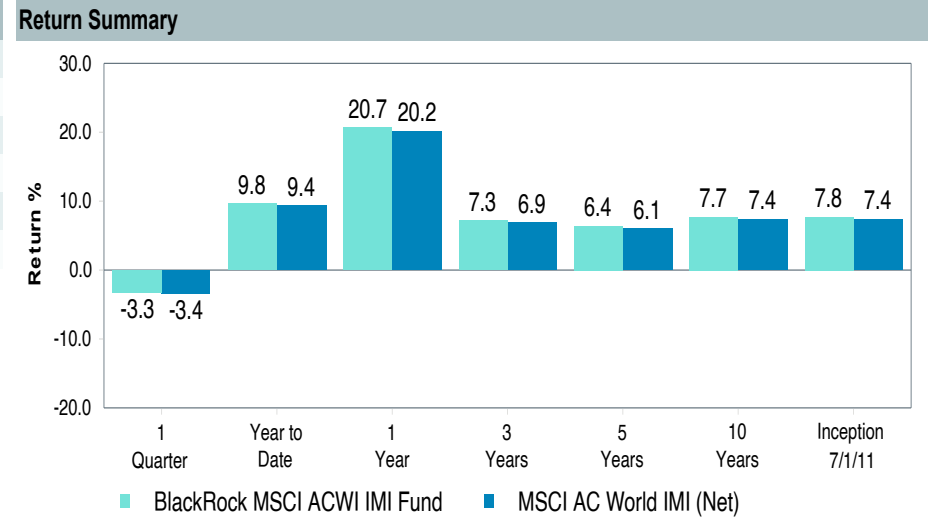
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
SSgA Global Index	0.33	0.10	3.23	1.00	0.34	0.34	1.00	6.44	18.44	1.00
MSCI AC World IMI (Net)	0.00	0.00	-	1.00	0.32	0.00	1.00	6.09	18.46	1.00
90 Day U.S. Treasury Bill	-5.92	18.53	-0.32	0.02	-	1.75	0.00	1.72	0.50	-0.14



Manager Performance Summary BlackRock MSCI ACWI IMI Fund

As of September 30, 2023

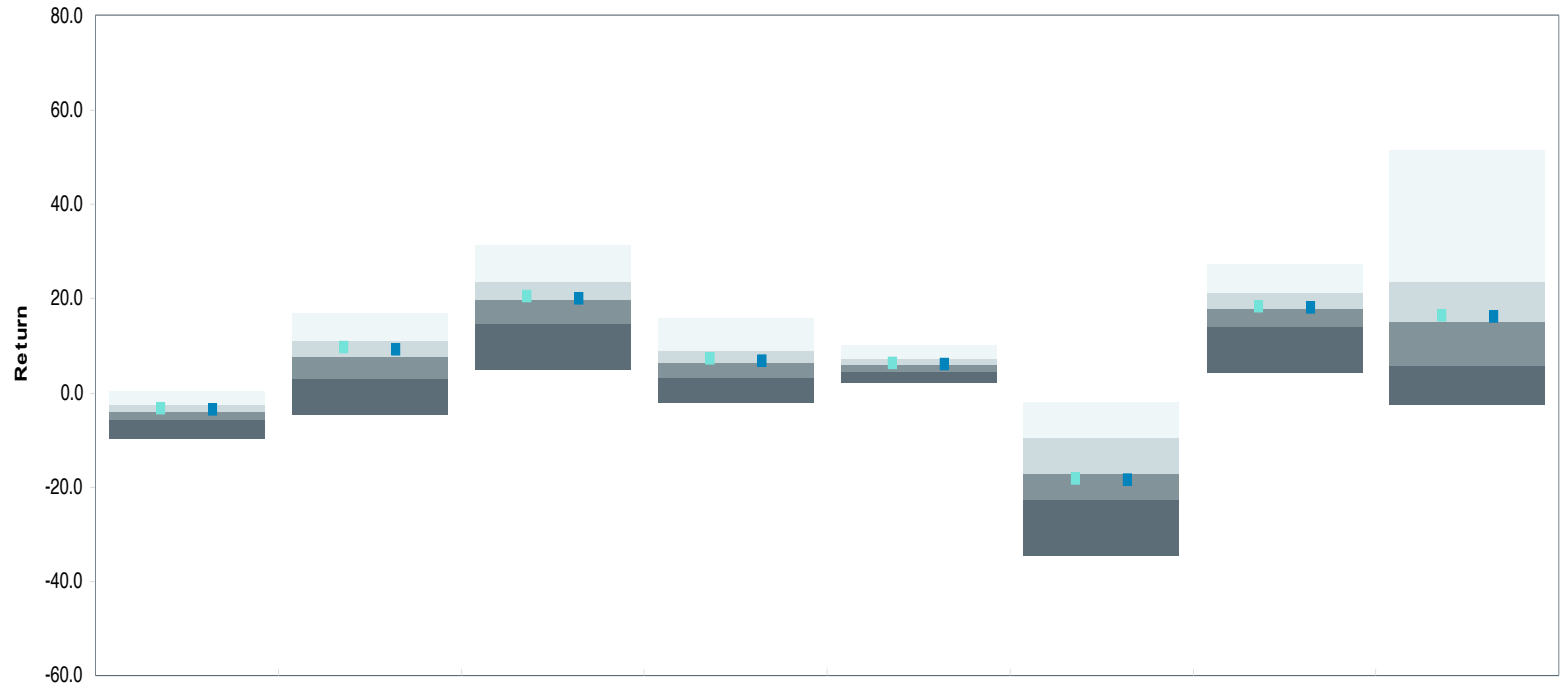
Account Information	
Account Name	BlackRock MSCI ACWI IMI Fund
Inception Date	06/30/2011
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	MSCI AC World IMI (Net)
Peer Group	IM Global Equity (SA+CF)



BlackRock MSCI ACWI IMI Fund

As of September 30, 2023

IM Global Equity (SA+CF)



	1 Quarter	Year to Date	1 Year	3 Years	5 Years	2022	2021	2020
BlackRock MSCI ACWI IMI Fund	-3.3 (42)	9.8 (36)	20.7 (44)	7.3 (41)	6.4 (46)	-18.1 (54)	18.5 (47)	16.6 (44)
MSCI AC World IMI (Net)	-3.4 (43)	9.4 (38)	20.2 (48)	6.9 (45)	6.1 (49)	-18.4 (55)	18.2 (49)	16.3 (46)
5th Percentile	0.3	17.1	31.3	16.0	10.2	-2.1	27.4	51.7
1st Quartile	-2.5	11.3	23.7	9.0	7.5	-9.5	21.3	23.8
Median	-4.0	7.6	19.8	6.3	6.0	-17.2	18.0	15.0
3rd Quartile	-5.6	3.1	14.6	3.1	4.6	-22.7	14.1	6.0
95th Percentile	-9.7	-4.6	4.9	-2.1	2.4	-34.5	4.3	-2.5
Population	465	463	453	426	387	496	504	516

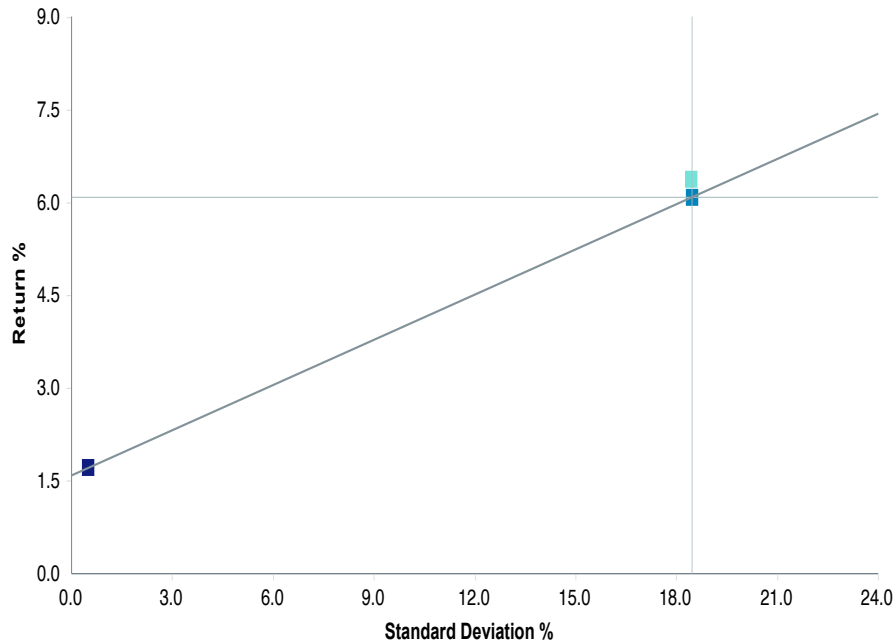
Parentheses contain percentile rankings.



Risk Profile BlackRock MSCI ACWI IMI Fund

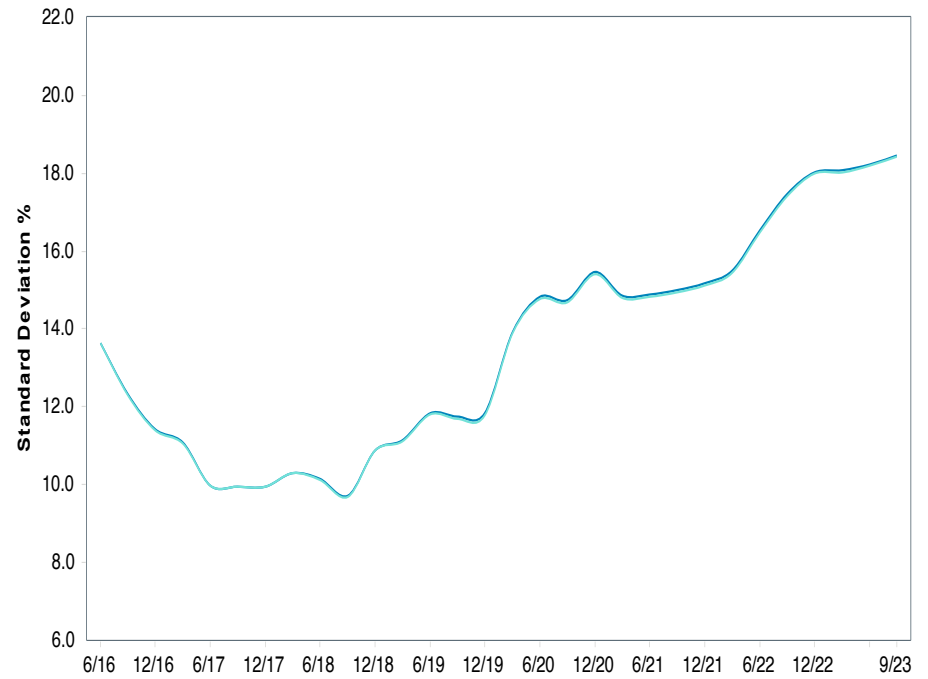
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



- BlackRock MSCI ACWI IMI Fund
- MSCI AC World IMI (Net)
- 90 Day U.S. Treasury Bill

Standard Deviation Rolling 5 Years



- BlackRock MSCI ACWI IMI Fund
- MSCI AC World IMI (Net)

5 Years Historical Statistics

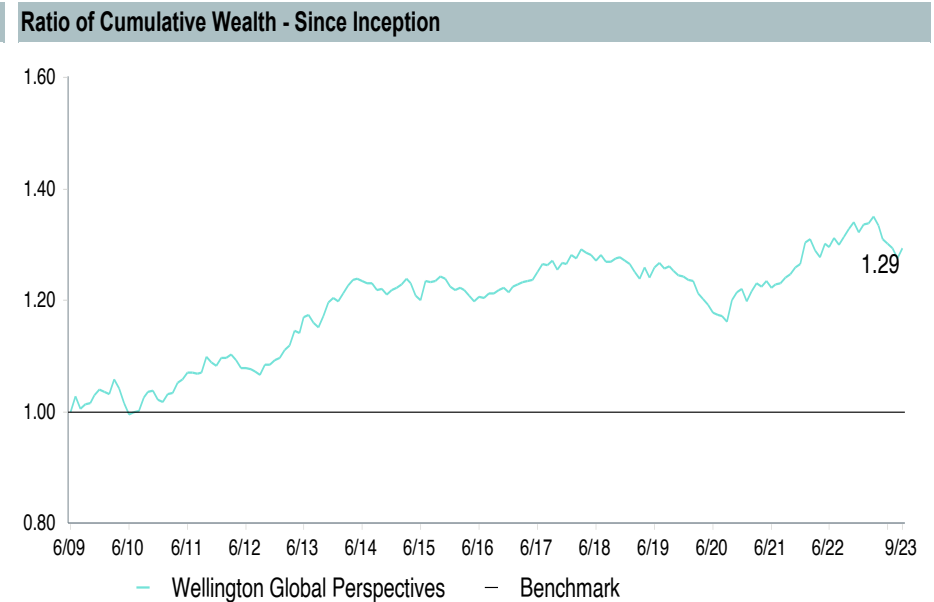
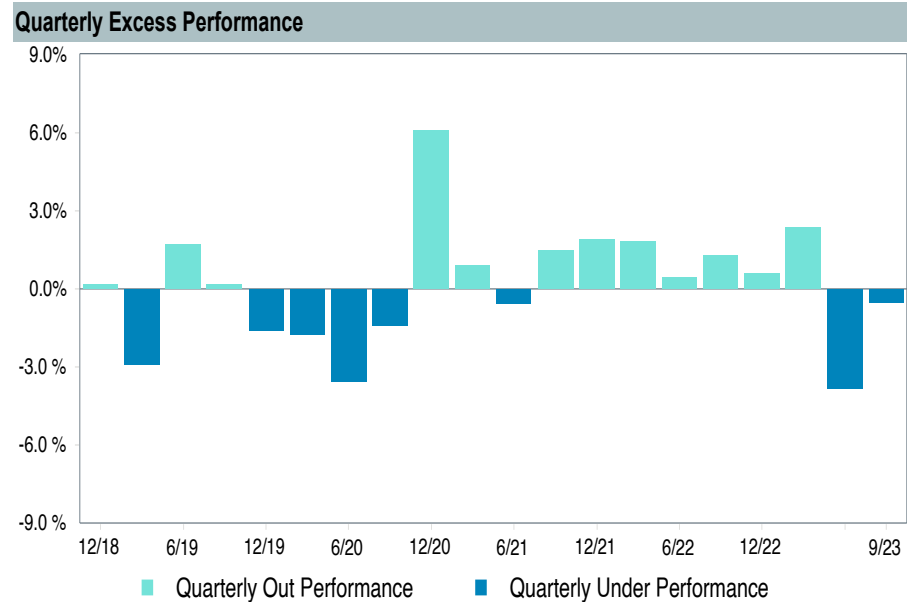
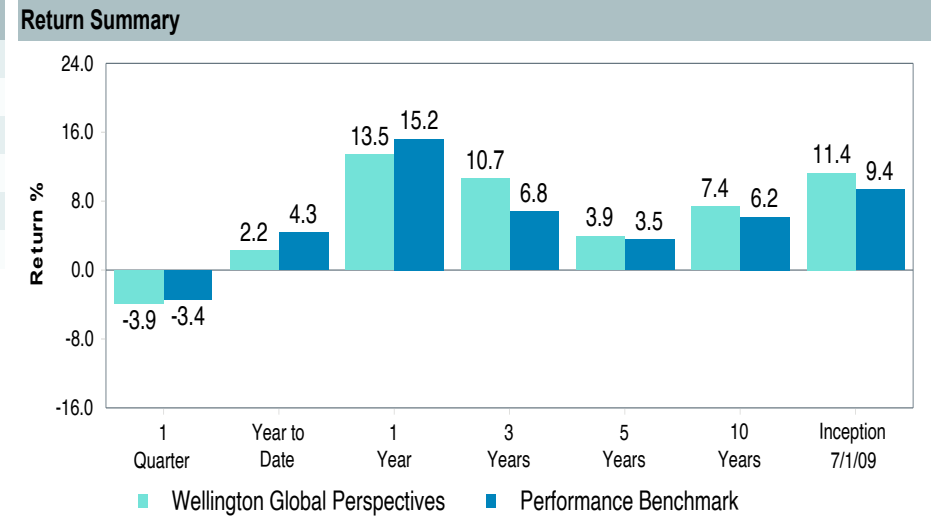
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
BlackRock MSCI ACWI IMI Fund	0.26	0.25	1.06	1.00	0.33	0.28	1.00	6.38	18.43	1.00
MSCI AC World IMI (Net)	0.00	0.00	-	1.00	0.32	0.00	1.00	6.09	18.46	1.00
90 Day U.S. Treasury Bill	-5.92	18.53	-0.32	0.02	-	1.75	0.00	1.72	0.50	-0.14



Manager Performance Summary Wellington Global Perspectives

As of September 30, 2023

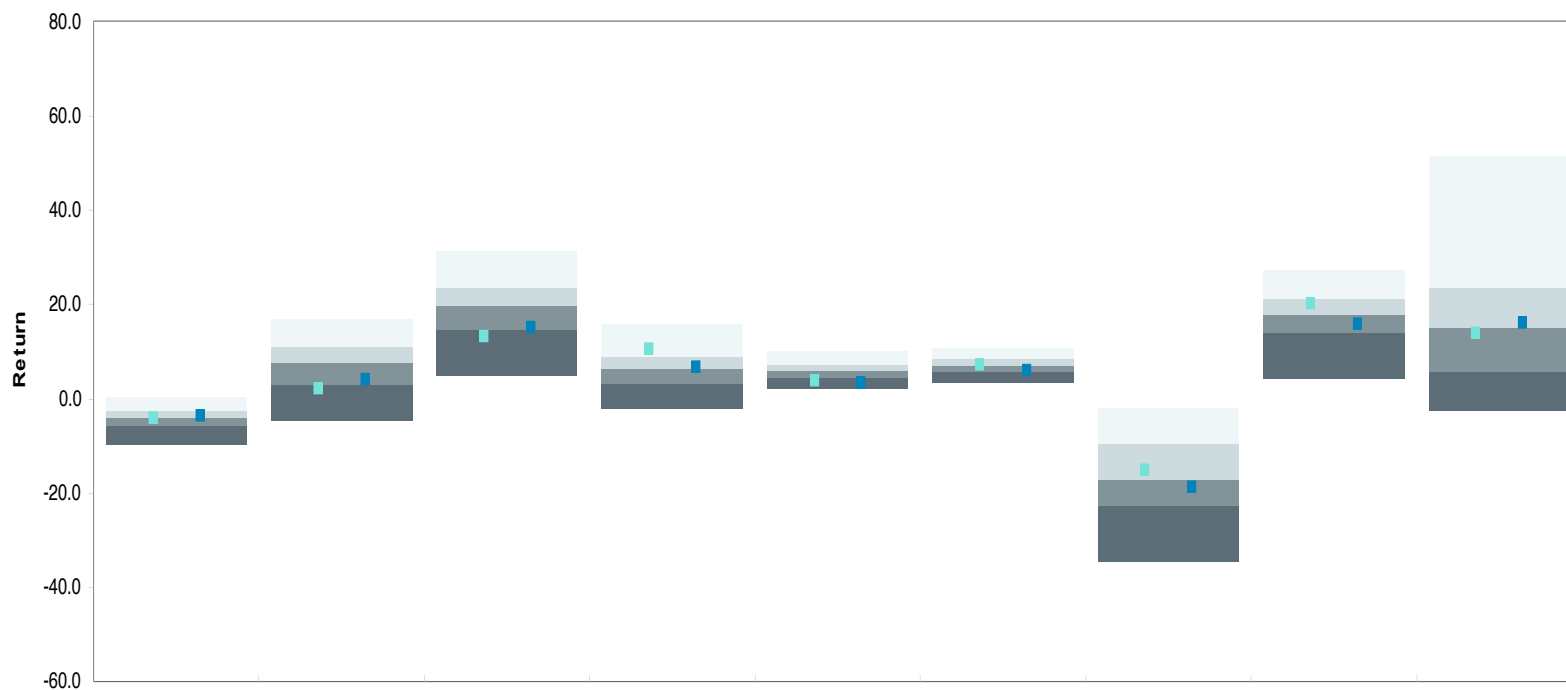
Account Information	
Account Name	Wellington Global Perspectives
Inception Date	06/30/2009
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	Performance Benchmark
Peer Group	IM Global Equity (SA+CF)



Wellington Global Perspectives

As of September 30, 2023

IM Global Equity (SA+CF)



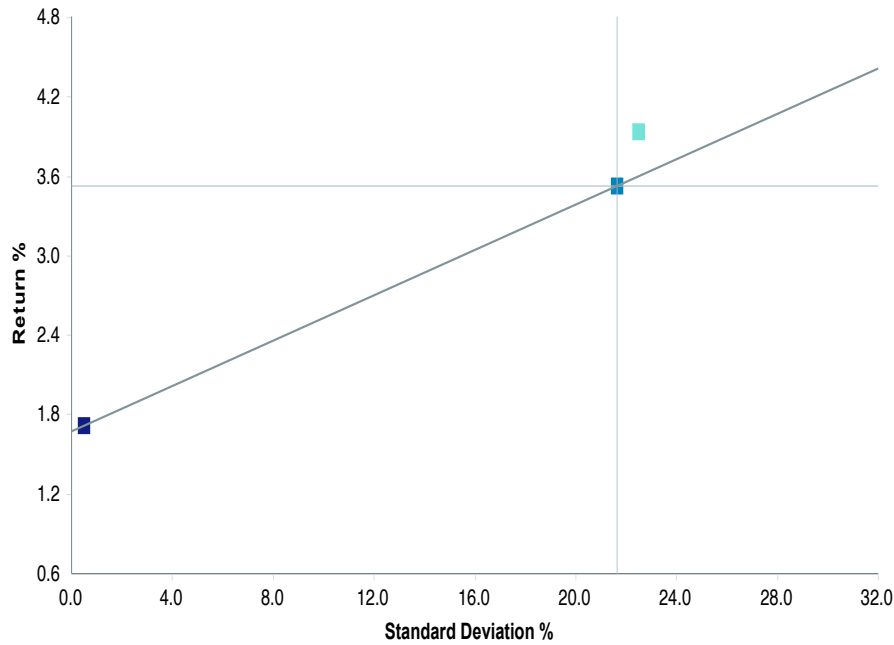
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
Wellington Global Perspectives	-3.9 (50)	2.2 (79)	13.5 (80)	10.7 (15)	3.9 (84)	7.4 (45)	-15.0 (40)	20.4 (31)	14.1 (53)
Performance Benchmark	-3.4 (43)	4.3 (70)	15.2 (73)	6.8 (46)	3.5 (88)	6.2 (71)	-18.7 (57)	16.1 (63)	16.3 (46)
5th Percentile	0.3	17.1	31.3	16.0	10.2	10.8	-2.1	27.4	51.7
1st Quartile	-2.5	11.3	23.7	9.0	7.5	8.5	-9.5	21.3	23.8
Median	-4.0	7.6	19.8	6.3	6.0	7.1	-17.2	18.0	15.0
3rd Quartile	-5.6	3.1	14.6	3.1	4.6	5.8	-22.7	14.1	6.0
95th Percentile	-9.7	-4.6	4.9	-2.1	2.4	3.5	-34.5	4.3	-2.5
Population	465	463	453	426	387	280	496	504	516

Parentheses contain percentile rankings.

Risk Profile Wellington Global Perspectives

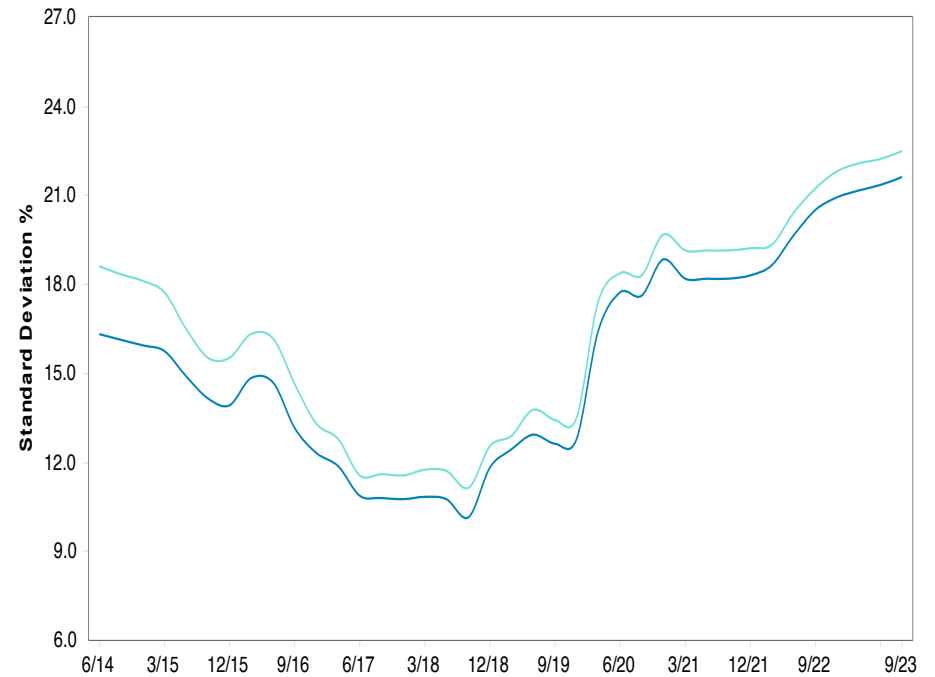
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
5 Years



- Wellington Global Perspectives
- Performance Benchmark
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



- Wellington Global Perspectives
- Performance Benchmark

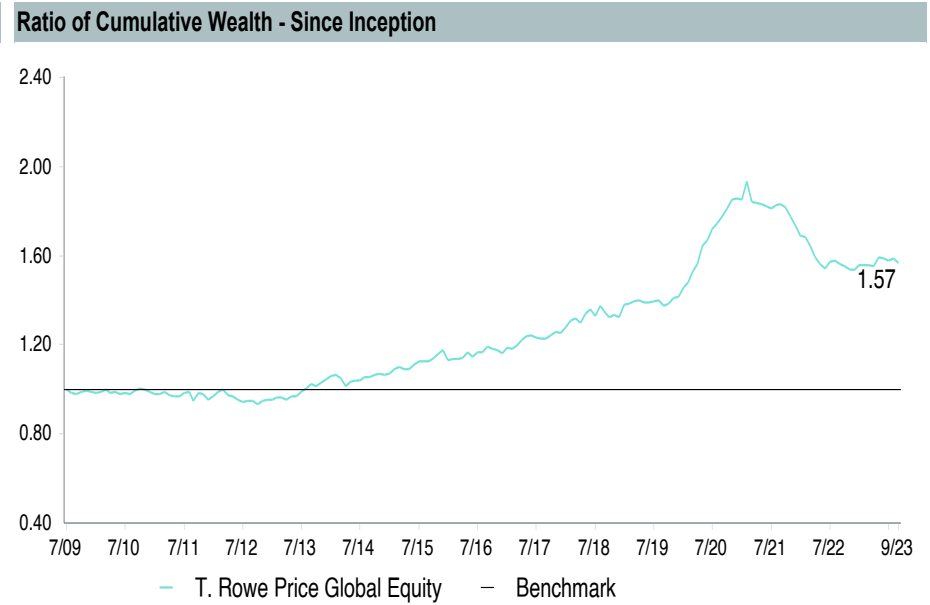
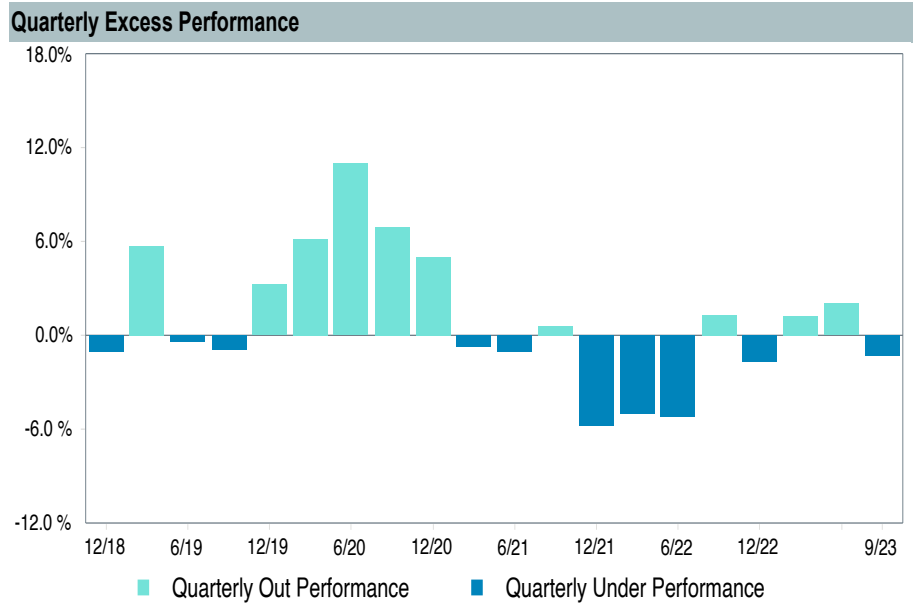
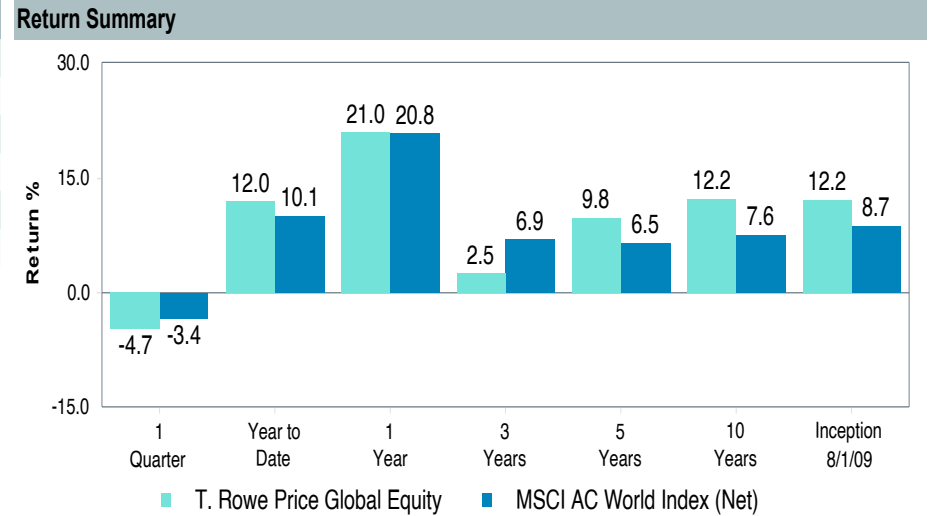
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Wellington Global Perspectives	0.59	3.91	0.15	0.97	0.21	0.45	1.02	3.93	22.49	0.99
Performance Benchmark	0.00	0.00	-	1.00	0.19	0.00	1.00	3.53	21.62	1.00
90 Day U.S. Treasury Bill	-4.12	21.72	-0.19	0.04	-	1.74	0.00	1.72	0.50	-0.19

Manager Performance Summary T. Rowe Price Global Equity

As of September 30, 2023

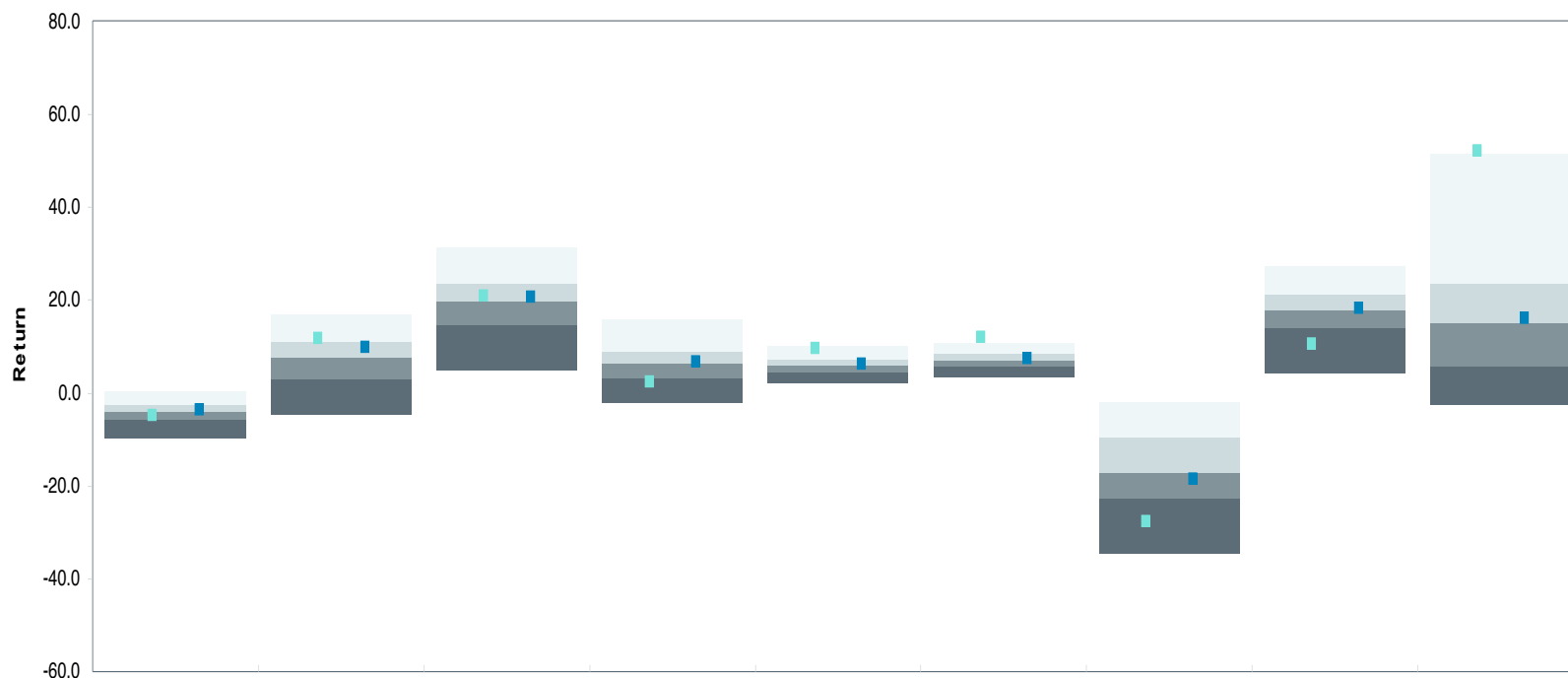
Account Information	
Account Name	T. Rowe Price Global Equity
Inception Date	08/31/2009
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI AC World Index (Net)
Peer Group	IM Global Equity (SA+CF)



T. Rowe Price Global Equity

As of September 30, 2023

IM Global Equity (SA+CF)



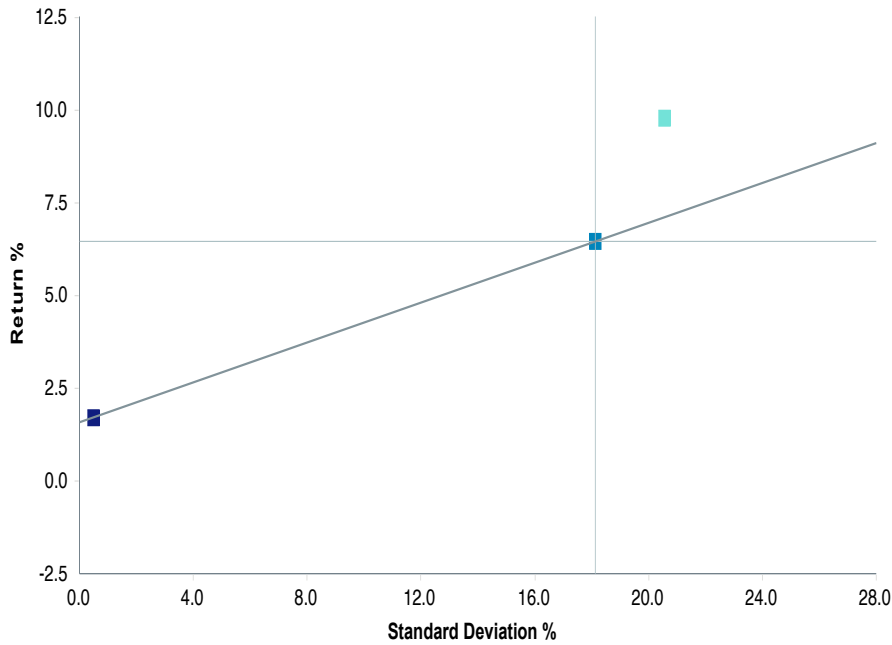
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
T. Rowe Price Global Equity	-4.7 (63)	12.0 (20)	21.0 (41)	2.5 (80)	9.8 (6)	12.2 (3)	-27.5 (87)	10.8 (88)	52.2 (5)
MSCI AC World Index (Net)	-3.4 (43)	10.1 (34)	20.8 (43)	6.9 (45)	6.5 (44)	7.6 (43)	-18.4 (55)	18.5 (47)	16.3 (46)
5th Percentile	0.3	17.1	31.3	16.0	10.2	10.8	-2.1	27.4	51.7
1st Quartile	-2.5	11.3	23.7	9.0	7.5	8.5	-9.5	21.3	23.8
Median	-4.0	7.6	19.8	6.3	6.0	7.1	-17.2	18.0	15.0
3rd Quartile	-5.6	3.1	14.6	3.1	4.6	5.8	-22.7	14.1	6.0
95th Percentile	-9.7	-4.6	4.9	-2.1	2.4	3.5	-34.5	4.3	-2.5
Population	465	463	453	426	387	280	496	504	516

Parentheses contain percentile rankings.

Risk Profile T. Rowe Price Global Equity

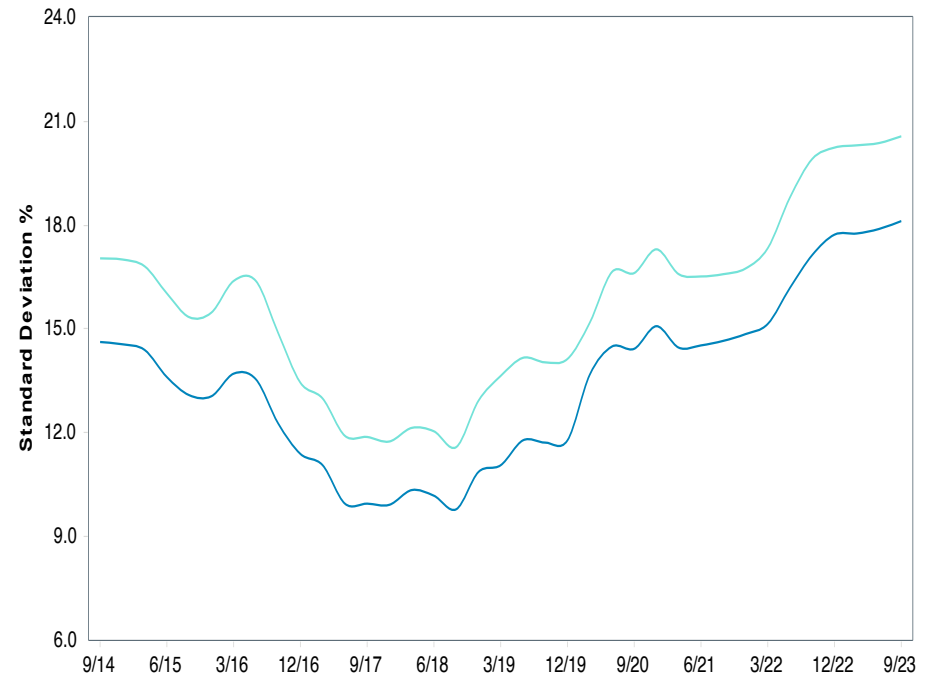
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
5 Years



- T. Rowe Price Global Equity
- MSCI AC World Index (Net)
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



- T. Rowe Price Global Equity
- MSCI AC World Index (Net)

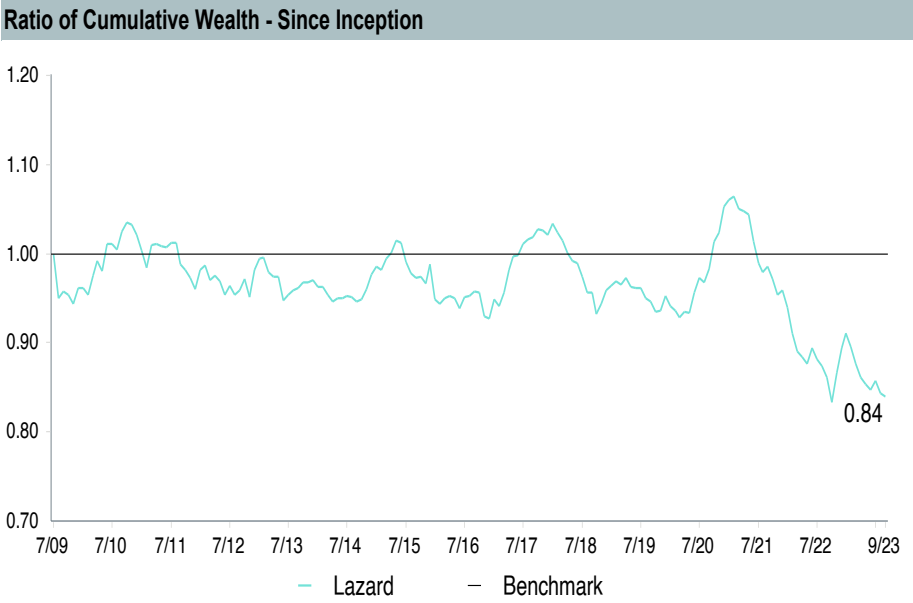
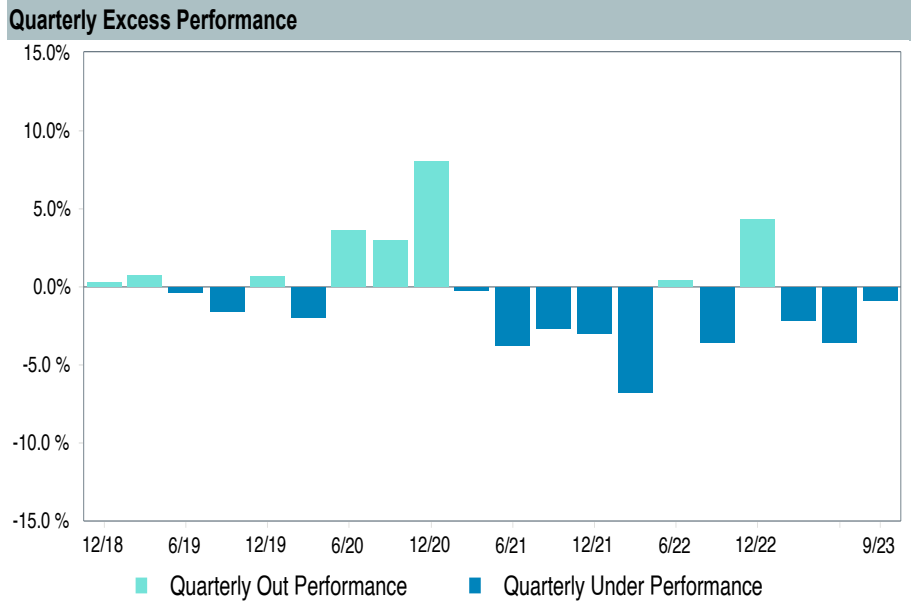
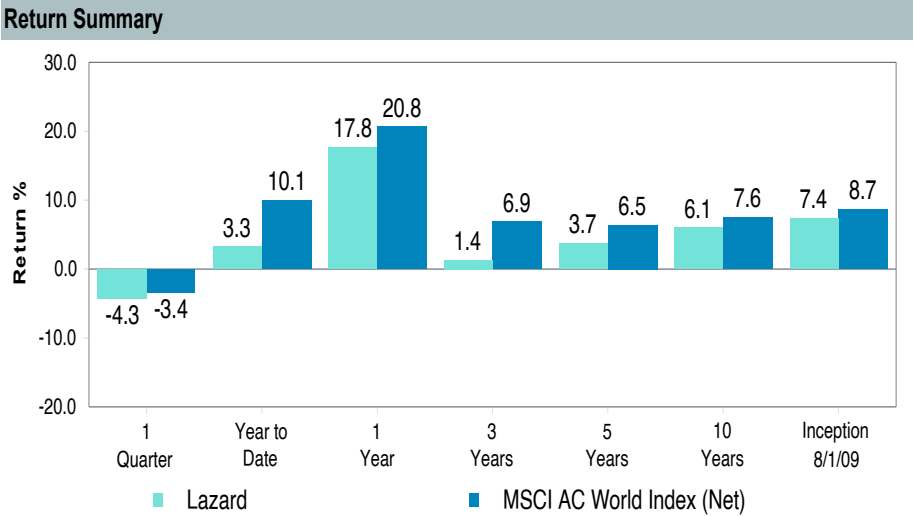
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
T. Rowe Price Global Equity	3.53	6.51	0.54	0.90	0.47	2.95	1.08	9.78	20.56	0.95
MSCI AC World Index (Net)	0.00	0.00	-	1.00	0.34	0.00	1.00	6.46	18.12	1.00
90 Day U.S. Treasury Bill	-6.20	18.19	-0.34	0.02	-	1.75	0.00	1.72	0.50	-0.13

Manager Performance Summary Lazard

As of September 30, 2023

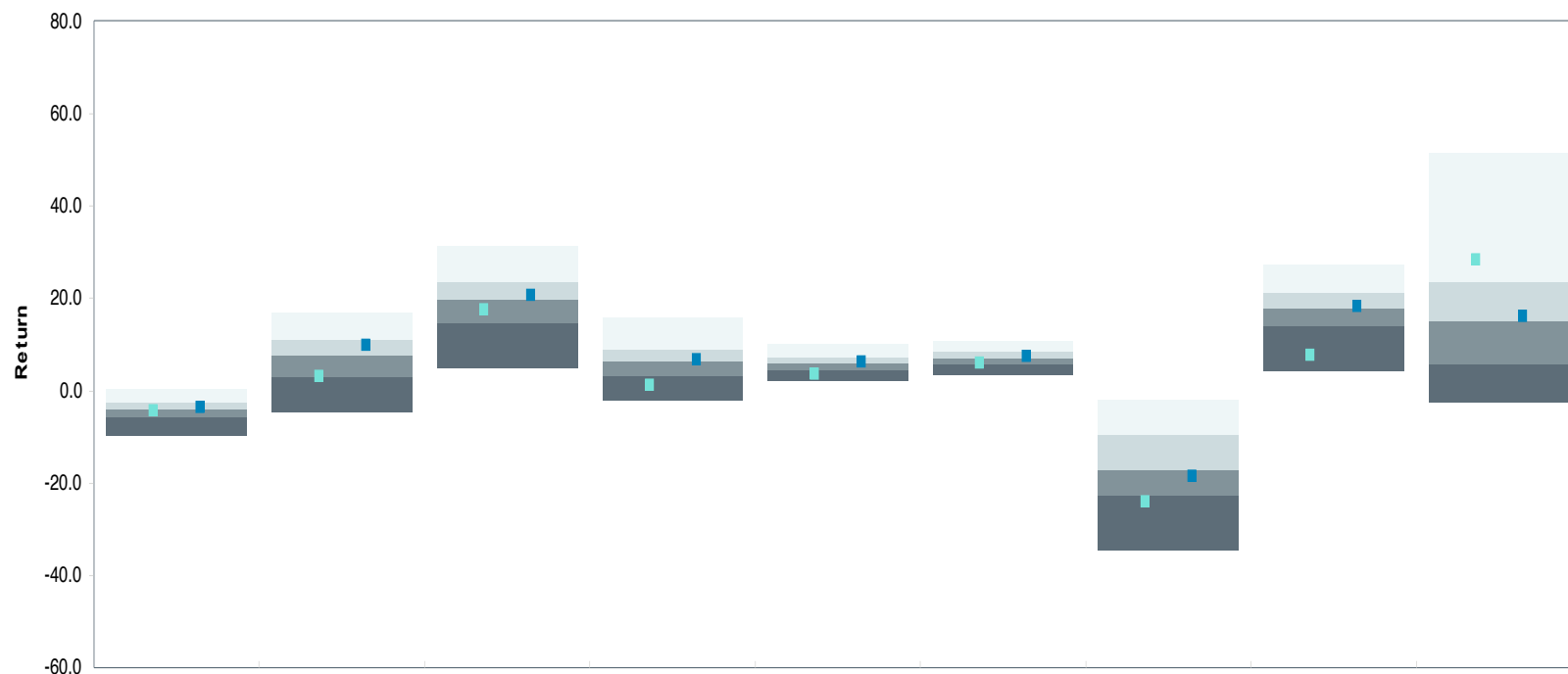
Account Information	
Account Name	Lazard
Inception Date	08/31/2009
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI AC World Index (Net)
Peer Group	IM Global Equity (SA+CF)



Lazard

As of September 30, 2023

IM Global Equity (SA+CF)



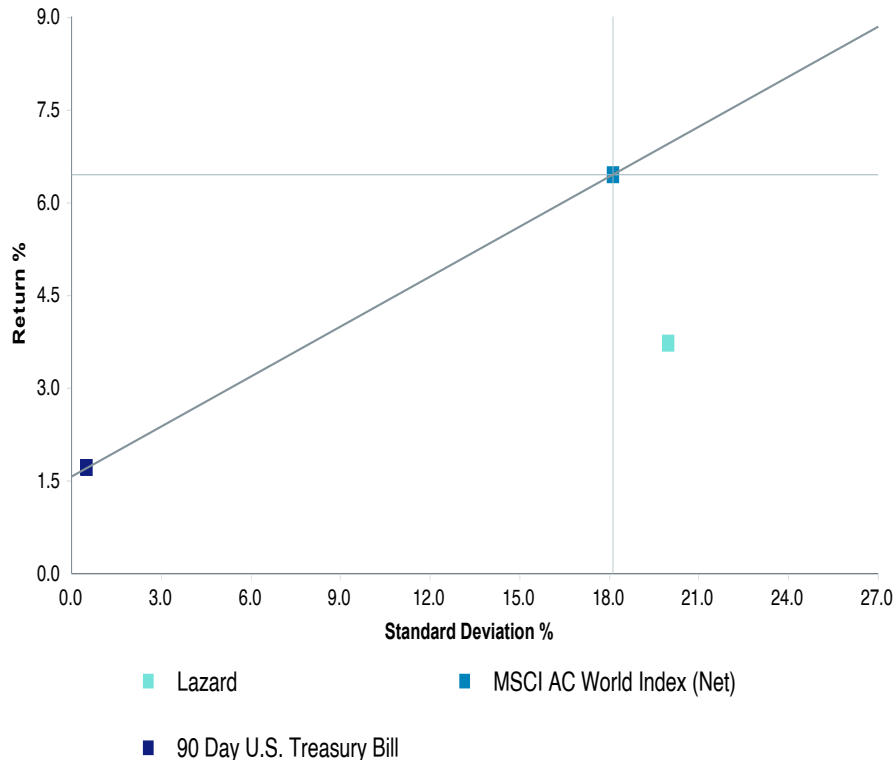
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
Lazard	-4.3 (58)	3.3 (74)	17.8 (61)	1.4 (85)	3.7 (86)	6.1 (72)	-23.8 (79)	8.0 (93)	28.4 (21)
MSCI AC World Index (Net)	-3.4 (43)	10.1 (34)	20.8 (43)	6.9 (45)	6.5 (44)	7.6 (43)	-18.4 (55)	18.5 (47)	16.3 (46)
5th Percentile	0.3	17.1	31.3	16.0	10.2	10.8	-2.1	27.4	51.7
1st Quartile	-2.5	11.3	23.7	9.0	7.5	8.5	-9.5	21.3	23.8
Median	-4.0	7.6	19.8	6.3	6.0	7.1	-17.2	18.0	15.0
3rd Quartile	-5.6	3.1	14.6	3.1	4.6	5.8	-22.7	14.1	6.0
95th Percentile	-9.7	-4.6	4.9	-2.1	2.4	3.5	-34.5	4.3	-2.5
Population	465	463	453	426	387	280	496	504	516

Parentheses contain percentile rankings.

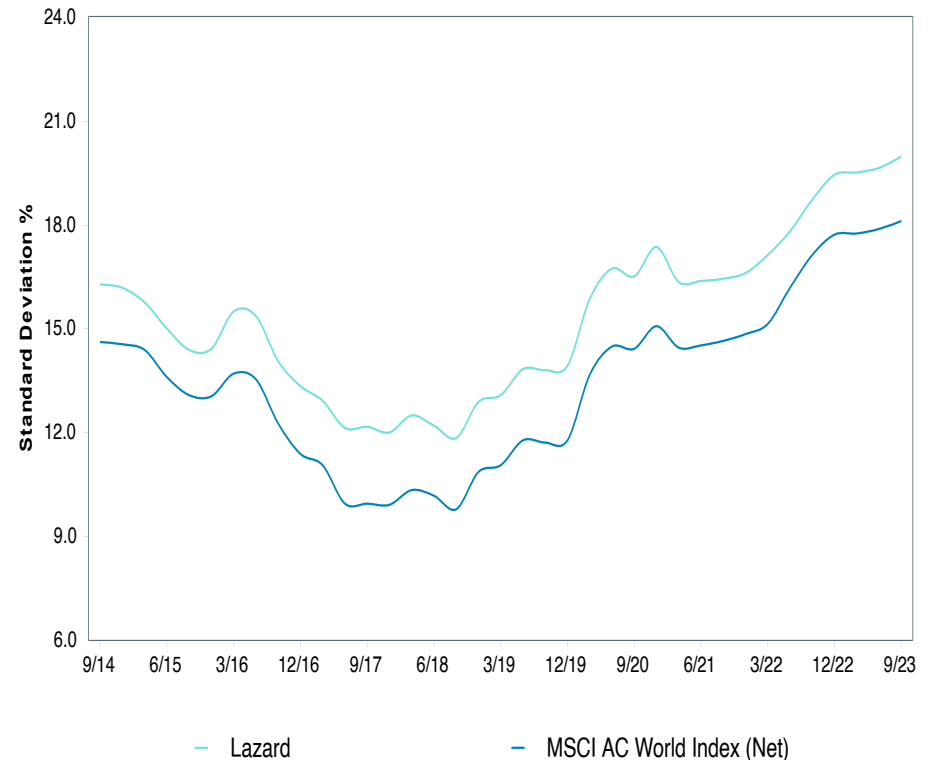
Risk Profile Lazard

As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



Standard Deviation Rolling 5 Years



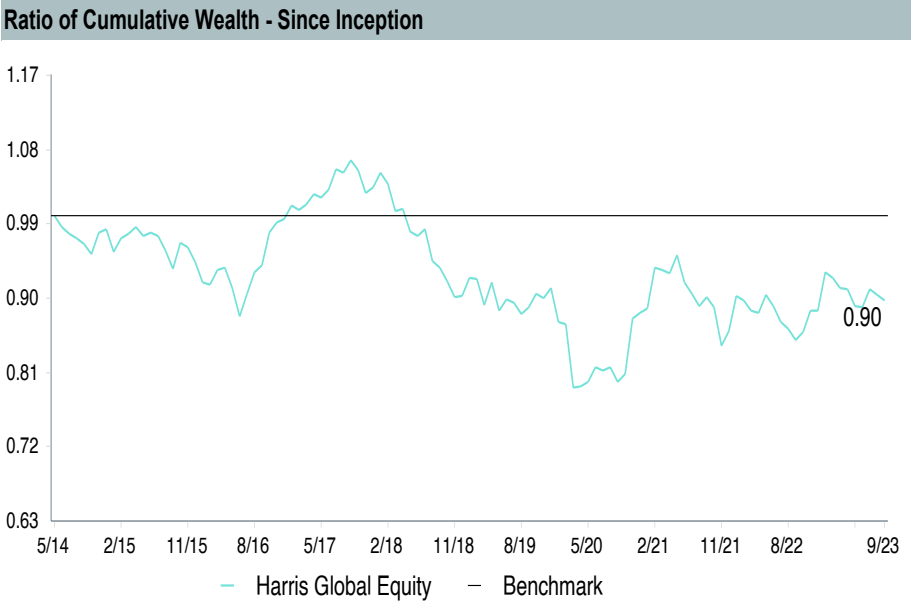
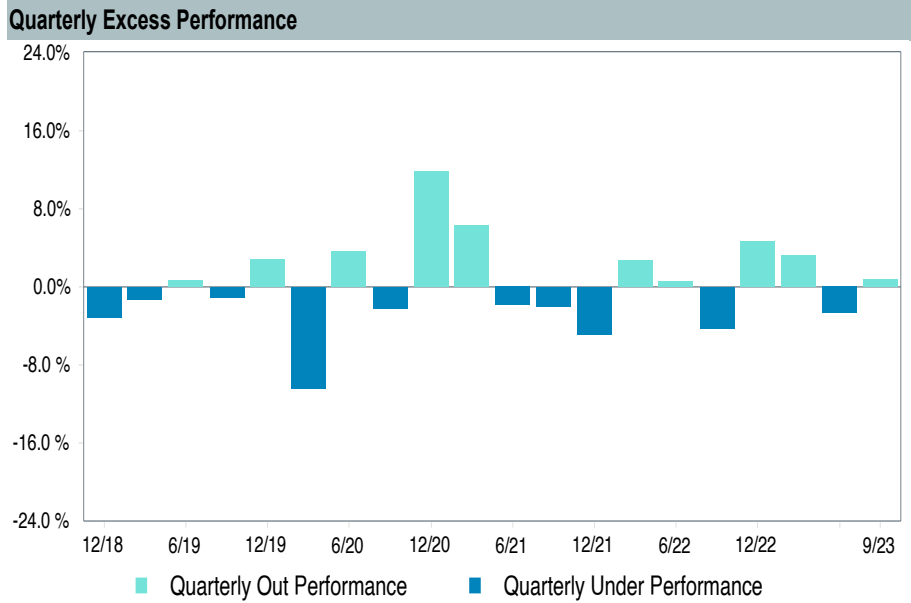
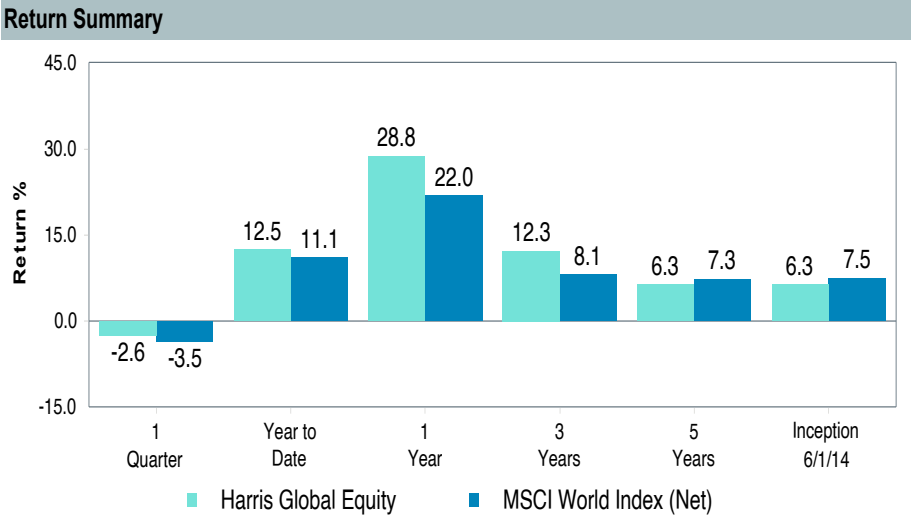
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Lazard	-2.27	5.74	-0.40	0.92	0.20	-2.69	1.06	3.72	19.98	0.96
MSCI AC World Index (Net)	0.00	0.00	-	1.00	0.34	0.00	1.00	6.46	18.12	1.00
90 Day U.S. Treasury Bill	-6.20	18.19	-0.34	0.02	-	1.75	0.00	1.72	0.50	-0.13

Manager Performance Summary Harris Global Equity

As of September 30, 2023

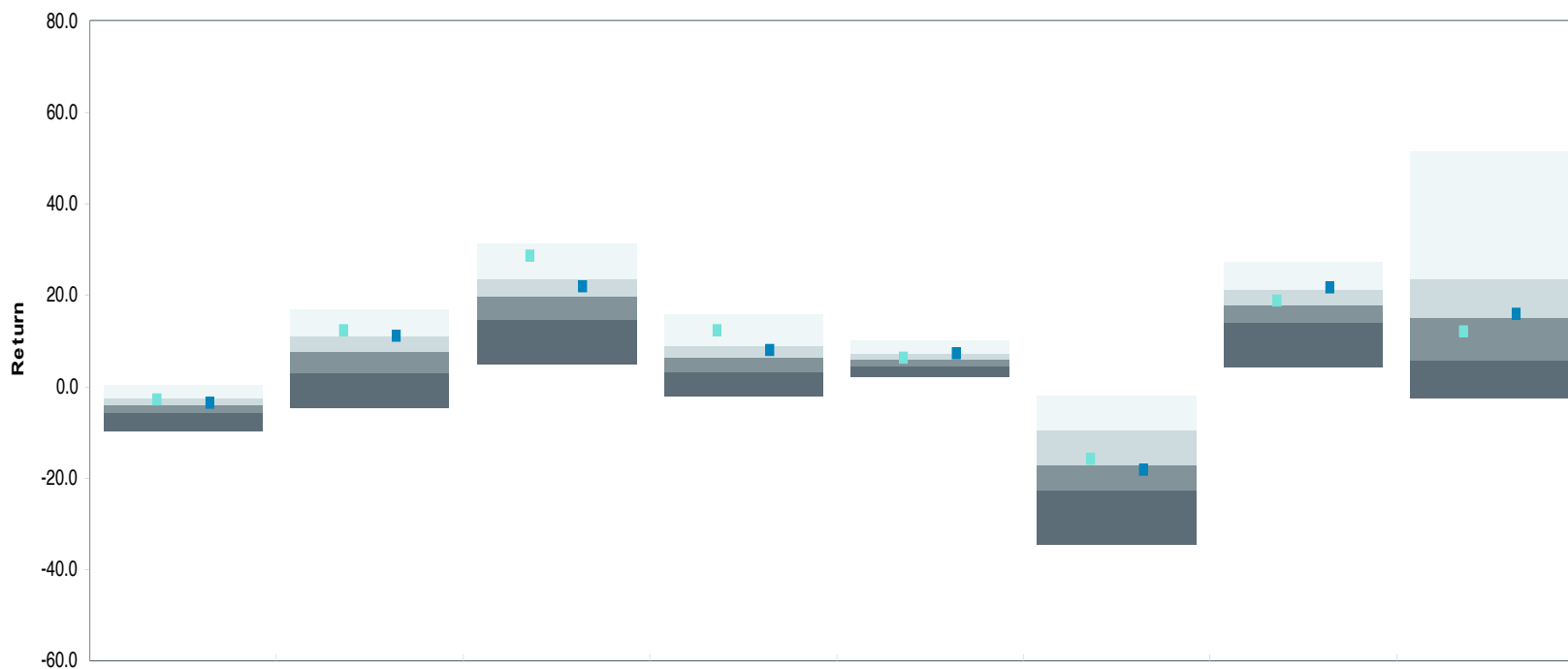
Account Information	
Account Name	Harris Global Equity
Inception Date	06/01/2014
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI World Index (Net)
Peer Group	IM Global Equity (SA+CF)



Harris Global Equity

As of September 30, 2023

IM Global Equity (SA+CF)



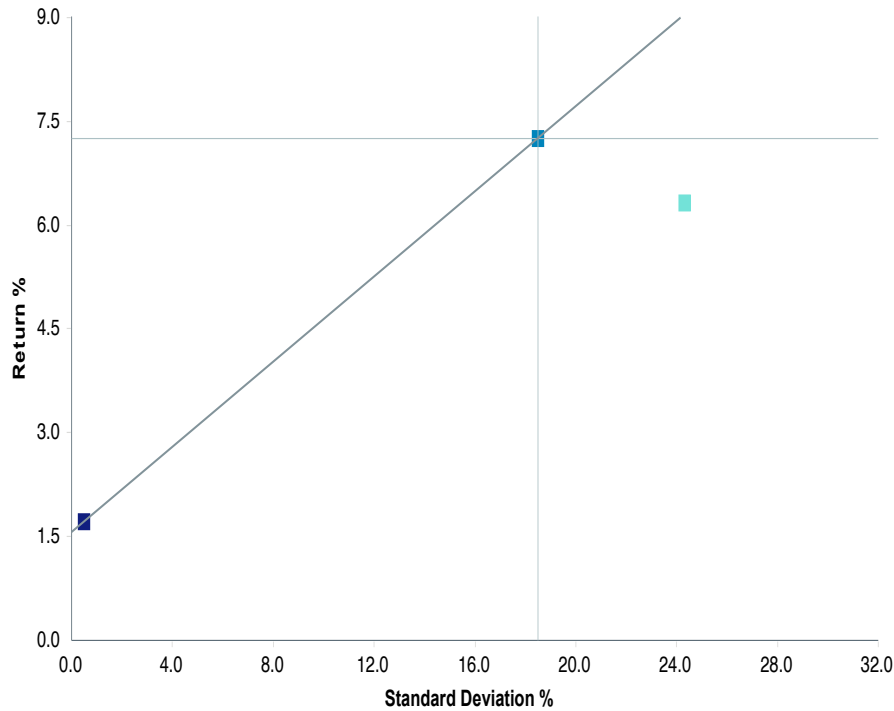
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	2022	2021	2020
Harris Global Equity	-2.6 (27)	12.5 (17)	28.8 (8)	12.3 (11)	6.3 (47)	-15.7 (43)	18.8 (44)	12.1 (59)
MSCI World Index (Net)	-3.5 (44)	11.1 (27)	22.0 (37)	8.1 (34)	7.3 (29)	-18.1 (55)	21.8 (23)	15.9 (48)
5th Percentile	0.3	17.1	31.3	16.0	10.2	-2.1	27.4	51.7
1st Quartile	-2.5	11.3	23.7	9.0	7.5	-9.5	21.3	23.8
Median	-4.0	7.6	19.8	6.3	6.0	-17.2	18.0	15.0
3rd Quartile	-5.6	3.1	14.6	3.1	4.6	-22.7	14.1	6.0
95th Percentile	-9.7	-4.6	4.9	-2.1	2.4	-34.5	4.3	-2.5
Population	465	463	453	426	387	496	504	516

Parentheses contain percentile rankings.

Risk Profile Harris Global Equity

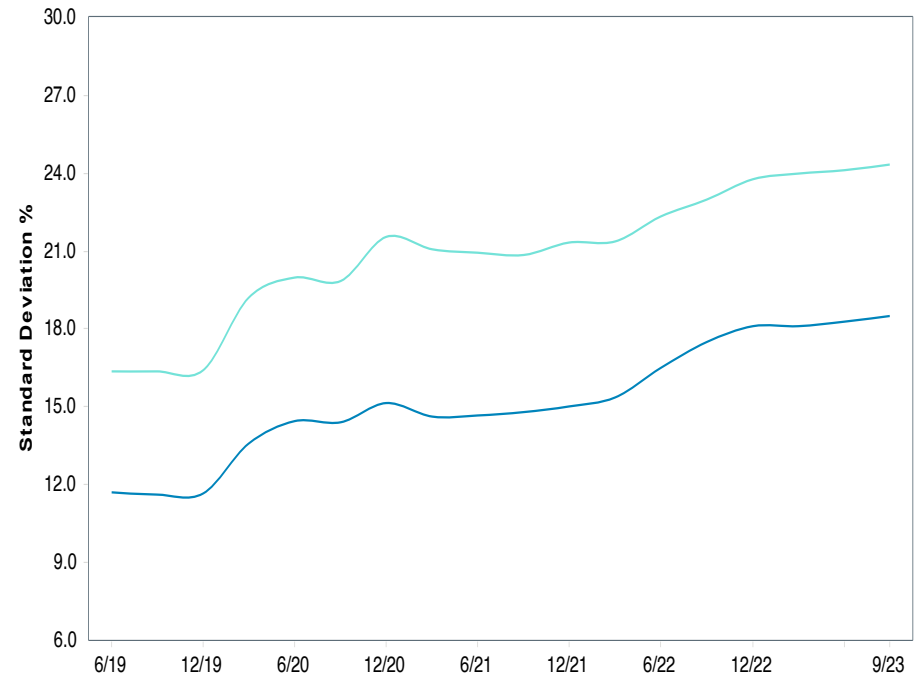
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
5 Years



■ Harris Global Equity ■ MSCI World Index (Net) ■ 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



— Harris Global Equity — MSCI World Index (Net)

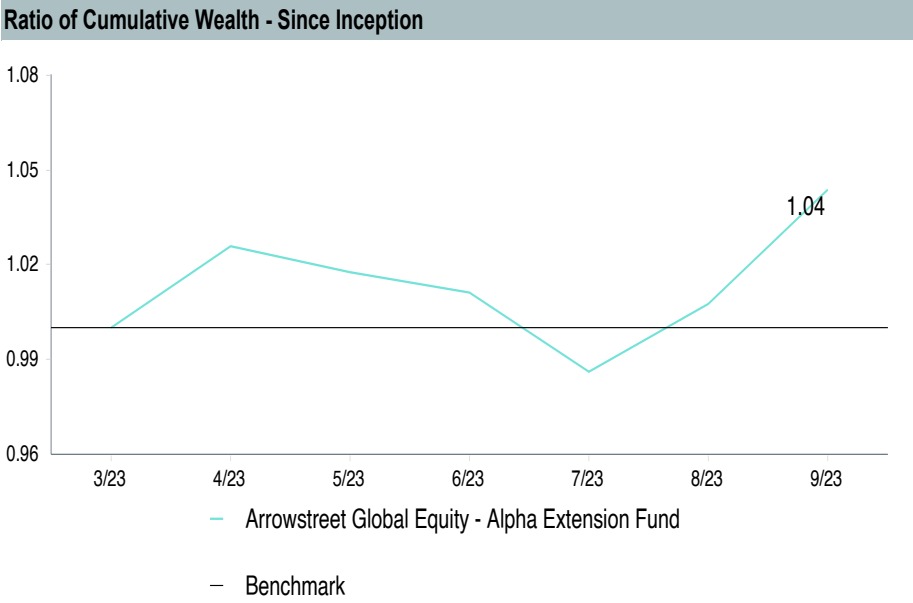
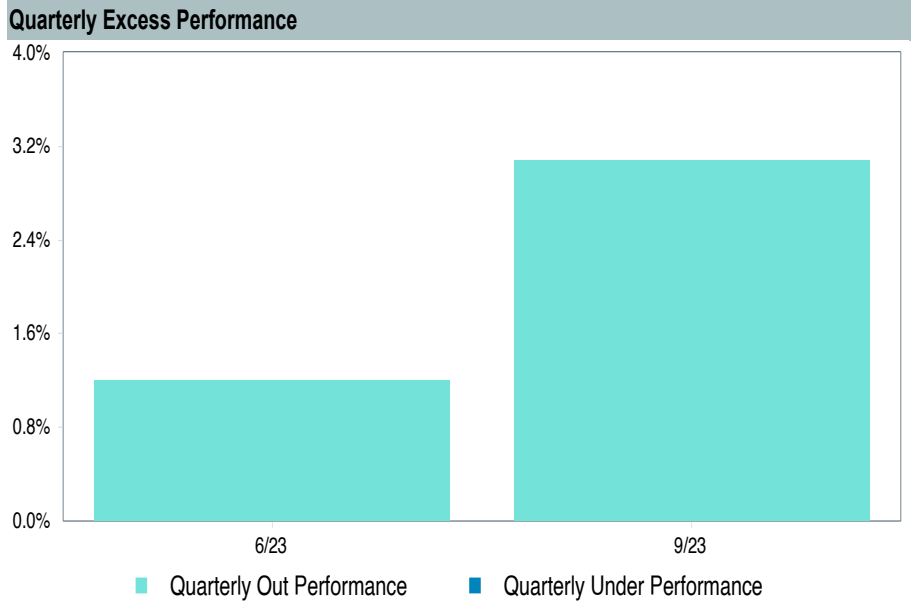
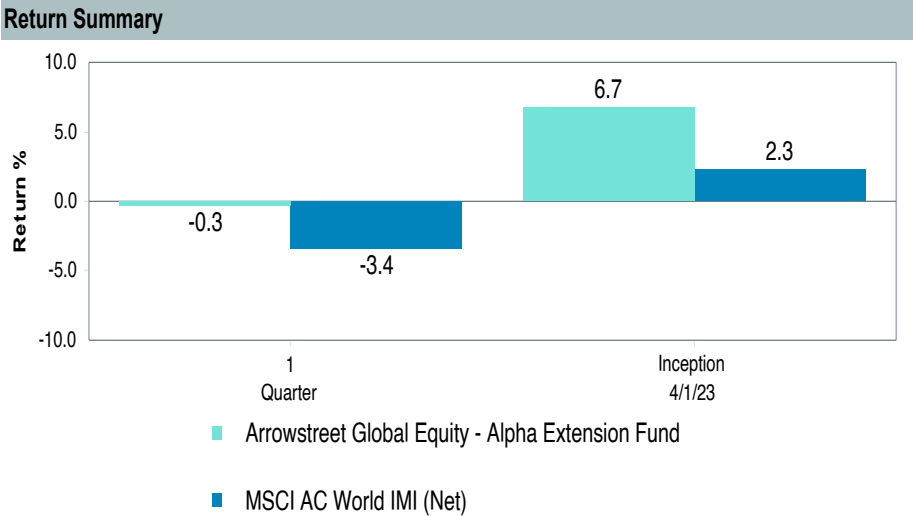
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Harris Global Equity	0.35	9.32	0.04	0.89	0.30	-1.72	1.24	6.32	24.32	0.94
MSCI World Index (Net)	0.00	0.00	-	1.00	0.38	0.00	1.00	7.26	18.48	1.00
90 Day U.S. Treasury Bill	-7.01	18.56	-0.38	0.02	-	1.75	0.00	1.72	0.50	-0.13

Manager Performance Summary Arrowstreet Global Equity

As of September 30, 2023

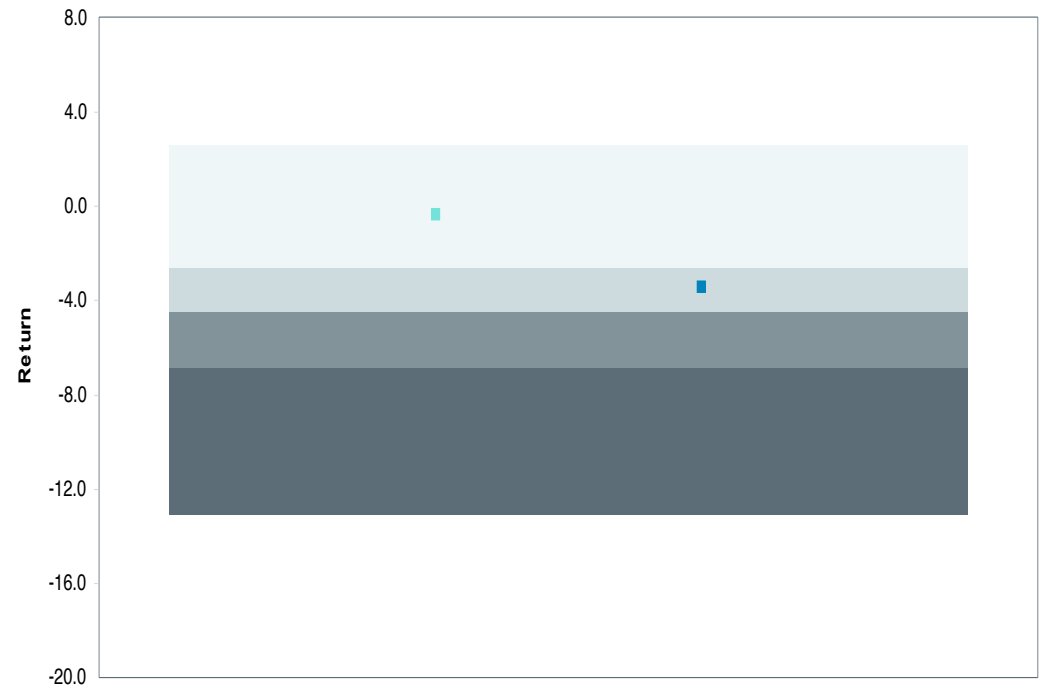
Account Information	
Account Name	Arrowstreet Global Equity - Alpha Extension Fund
Inception Date	03/01/2023
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI AC World IMI (Net)
Peer Group	IM Global Equity (MF)



Arrowstreet Global Equity - Alpha Extension Fund

As of September 30, 2023

IM Global Equity (MF)



	1 Quarter
Arrowstreet Global Equity - Alpha Extension Fund	-0.3 (10)
MSCI AC World IMI (Net)	-3.4 (35)
5th Percentile	2.6
1st Quartile	-2.6
Median	-4.4
3rd Quartile	-6.9
95th Percentile	-13.1

Population

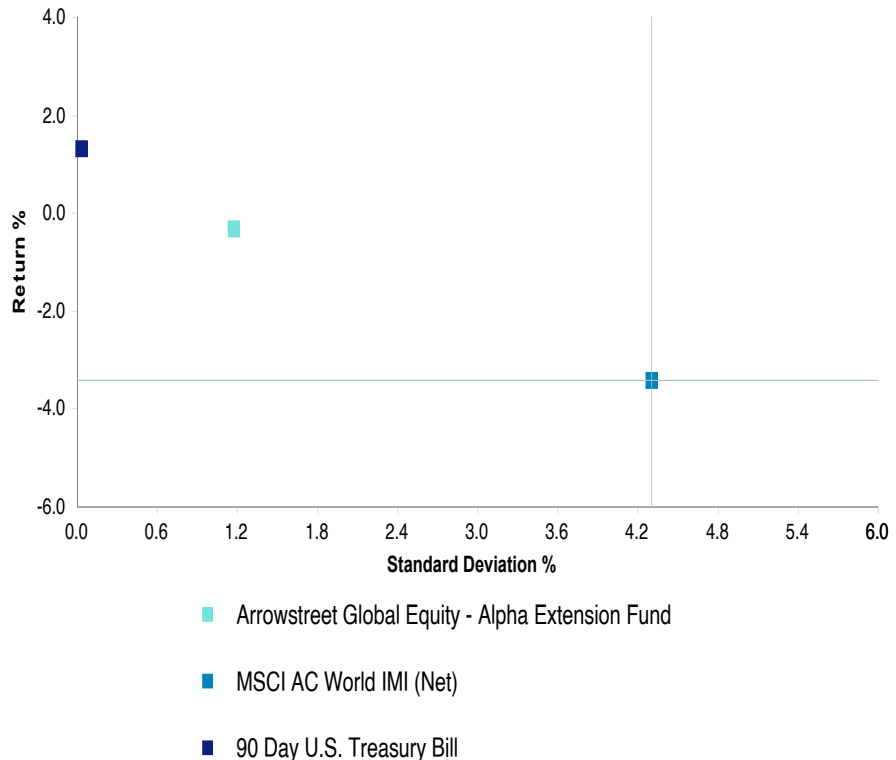
513

Parentheses contain percentile rankings.

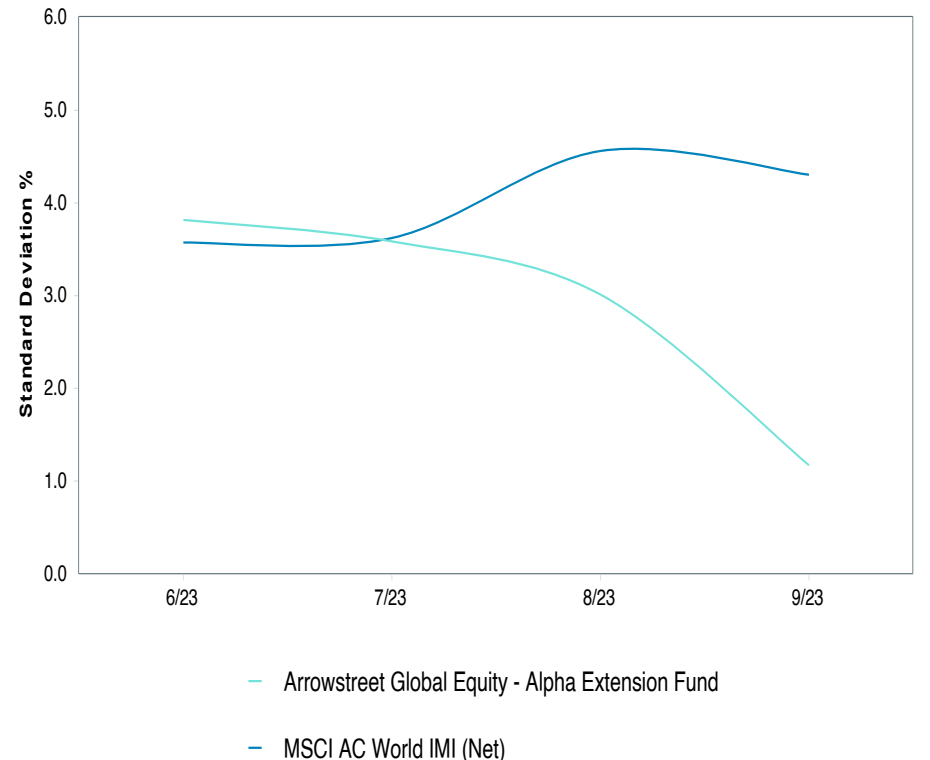
Risk Profile Arrowstreet Global Equity - Alpha Extension

As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
1 Quarter



Standard Deviation
Rolling 0.25 Year



1 Quarter Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Arrowstreet Global Equity - Alpha Extension Fund	0.98	3.15	0.31	0.98	-0.45	0.19	0.27	-0.32	1.17	0.99
MSCI AC World IMI (Net)	0.00	0.00	-	1.00	-0.35	0.00	1.00	-3.40	4.30	1.00
90 Day U.S. Treasury Bill	1.52	4.34	0.35	1.00	-	0.43	-0.01	1.31	0.03	-1.00

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Fixed Income

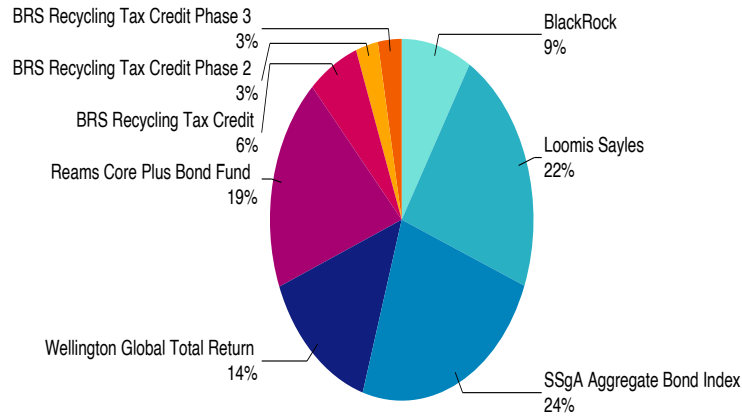


Composite Portfolio Overview Fixed Income

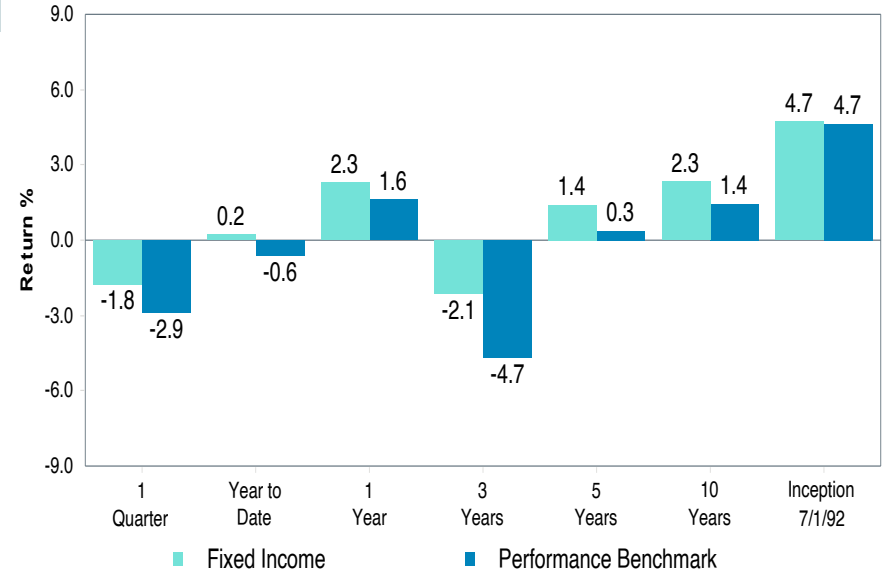
As of September 30, 2023

Current Allocation

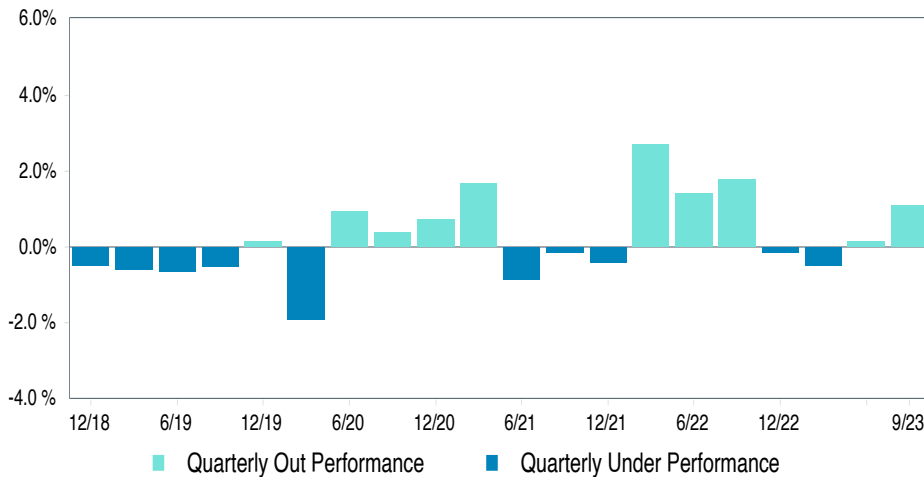
September 30, 2023 : \$2,821,074,073



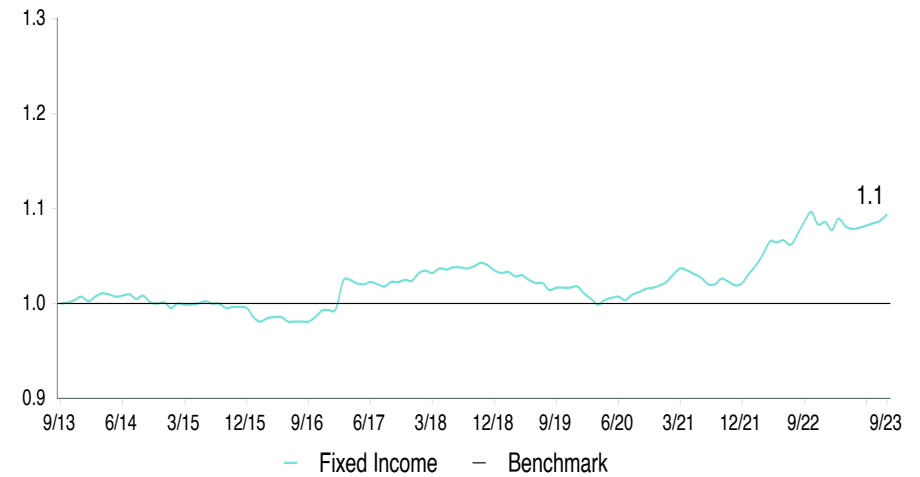
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years

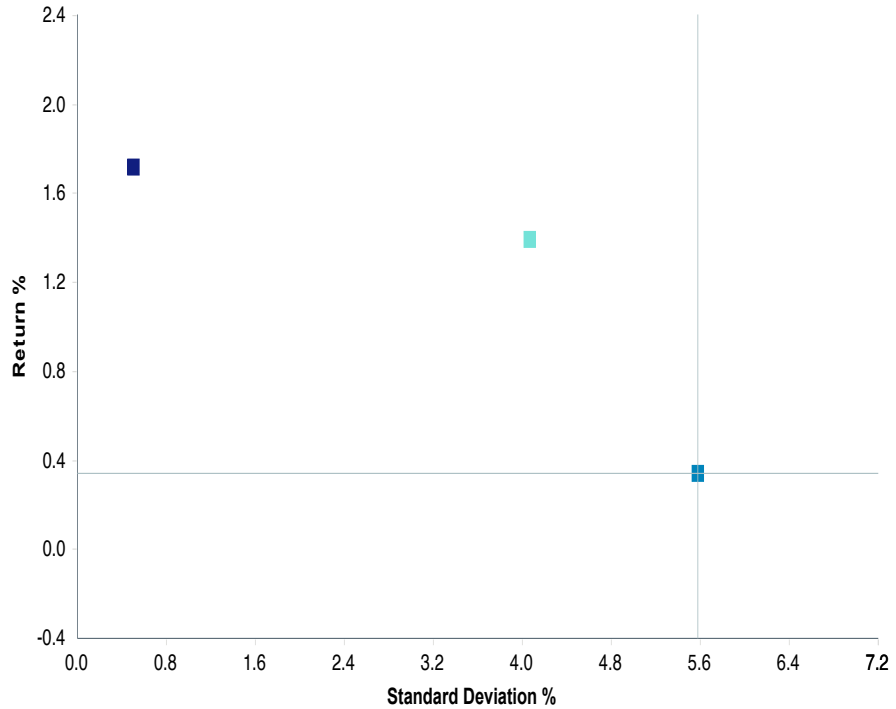


Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.

Risk Profile Fixed Income

As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



■ Fixed Income ■ Performance Benchmark ■ 90 Day U.S. Treasury Bill

Standard Deviation Rolling 5 Years



— Fixed Income — Performance Benchmark

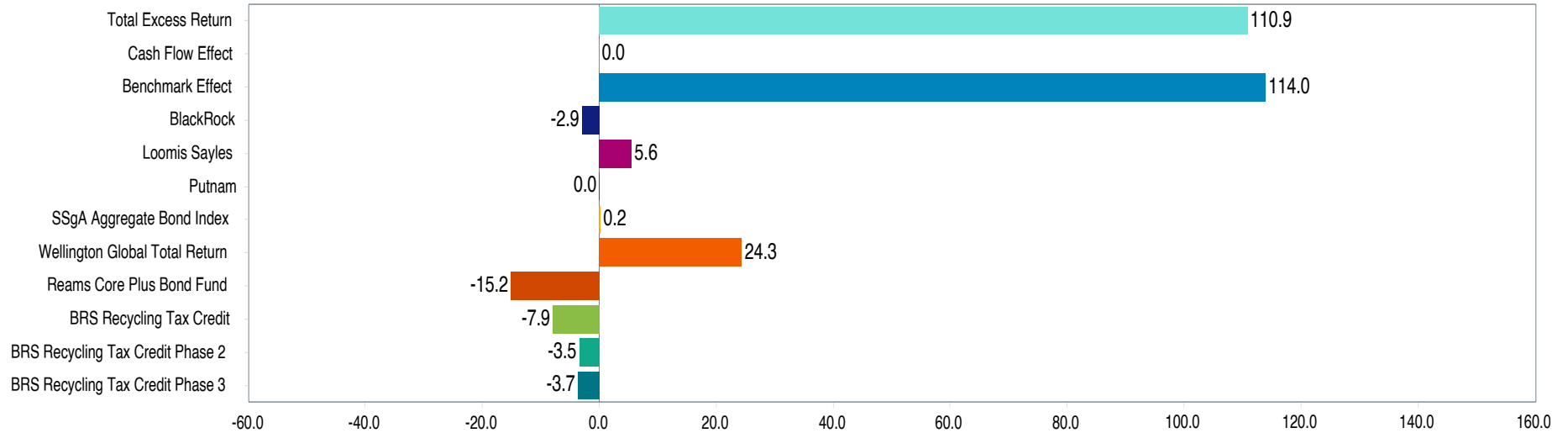
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Fixed Income	0.97	1.92	0.51	0.94	-0.06	1.12	0.71	1.39	4.07	0.97
Performance Benchmark	0.00	0.00	-	1.00	-0.22	0.00	1.00	0.34	5.57	1.00
90 Day U.S. Treasury Bill	1.21	5.57	0.22	0.00	-	1.72	0.00	1.72	0.50	0.05

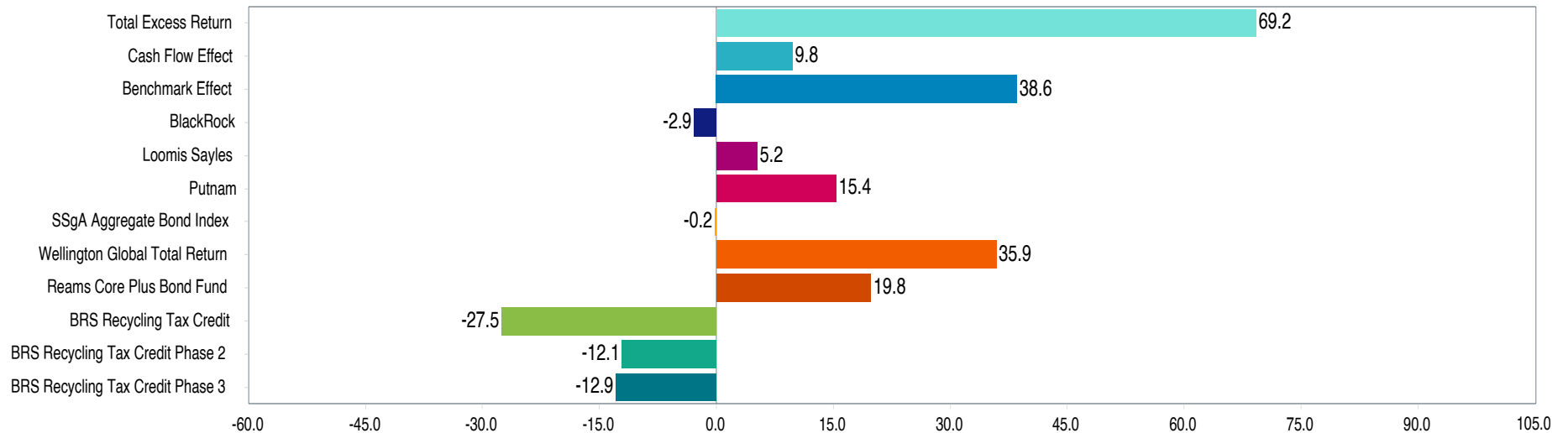
Asset Class Attribution

As of September 30, 2023

1 Quarter



1 Year

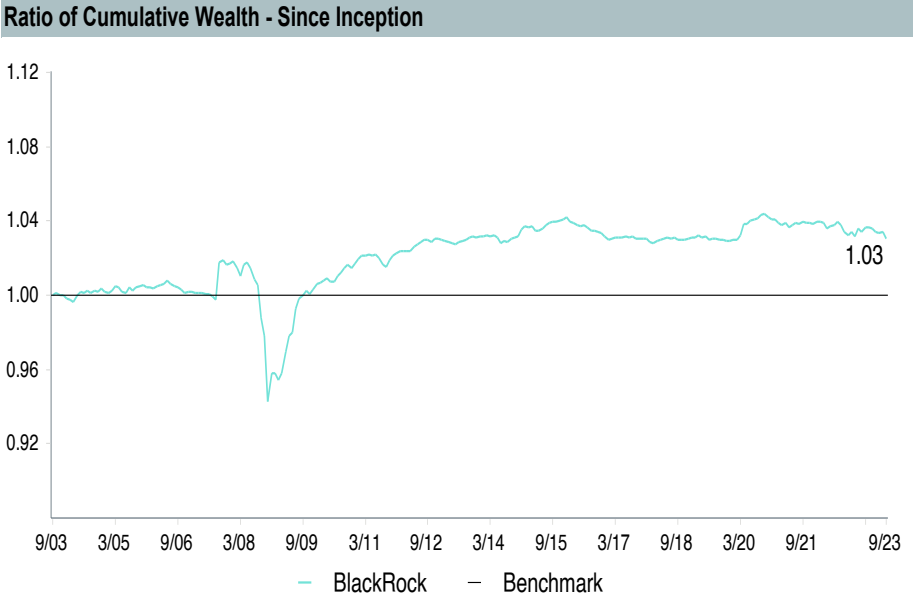
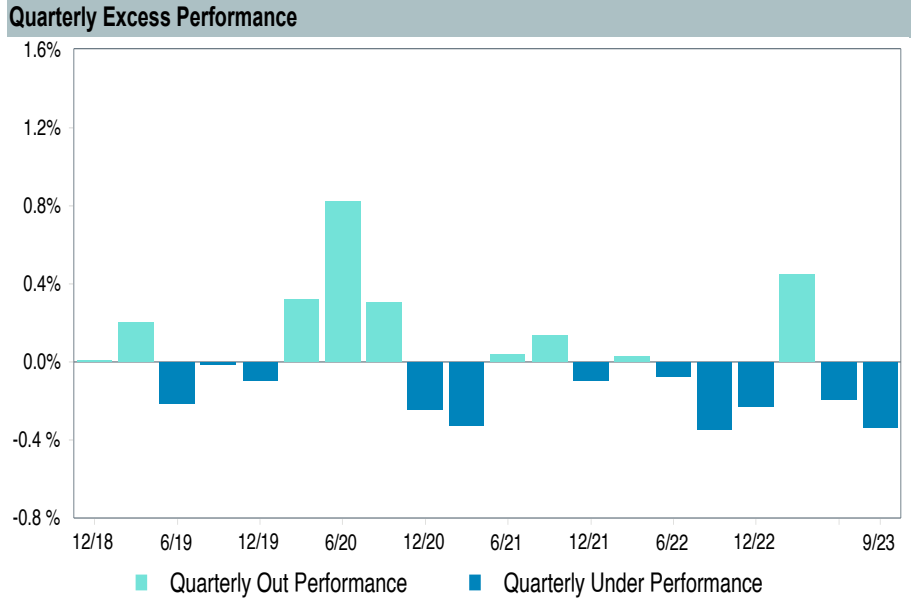
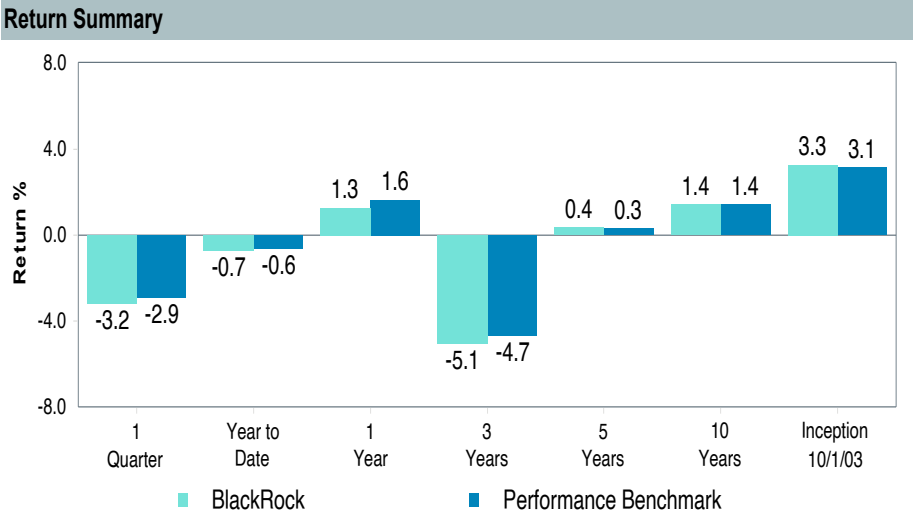


*The BRS Recycling Tax Credit represents an annual income stream of \$16 million dollars over the next 14 years, which ATRS purchased for approximately \$162 million. This represents an approximate 9.9% yield for the 2017 fiscal year. The value shown above represents the year-end market value in accordance with GASB Statement 72, representing the 14 years of annual income, and has been incorporated into Total Fixed Income and Total Fund performance.

Manager Performance Summary BlackRock

As of September 30, 2023

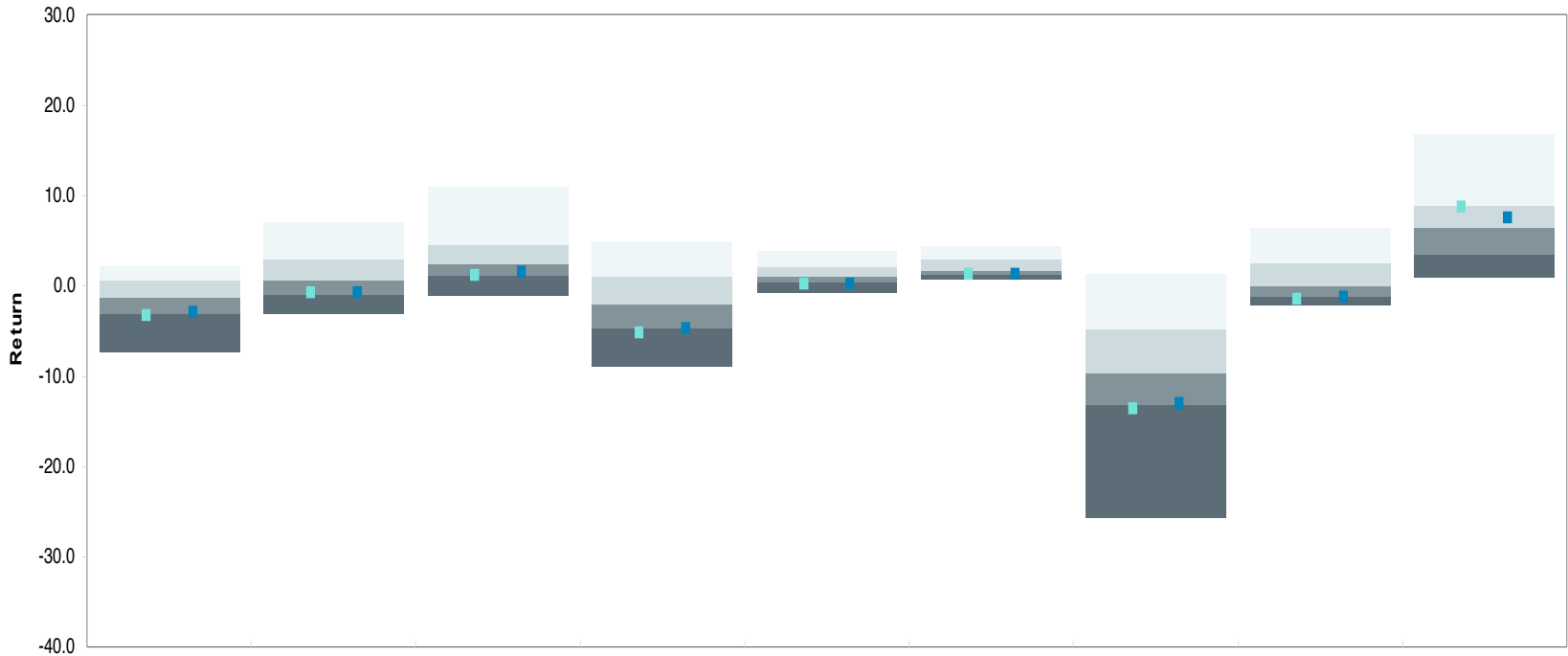
Account Information	
Account Name	BlackRock
Inception Date	09/30/2003
Account Structure	Separate Account
Asset Class	US Fixed Income
Benchmark	Performance Benchmark
Peer Group	IM U.S. Fixed Income (SA+CF)



BlackRock

As of September 30, 2023

IM U.S. Fixed Income (SA+CF)



	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
BlackRock	-3.2 (80)	-0.7 (72)	1.3 (74)	-5.1 (84)	0.4 (79)	1.4 (64)	-13.5 (79)	-1.4 (81)	8.8 (27)
Performance Benchmark	-2.9 (68)	-0.6 (70)	1.6 (69)	-4.7 (76)	0.3 (80)	1.4 (64)	-13.0 (72)	-1.1 (74)	7.6 (39)
5th Percentile	2.2	7.0	11.0	4.9	3.9	4.4	1.3	6.4	16.9
1st Quartile	0.6	2.9	4.7	1.2	2.1	2.9	-4.7	2.6	8.9
Median	-1.2	0.6	2.5	-2.0	1.2	1.8	-9.7	-0.1	6.5
3rd Quartile	-3.1	-0.9	1.2	-4.7	0.5	1.3	-13.2	-1.1	3.6
95th Percentile	-7.3	-3.1	-1.0	-9.0	-0.6	0.7	-25.6	-2.1	0.9

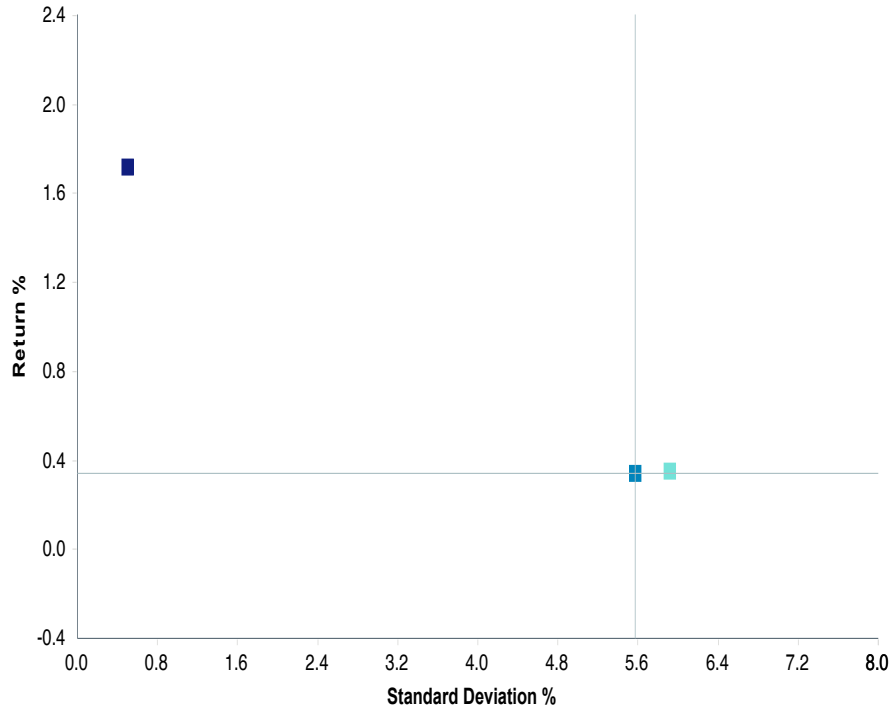
Population	1,181	1,180	1,178	1,114	1,069	911	1,284	1,322	1,379
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Parentheses contain percentile rankings.

Risk Profile BlackRock

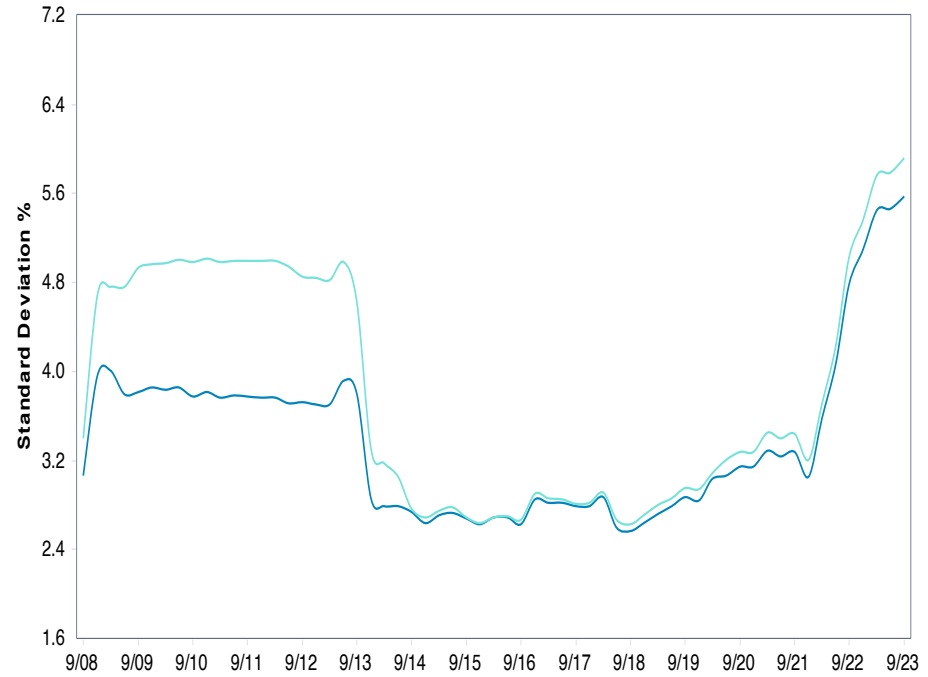
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



■ BlackRock ■ Performance Benchmark ■ 90 Day U.S. Treasury Bill

Standard Deviation Rolling 5 Years



— BlackRock — Performance Benchmark

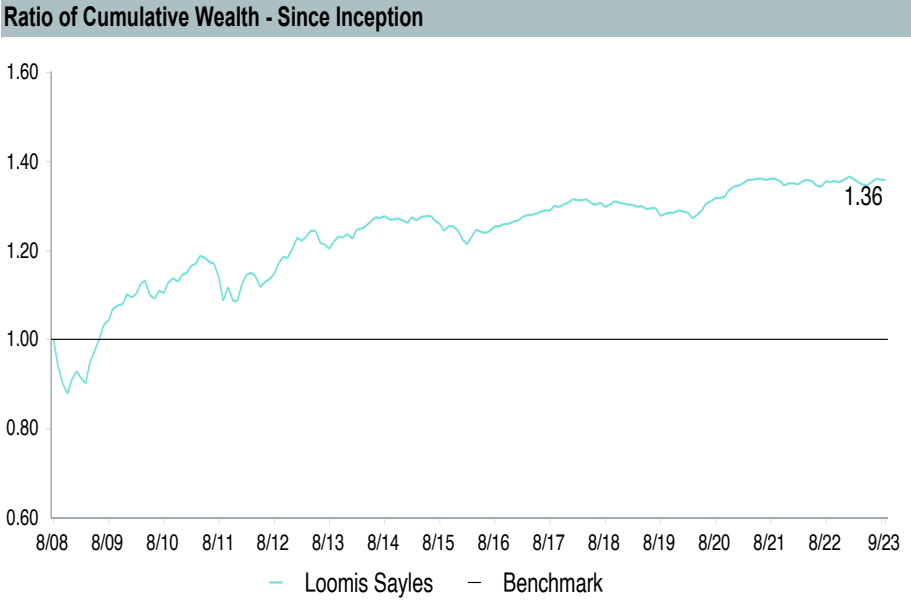
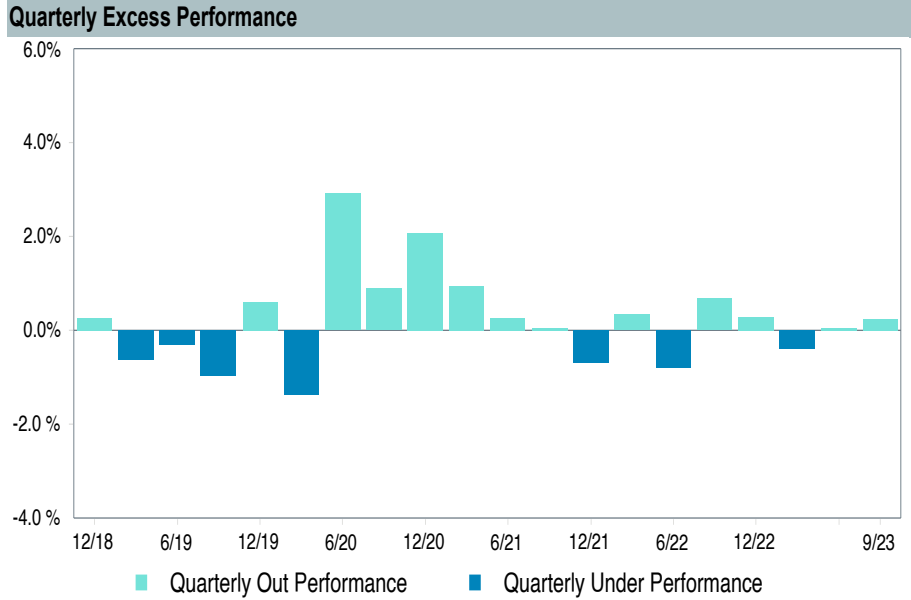
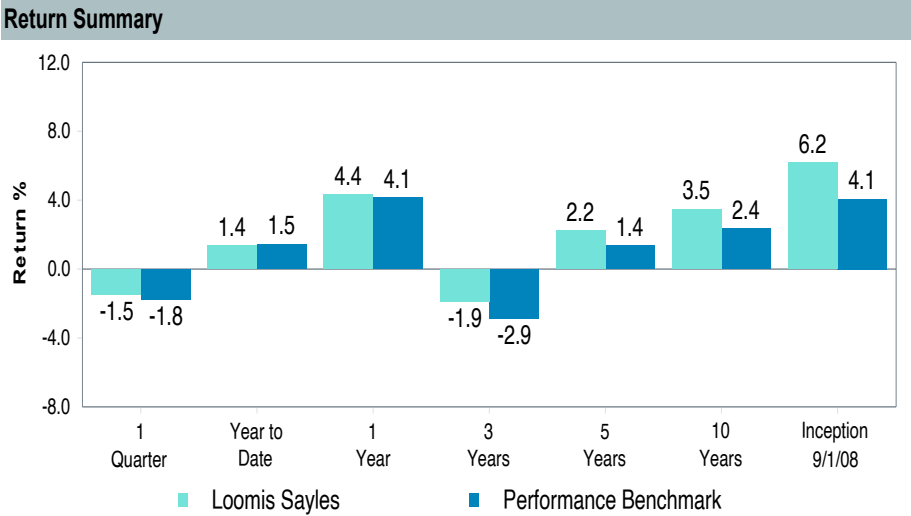
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
BlackRock	0.03	0.56	0.05	0.99	-0.20	0.00	1.06	0.35	5.92	1.00
Performance Benchmark	0.00	0.00	-	1.00	-0.22	0.00	1.00	0.34	5.57	1.00
90 Day U.S. Treasury Bill	1.21	5.57	0.22	0.00	-	1.72	0.00	1.72	0.50	0.05

Manager Performance Summary Loomis Sayles

As of September 30, 2023

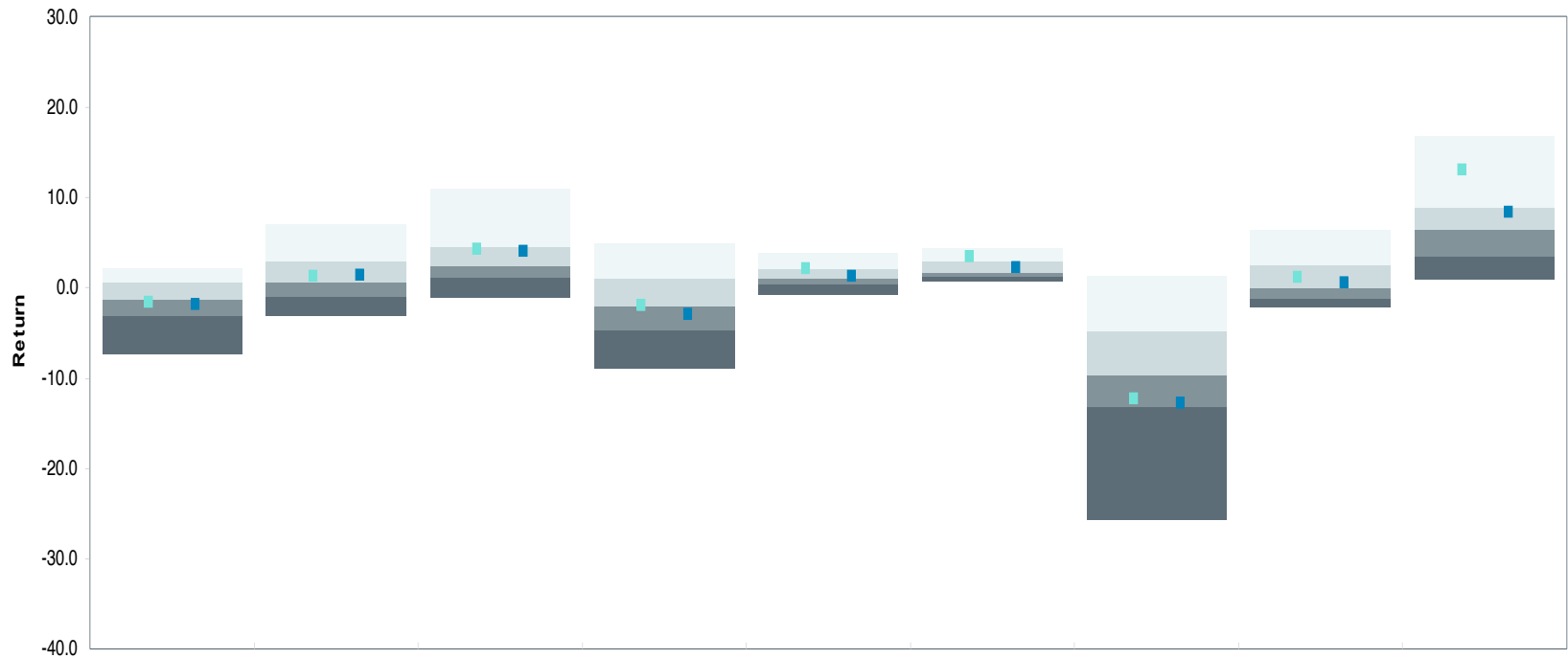
Account Information	
Account Name	Loomis Sayles
Inception Date	06/30/2008
Account Structure	Separate Account
Asset Class	US Fixed Income
Benchmark	Performance Benchmark
Peer Group	IM U.S. Fixed Income (SA+CF)



Loomis Sayles

As of September 30, 2023

IM U.S. Fixed Income (SA+CF)



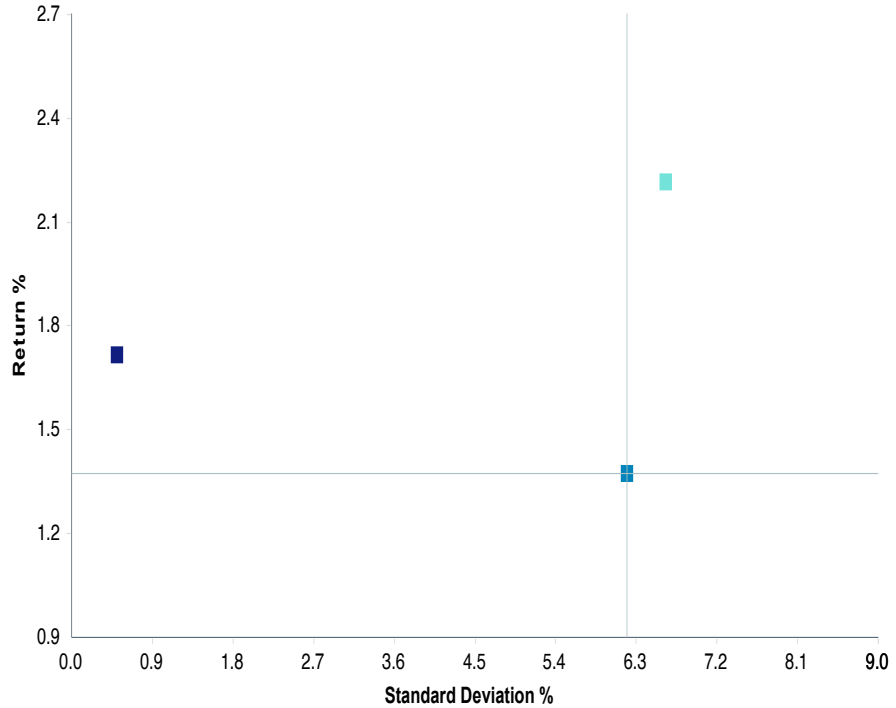
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	2022	2021	2020
■ Loomis Sayles	-1.5 (53)	1.4 (41)	4.4 (28)	-1.9 (50)	2.2 (22)	3.5 (18)	-12.3 (65)	1.2 (34)	13.1 (10)
■ Performance Benchmark	-1.8 (54)	1.5 (41)	4.1 (29)	-2.9 (60)	1.4 (45)	2.4 (33)	-12.7 (69)	0.7 (37)	8.5 (29)
5th Percentile	2.2	7.0	11.0	4.9	3.9	4.4	1.3	6.4	16.9
1st Quartile	0.6	2.9	4.7	1.2	2.1	2.9	-4.7	2.6	8.9
Median	-1.2	0.6	2.5	-2.0	1.2	1.8	-9.7	-0.1	6.5
3rd Quartile	-3.1	-0.9	1.2	-4.7	0.5	1.3	-13.2	-1.1	3.6
95th Percentile	-7.3	-3.1	-1.0	-9.0	-0.6	0.7	-25.6	-2.1	0.9
Population	1,181	1,180	1,178	1,114	1,069	911	1,284	1,322	1,379

Parentheses contain percentile rankings.

Risk Profile Loomis Sayles

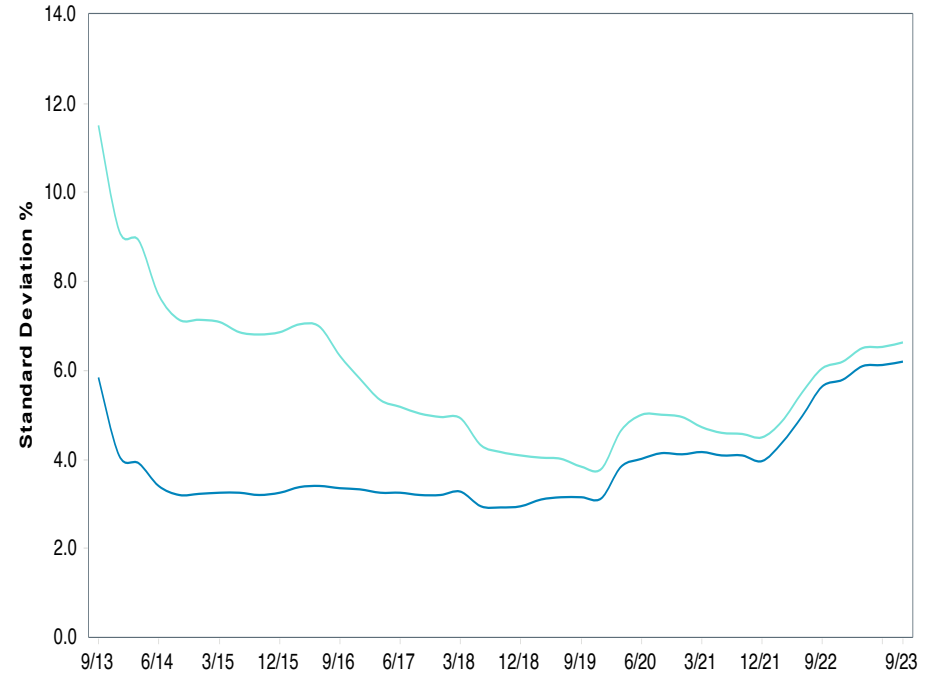
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



■ Loomis Sayles ■ Performance Benchmark ■ 90 Day U.S. Treasury Bill

Standard Deviation Rolling 5 Years



— Loomis Sayles — Performance Benchmark

5 Years Historical Statistics

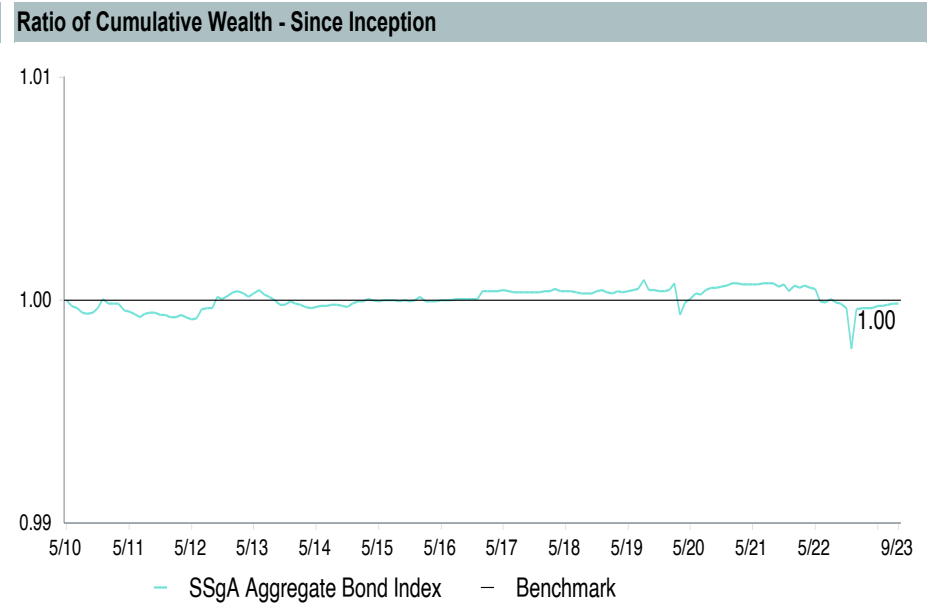
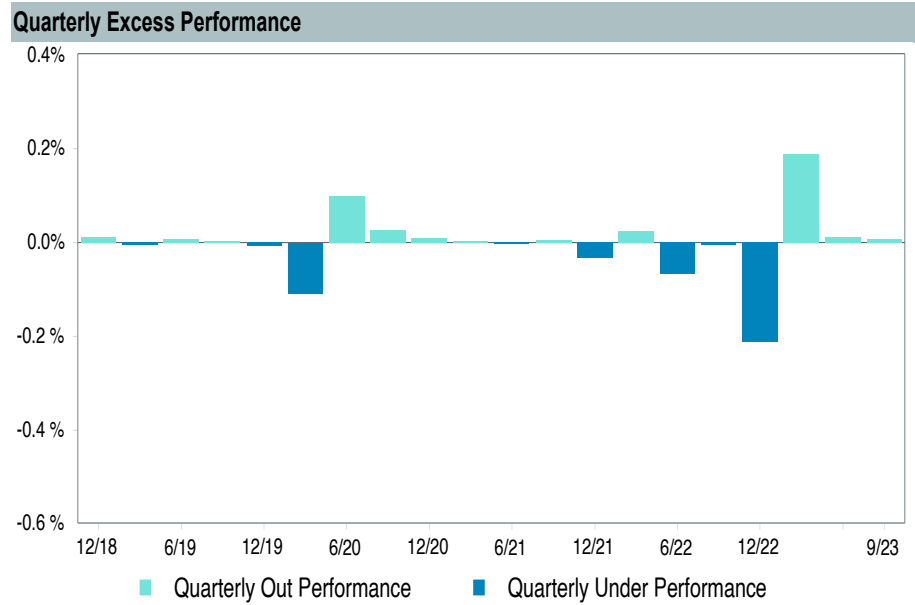
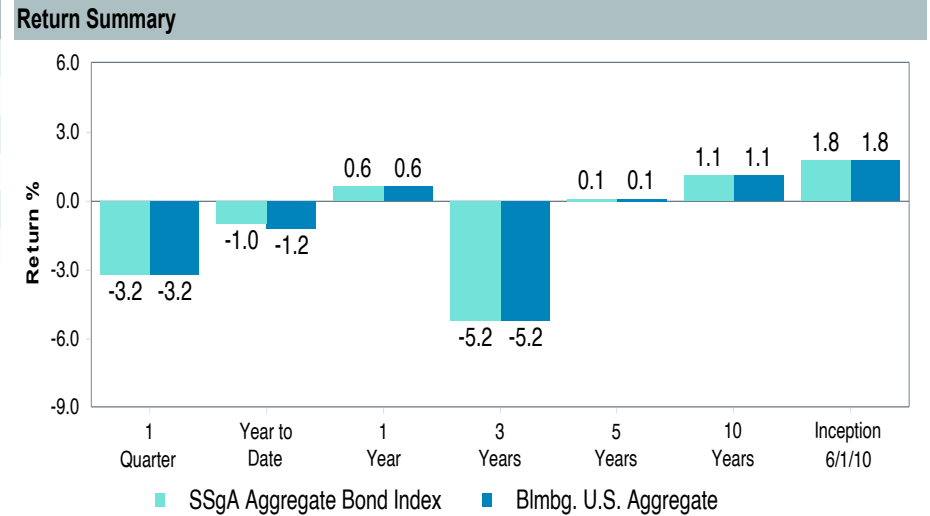
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Loomis Sayles	0.86	1.65	0.52	0.94	0.11	0.81	1.04	2.22	6.62	0.97
Performance Benchmark	0.00	0.00	-	1.00	-0.02	0.00	1.00	1.37	6.20	1.00
90 Day U.S. Treasury Bill	0.15	6.22	0.02	0.00	-	1.72	0.00	1.72	0.50	-0.01



Manager Performance Summary SSgA Aggregate Bond Index

As of September 30, 2023

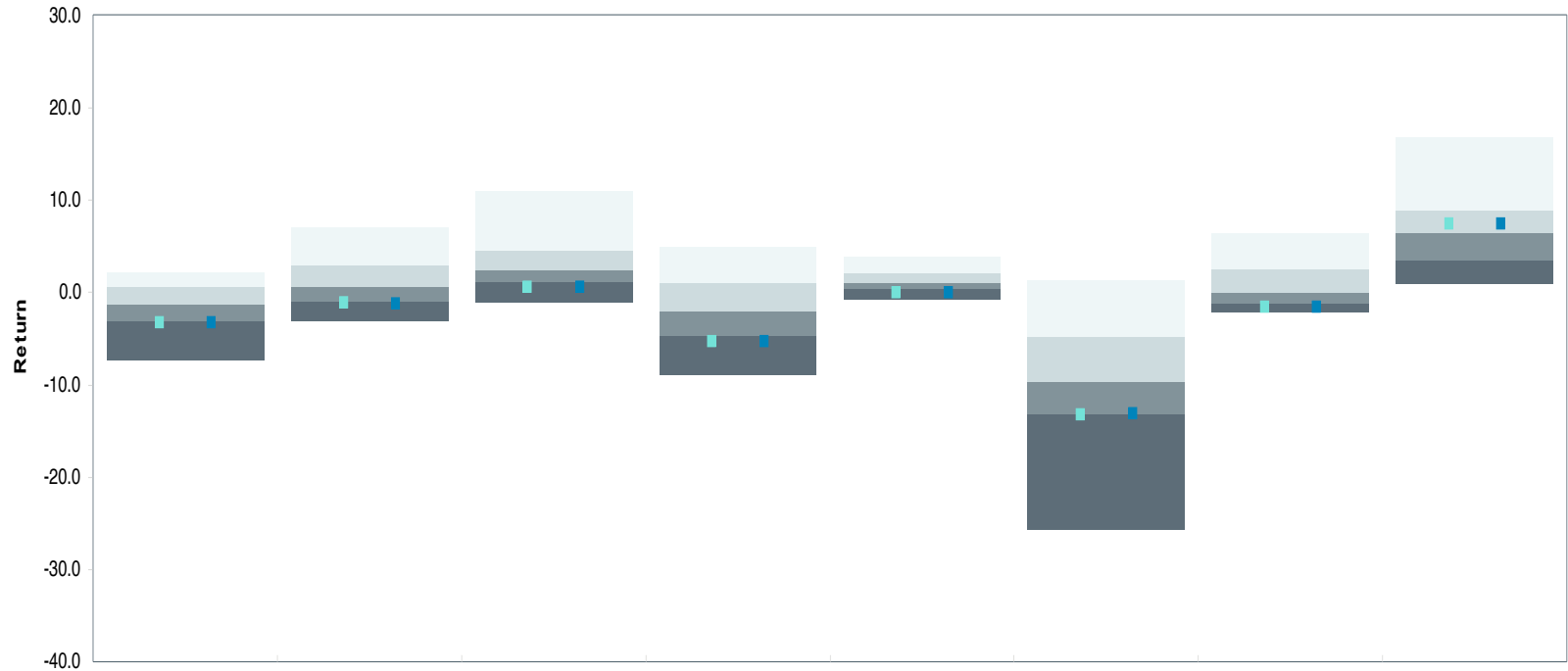
Account Information	
Account Name	SSgA Aggregate Bond Index
Inception Date	01/01/1901
Account Structure	Commingled Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate
Peer Group	IM U.S. Fixed Income (SA+CF)



SSgA Aggregate Bond Index

As of September 30, 2023

IM U.S. Fixed Income (SA+CF)



	1 Quarter	Year to Date	1 Year	3 Years	5 Years	2022	2021	2020
SSgA Aggregate Bond Index	-3.2 (80)	-1.0 (78)	0.6 (85)	-5.2 (88)	0.1 (88)	-13.2 (76)	-1.6 (86)	7.5 (39)
Blmbg. U.S. Aggregate	-3.2 (81)	-1.2 (82)	0.6 (85)	-5.2 (87)	0.1 (87)	-13.0 (72)	-1.5 (86)	7.5 (39)
5th Percentile	2.2	7.0	11.0	4.9	3.9	1.3	6.4	16.9
1st Quartile	0.6	2.9	4.7	1.2	2.1	-4.7	2.6	8.9
Median	-1.2	0.6	2.5	-2.0	1.2	-9.7	-0.1	6.5
3rd Quartile	-3.1	-0.9	1.2	-4.7	0.5	-13.2	-1.1	3.6
95th Percentile	-7.3	-3.1	-1.0	-9.0	-0.6	-25.6	-2.1	0.9

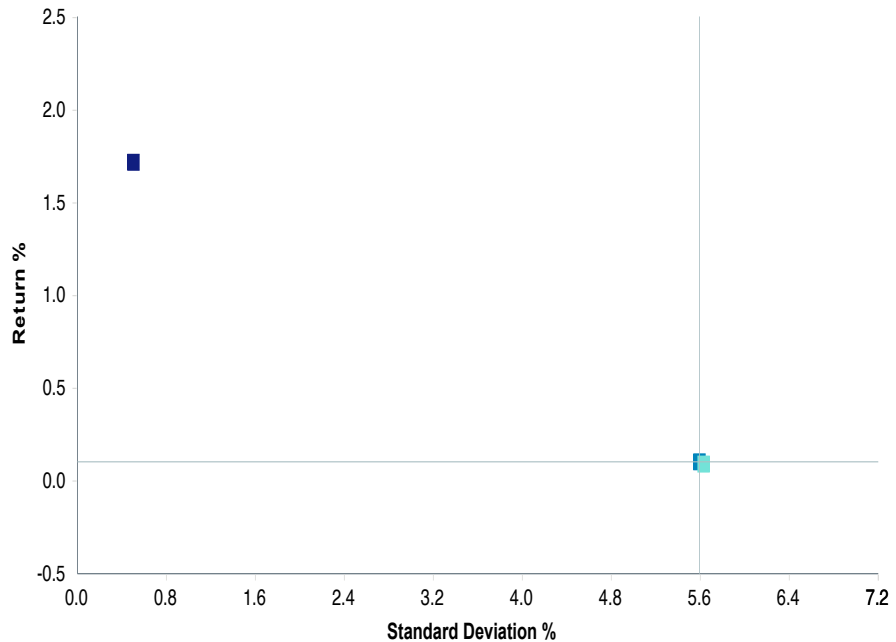
Population	1,181	1,180	1,178	1,114	1,069	1,284	1,322	1,379
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Parentheses contain percentile rankings.

Risk Profile SSgA Aggregate Bond Index

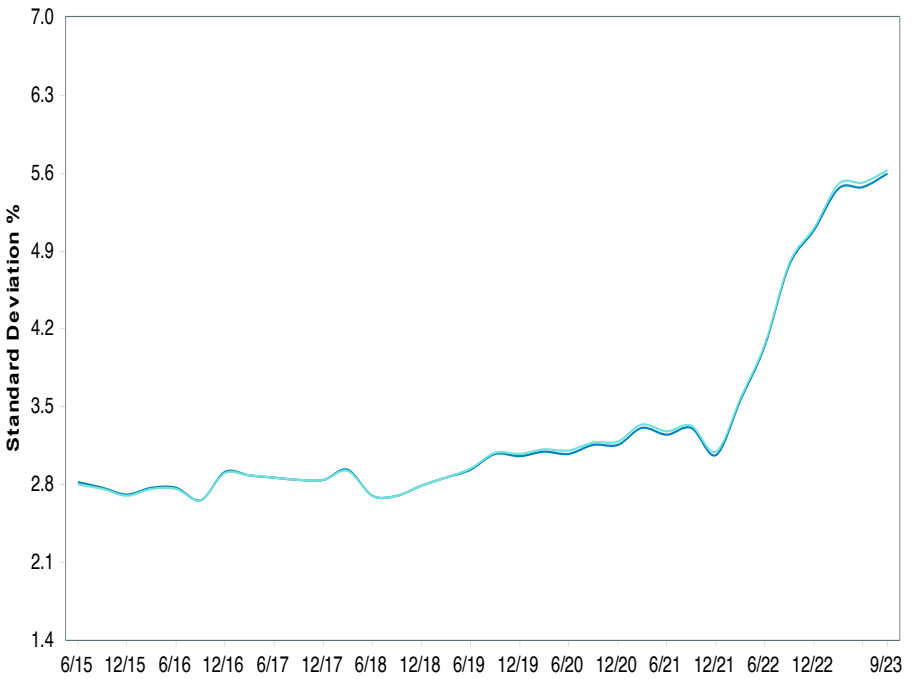
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



- SSgA Aggregate Bond Index
- Blmbg. U.S. Aggregate
- 90 Day U.S. Treasury Bill

Standard Deviation Rolling 5 Years



- SSgA Aggregate Bond Index
- Blmbg. U.S. Aggregate

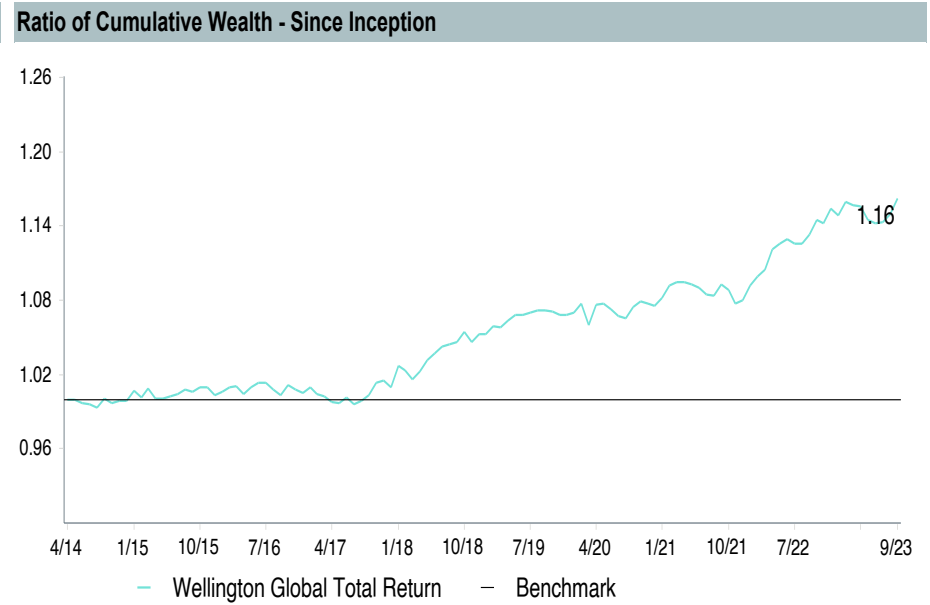
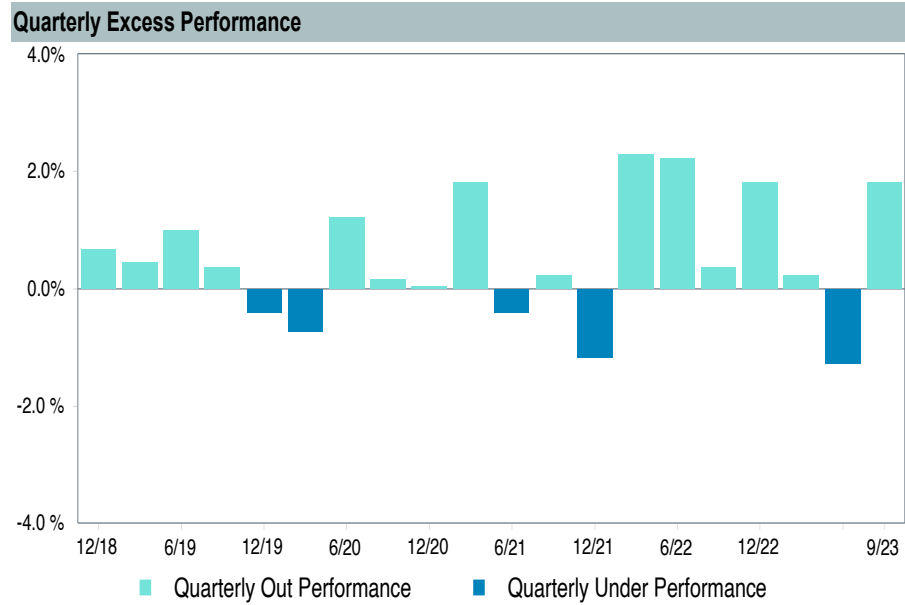
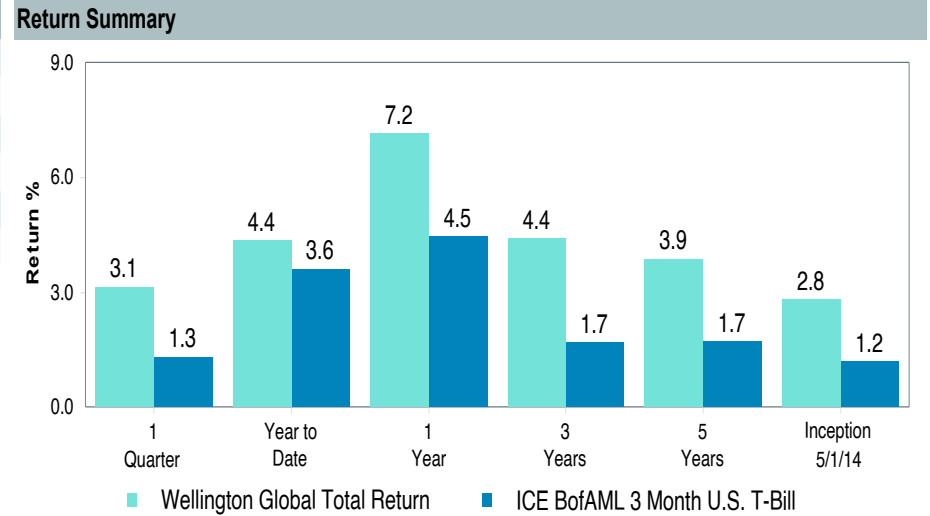
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
SSgA Aggregate Bond Index	-0.01	0.14	-0.05	1.00	-0.26	-0.01	1.01	0.09	5.63	1.00
Blmbg. U.S. Aggregate	0.00	0.00	-	1.00	-0.26	0.00	1.00	0.10	5.59	1.00
90 Day U.S. Treasury Bill	1.45	5.58	0.26	0.00	-	1.72	0.01	1.72	0.50	0.07

Manager Performance Summary Wellington Global Total Return

As of September 30, 2023

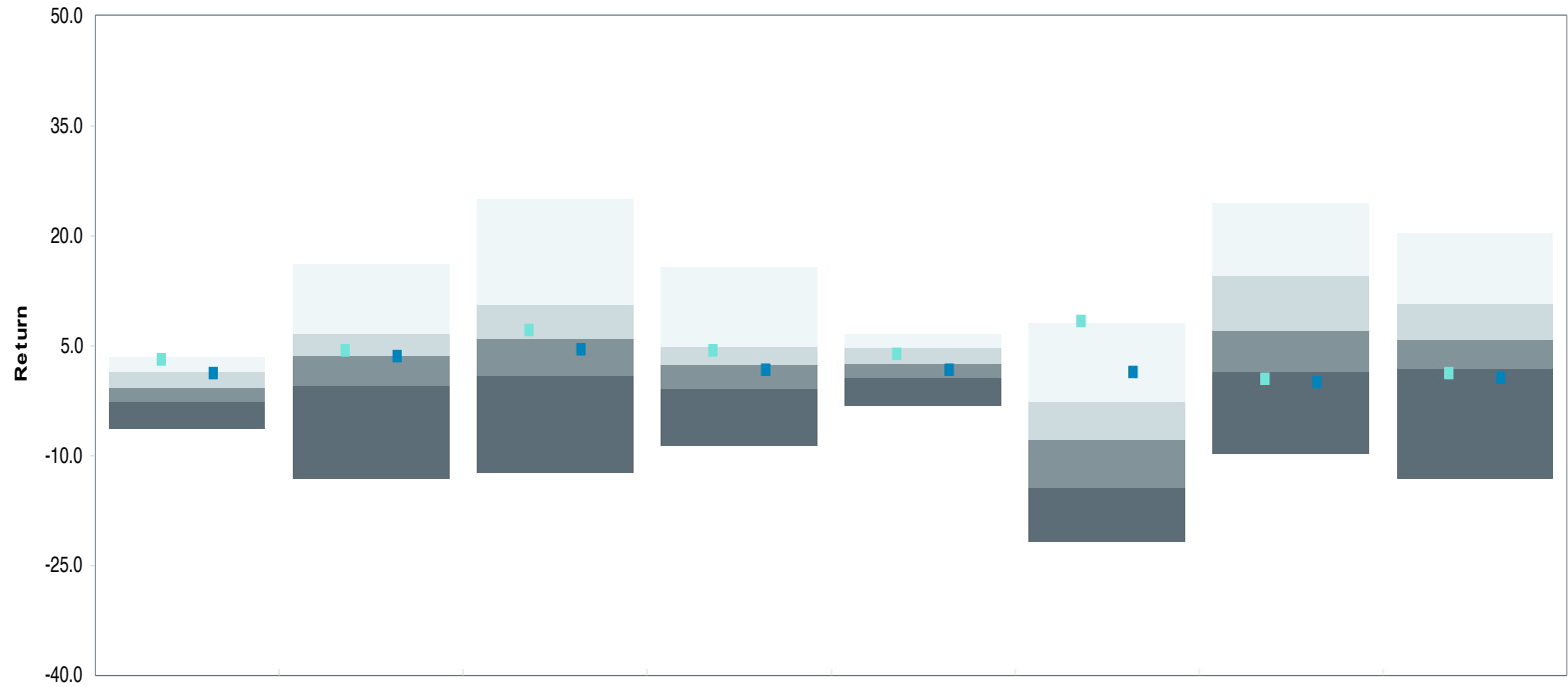
Account Information	
Account Name	Wellington Global Total Return
Inception Date	05/13/2014
Account Structure	Commingled Fund
Asset Class	Global Fixed Income
Benchmark	ICE BofAML 3 Month U.S. T-Bill
Peer Group	IM Absolute Return (MF)



Wellington Global Total Return

As of September 30, 2023

IM Absolute Return (MF)



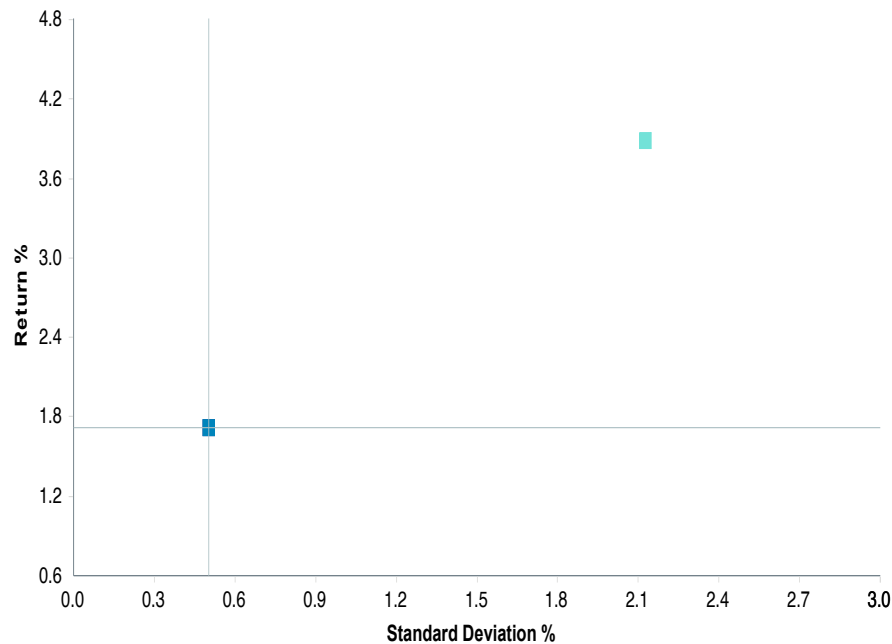
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	2022	2021	2020
Wellington Global Total Return	3.1 (6)	4.4 (40)	7.2 (42)	4.4 (31)	3.9 (31)	8.4 (5)	0.5 (82)	1.4 (77)
ICE BofAML 3 Month U.S. T-Bill	1.3 (27)	3.6 (51)	4.5 (64)	1.7 (60)	1.7 (71)	1.5 (13)	0.0 (82)	0.7 (81)
5th Percentile	3.4	16.2	25.0	15.7	6.5	8.2	24.4	20.2
1st Quartile	1.4	6.7	10.6	4.8	4.7	-2.5	14.6	10.7
Median	-0.7	3.6	5.9	2.5	2.5	-7.9	7.1	6.0
3rd Quartile	-2.5	-0.4	1.0	-0.9	0.7	-14.3	1.5	1.9
95th Percentile	-6.4	-13.0	-12.3	-8.6	-3.2	-21.8	-9.7	-13.1
Population	40	40	40	39	36	45	48	46

Parentheses contain percentile rankings.

Risk Profile Wellington Global Total Return

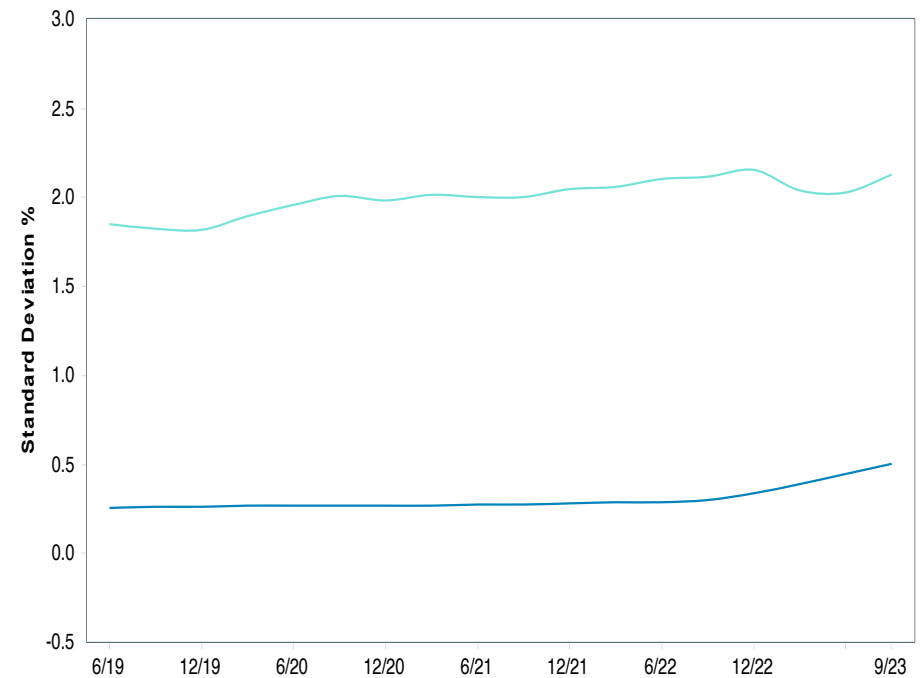
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
5 Years



- Wellington Global Total Return
- ICE BofAML 3 Month U.S. T-Bill
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



- Wellington Global Total Return
- ICE BofAML 3 Month U.S. T-Bill

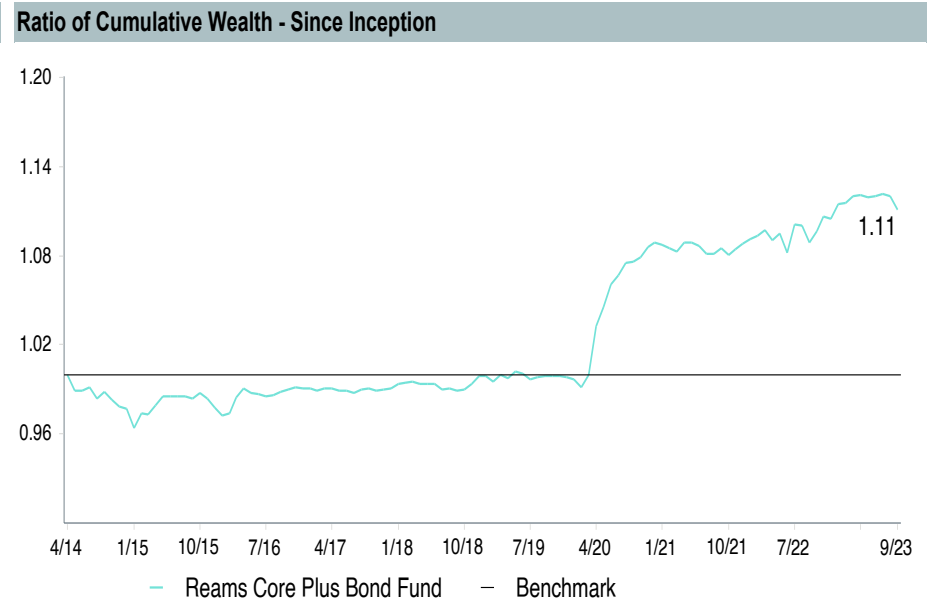
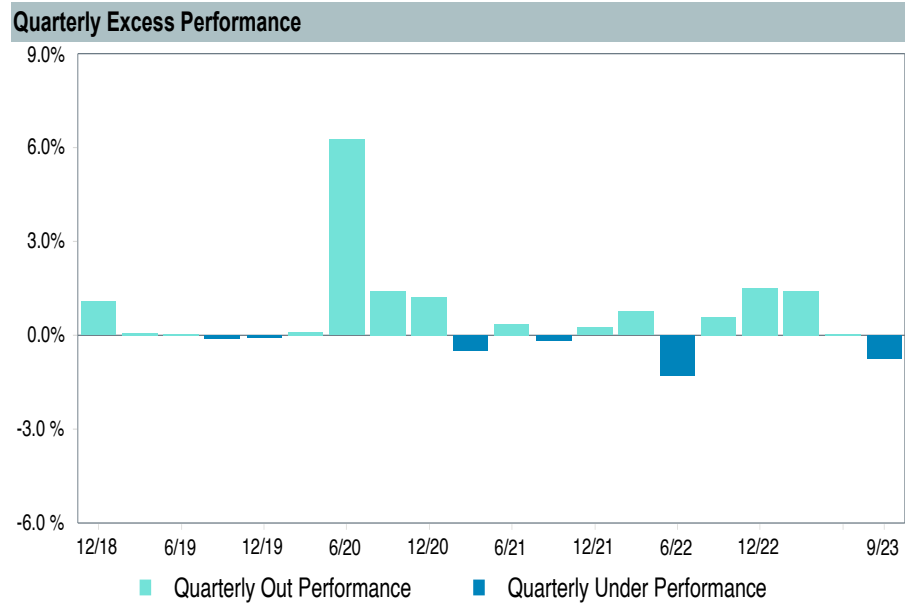
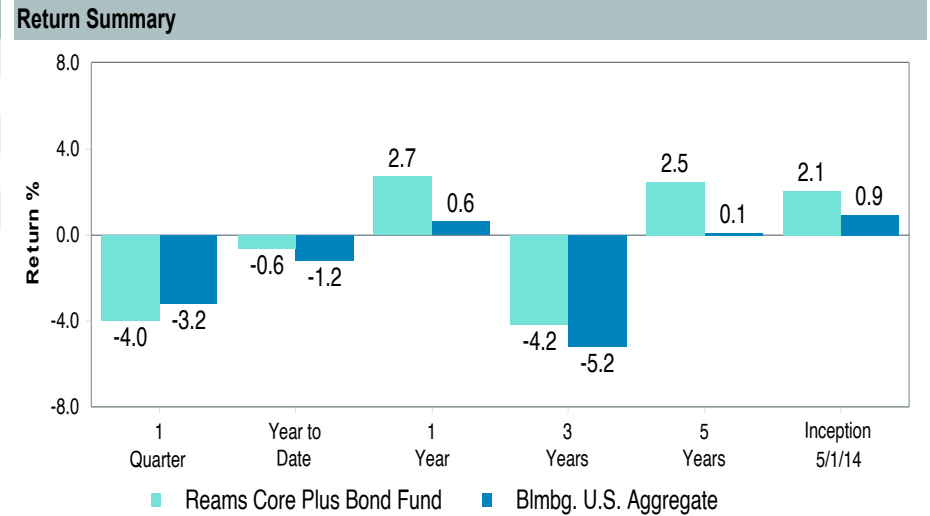
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Wellington Global Total Return	2.13	2.11	1.01	0.03	1.01	2.72	0.68	3.88	2.13	0.16
ICE BofAML 3 Month U.S. T-Bill	0.00	0.00	-	1.00	-	0.00	1.00	1.72	0.50	1.00
90 Day U.S. Treasury Bill	0.00	0.00	-	1.00	-	0.00	1.00	1.72	0.50	1.00

Manager Performance Summary Reams Core Plus Bond Fund

As of September 30, 2023

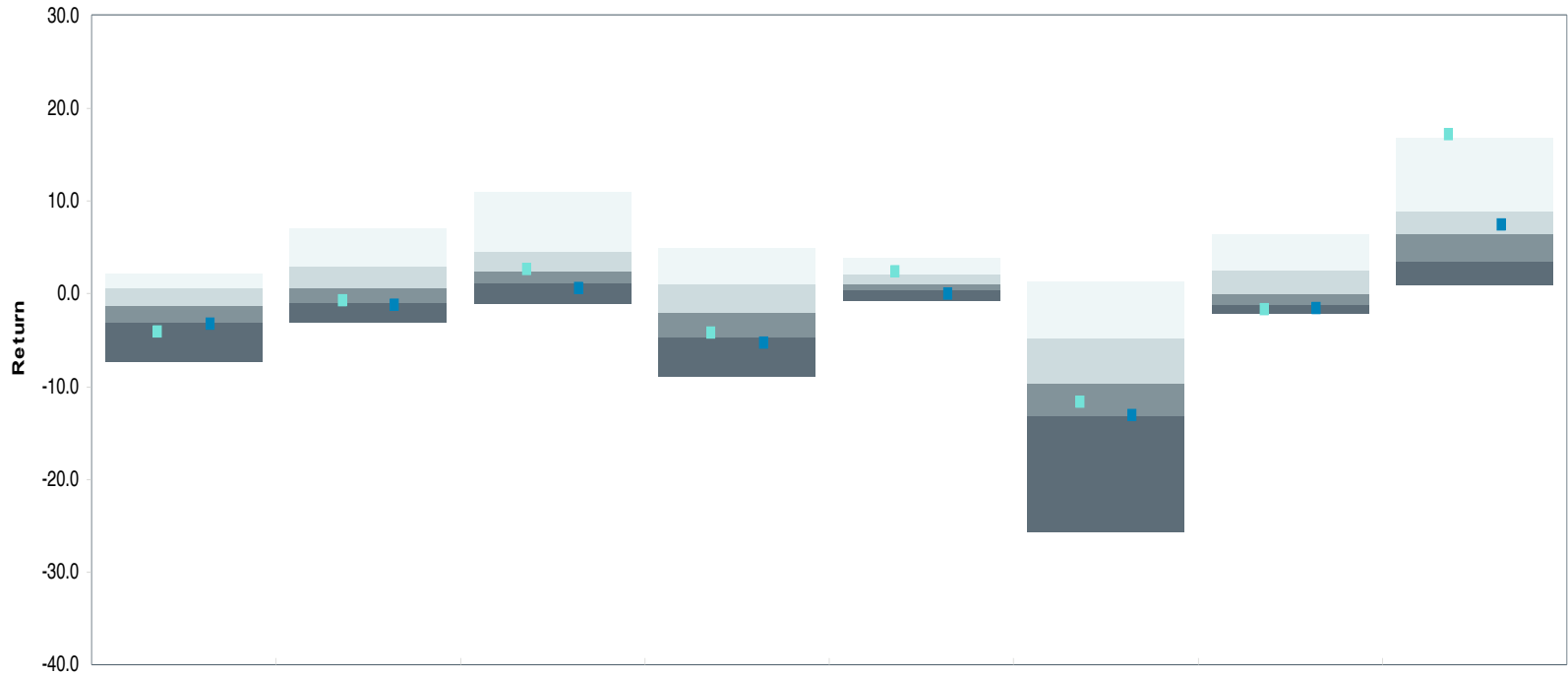
Account Information	
Account Name	Reams Core Plus Bond Fund
Inception Date	05/08/2014
Account Structure	Commingled Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate
Peer Group	IM U.S. Fixed Income (SA+CF)



Reams Core Plus Bond Fund

As of September 30, 2023

IM U.S. Fixed Income (SA+CF)



	1 Quarter	Year to Date	1 Year	3 Years	5 Years	2022	2021	2020
Reams Core Plus Bond Fund	-4.0 (90)	-0.6 (71)	2.7 (45)	-4.2 (69)	2.5 (19)	-11.7 (61)	-1.6 (88)	17.2 (5)
Blmbg. U.S. Aggregate	-3.2 (81)	-1.2 (82)	0.6 (85)	-5.2 (87)	0.1 (87)	-13.0 (72)	-1.5 (86)	7.5 (39)
5th Percentile	2.2	7.0	11.0	4.9	3.9	1.3	6.4	16.9
1st Quartile	0.6	2.9	4.7	1.2	2.1	-4.7	2.6	8.9
Median	-1.2	0.6	2.5	-2.0	1.2	-9.7	-0.1	6.5
3rd Quartile	-3.1	-0.9	1.2	-4.7	0.5	-13.2	-1.1	3.6
95th Percentile	-7.3	-3.1	-1.0	-9.0	-0.6	-25.6	-2.1	0.9

Population	1,181	1,180	1,178	1,114	1,069	1,284	1,322	1,379
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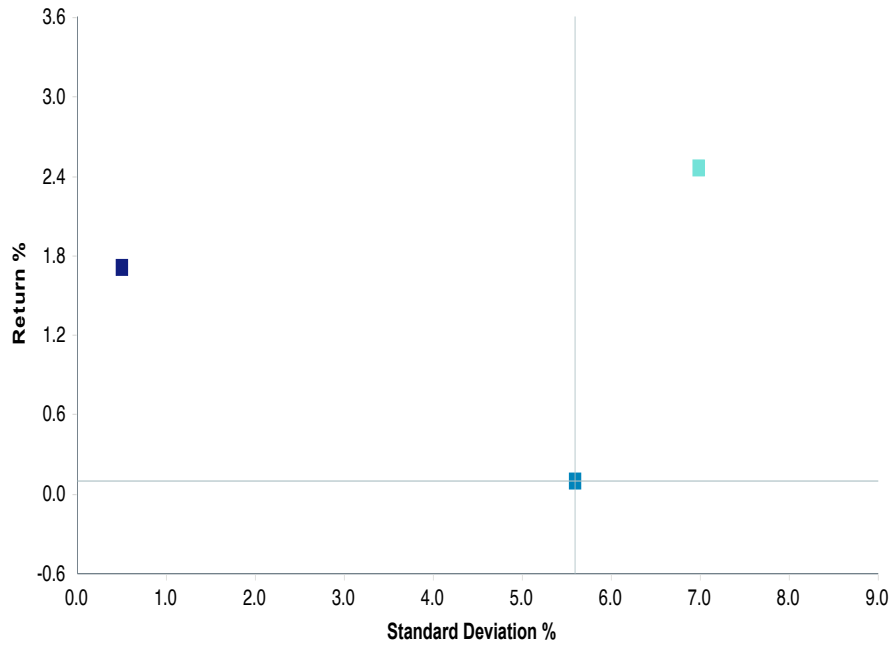
Parentheses contain percentile rankings.



Risk Profile Reams Core Plus Bond Fund

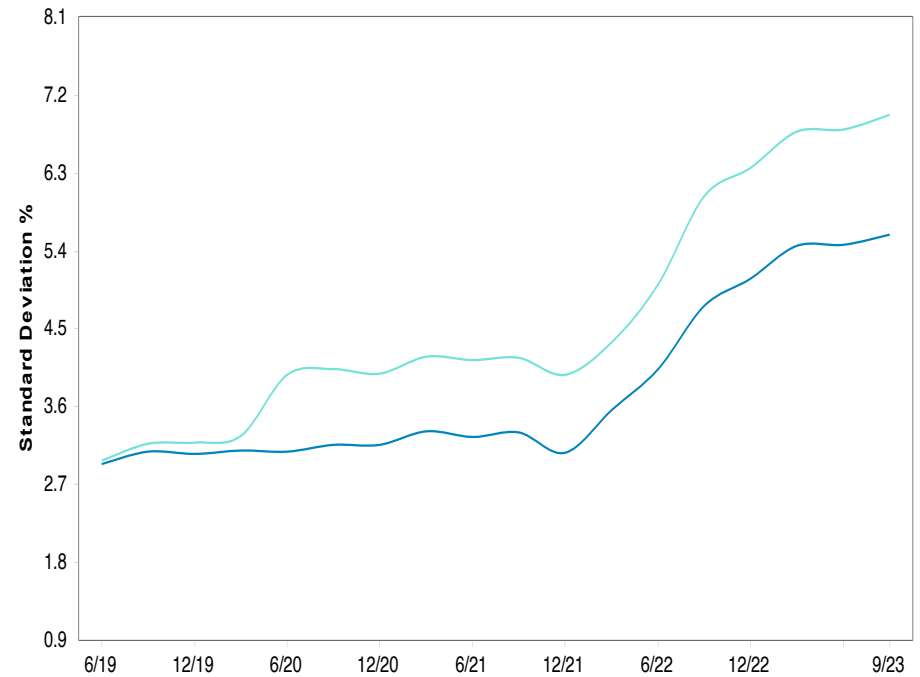
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
5 Years



- Reams Core Plus Bond Fund
- Blmbg. U.S. Aggregate
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



- Reams Core Plus Bond Fund
- Blmbg. U.S. Aggregate

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Reams Core Plus Bond Fund	2.42	2.34	1.03	0.91	0.14	2.40	1.19	2.46	6.98	0.95
Blmbg. U.S. Aggregate	0.00	0.00	-	1.00	-0.26	0.00	1.00	0.10	5.59	1.00
90 Day U.S. Treasury Bill	1.45	5.58	0.26	0.00	-	1.72	0.01	1.72	0.50	0.07

Opportunistic/Alternatives

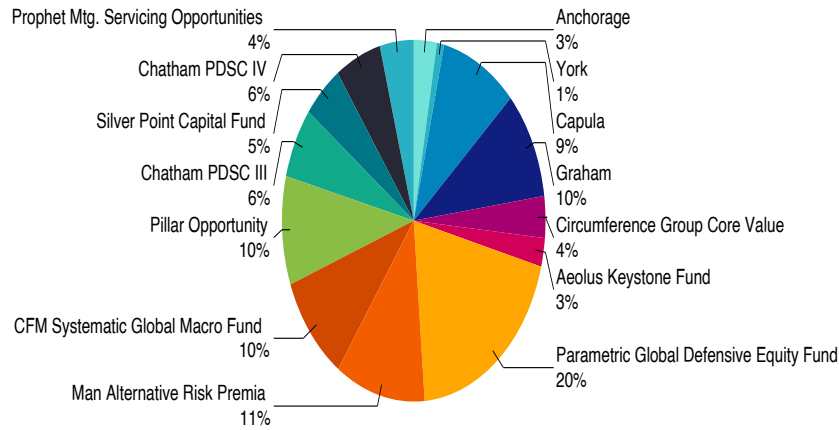


Composite Portfolio Overview Opportunistic/Alternatives

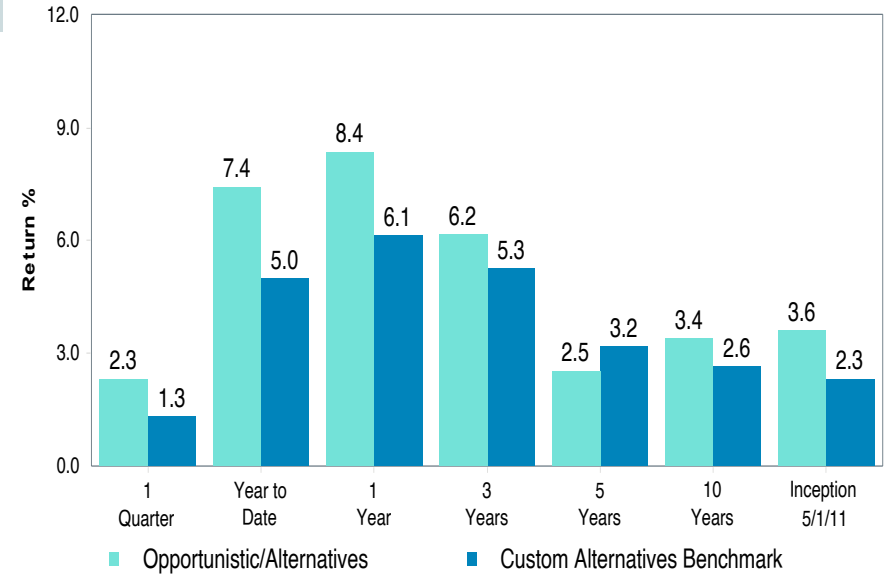
As of September 30, 2023

Current Allocation

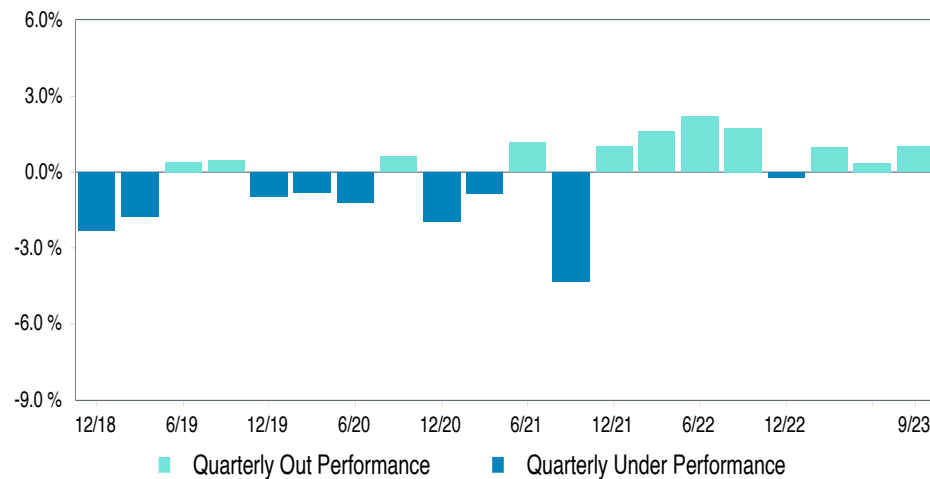
September 30, 2023 : \$1,044,953,685



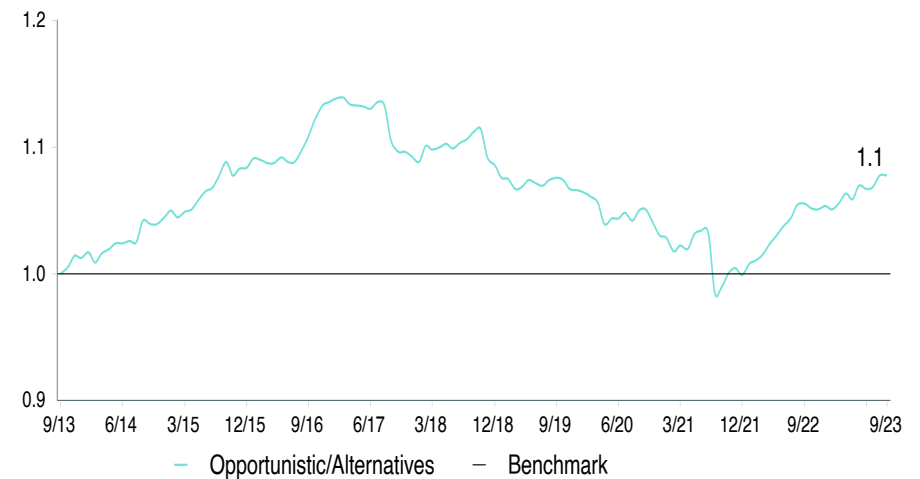
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years

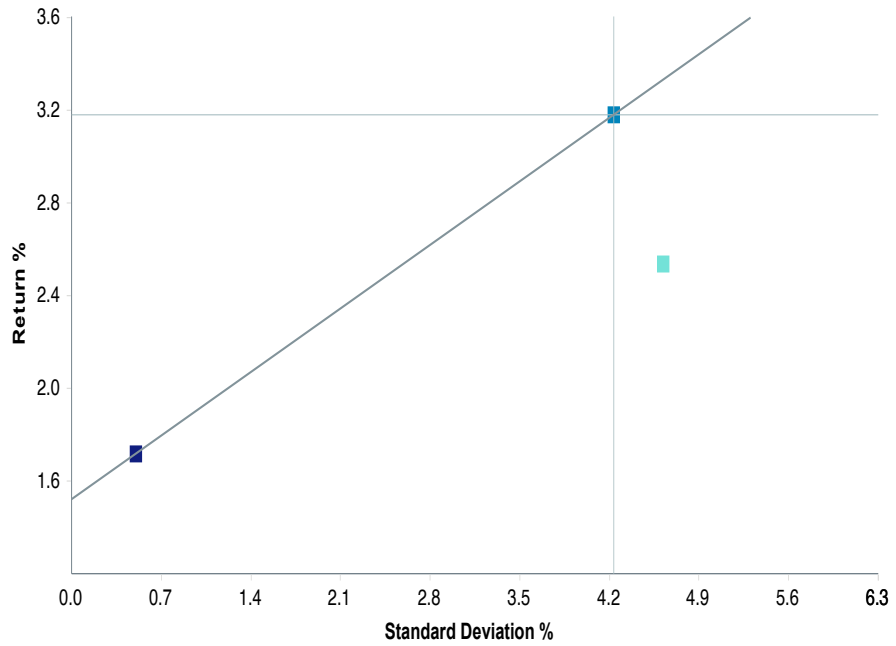


Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.

Risk Profile Opportunistic/Alternatives

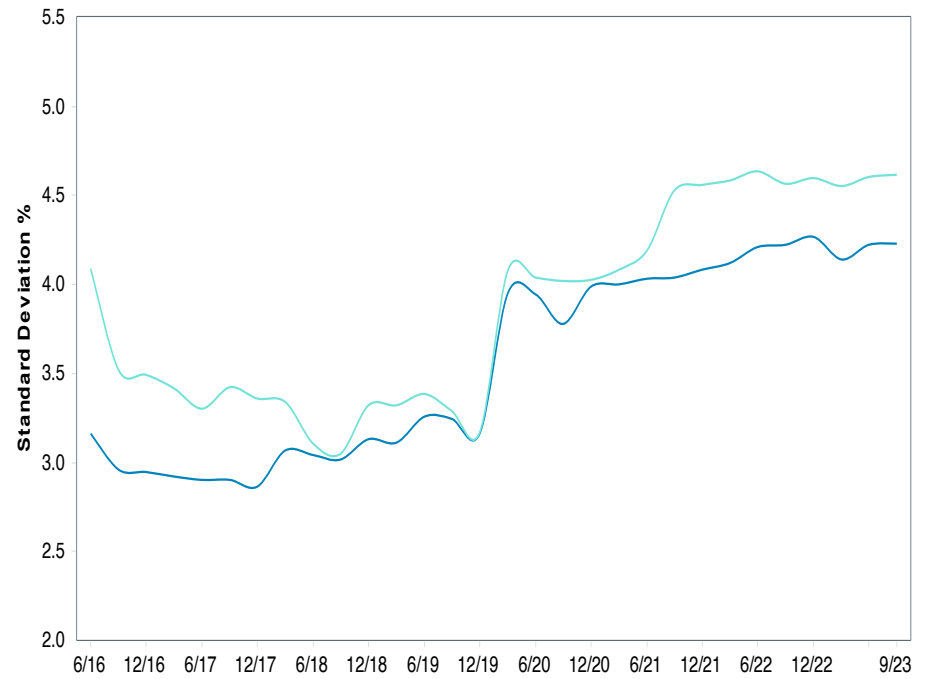
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



- Opportunistic/Alternatives
- Custom Alternatives Benchmark
- 90 Day U.S. Treasury Bill

Standard Deviation Rolling 5 Years



- Opportunistic/Alternatives
- Custom Alternatives Benchmark

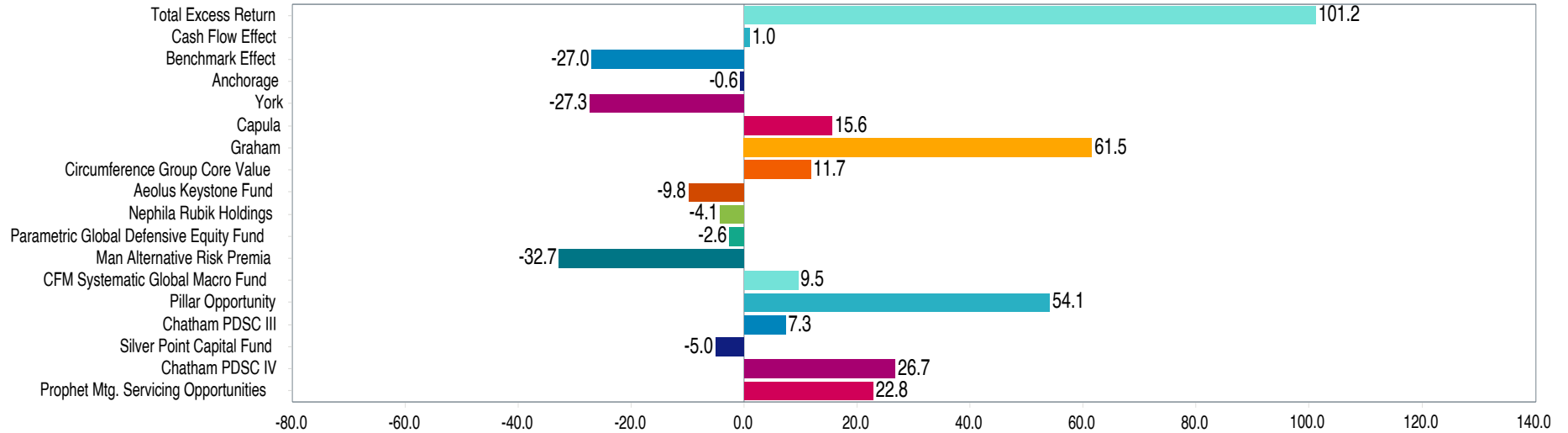
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Opportunistic/Alternatives	-0.61	3.07	-0.20	0.58	0.19	-0.07	0.83	2.54	4.62	0.76
Custom Alternatives Benchmark	0.00	0.00	-	1.00	0.35	0.00	1.00	3.18	4.23	1.00
90 Day U.S. Treasury Bill	-1.52	4.33	-0.35	0.02	-	1.77	-0.02	1.72	0.50	-0.14

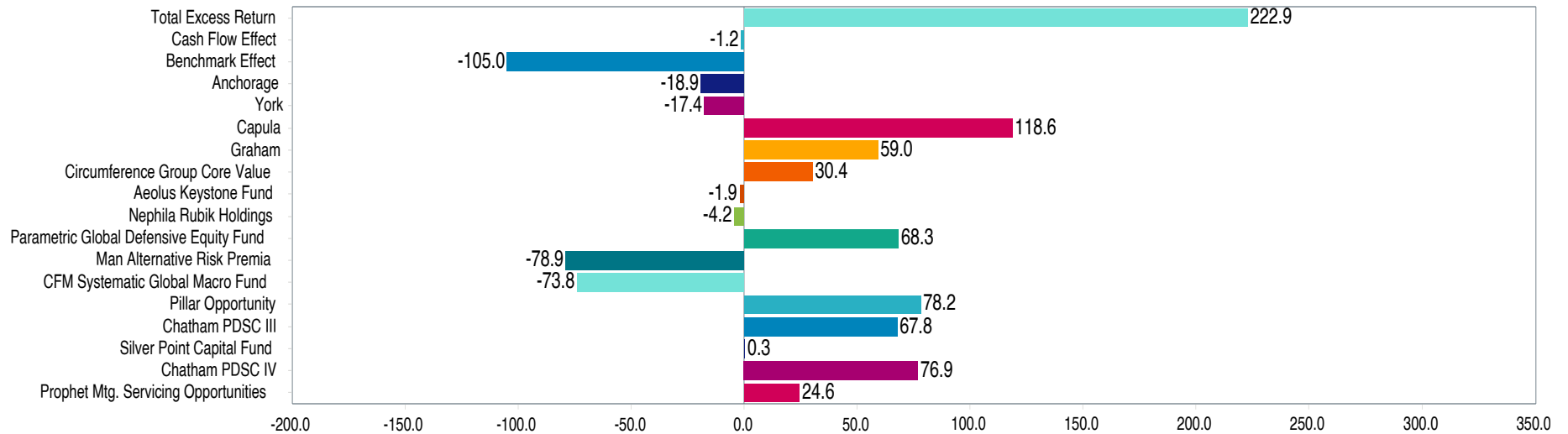
Asset Class Attribution

As of September 30, 2023

1 Quarter



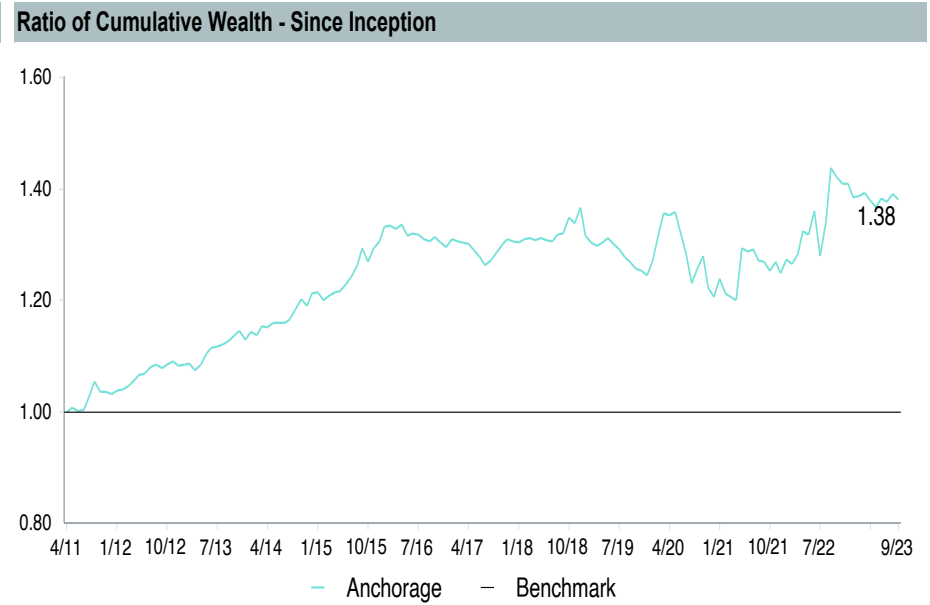
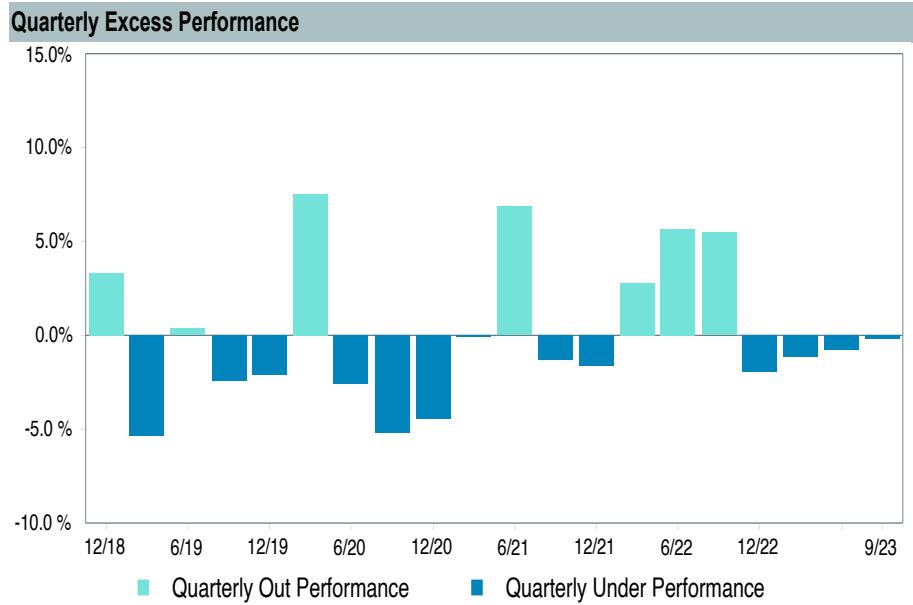
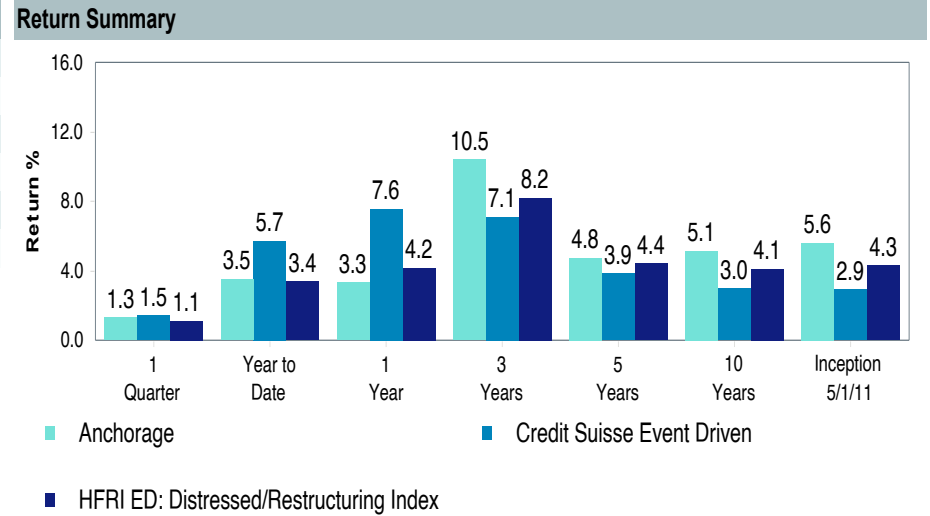
1 Year



Manager Performance Summary Anchorage

As of September 30, 2023

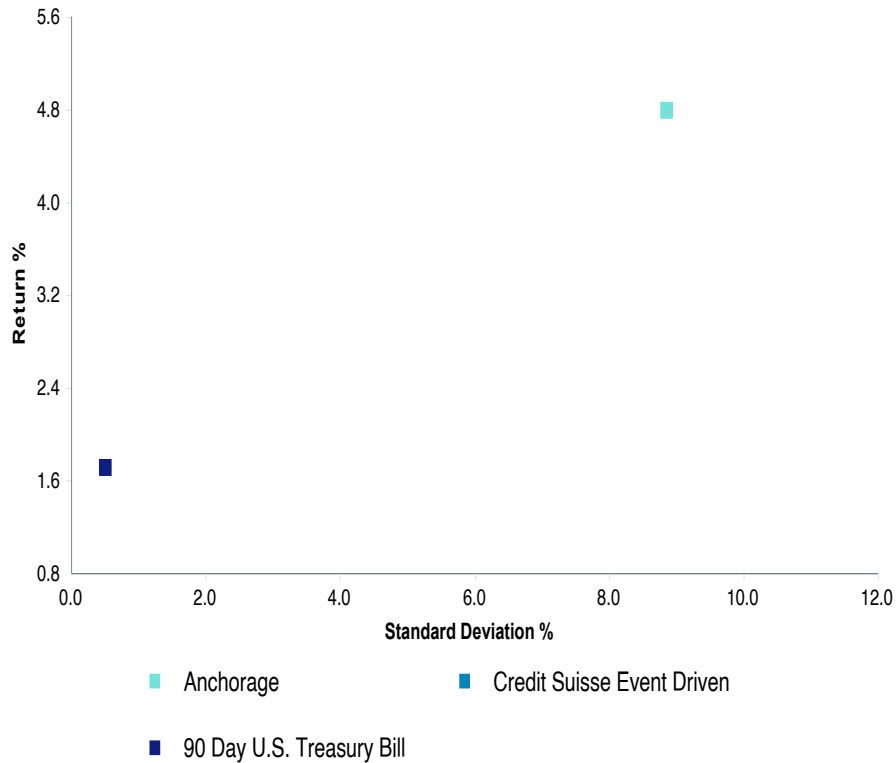
Account Information	
Account Name	Anchorage
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	Credit Suisse Event Driven
Peer Group	



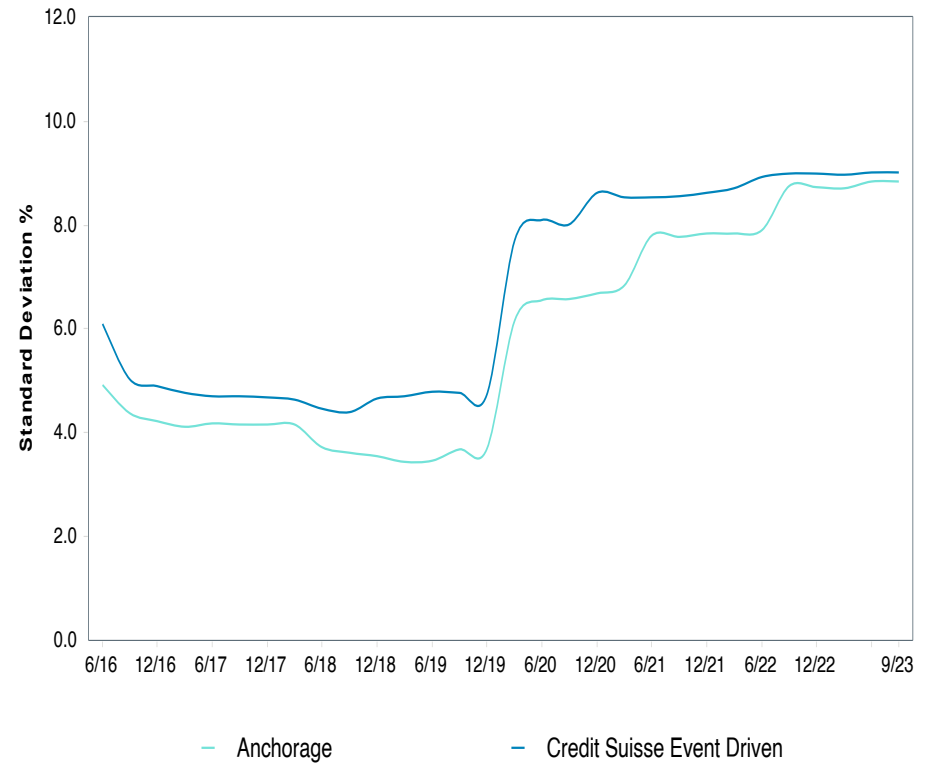
Risk Profile Anchorage

As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



Standard Deviation Rolling 5 Years

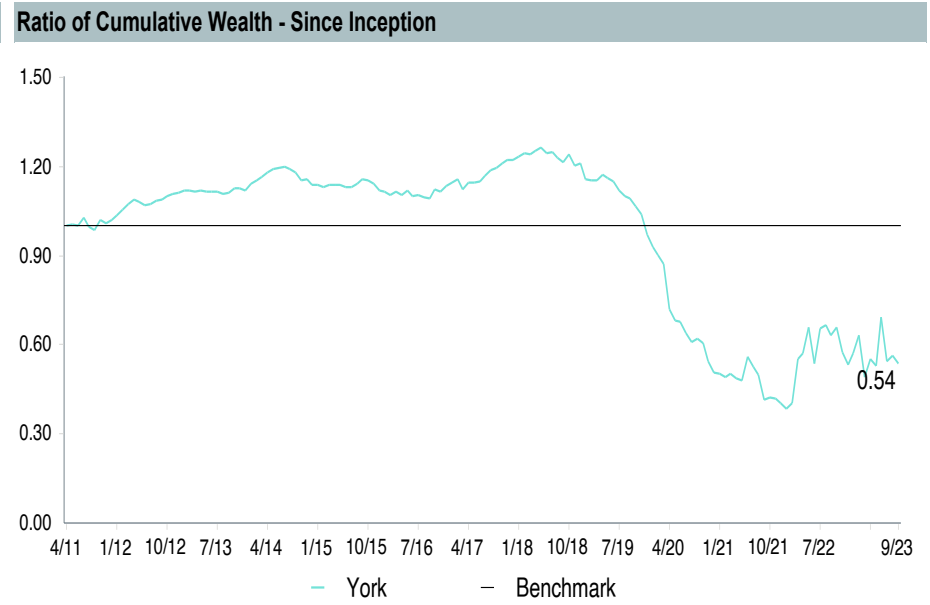
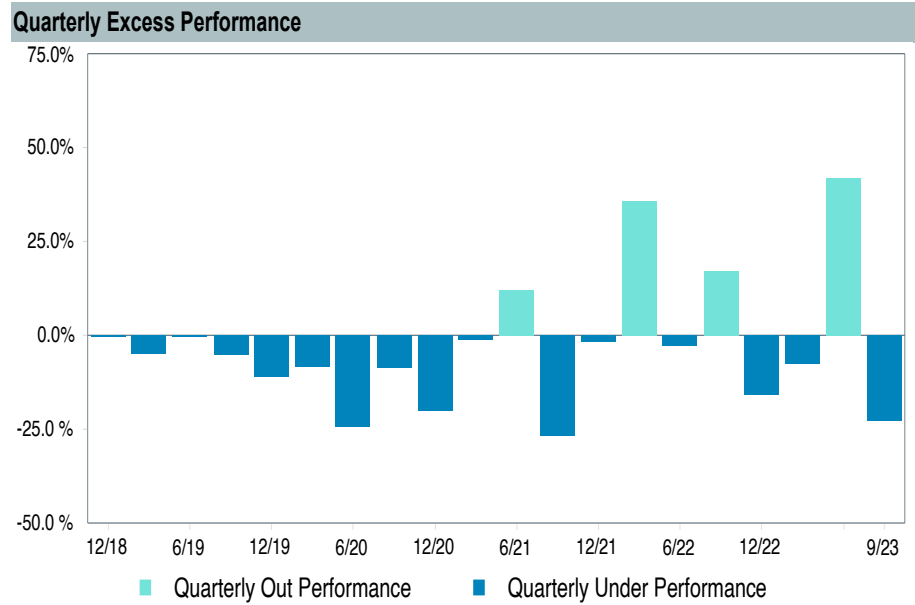
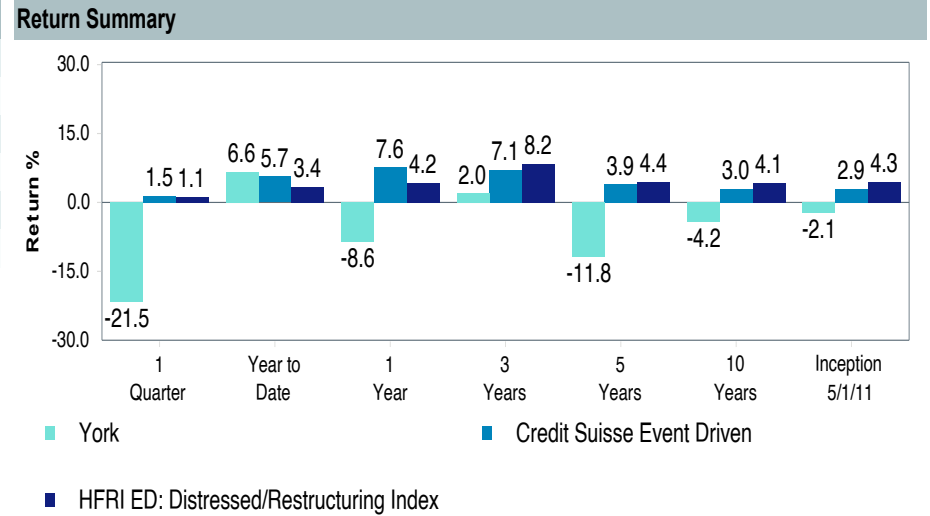


5 Years Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Anchorage	-	-	-	-	0.38	-	-	4.80	8.85	-
Credit Suisse Event Driven	-	-	-	-	0.27	-	-	3.86	9.03	-
90 Day U.S. Treasury Bill	-	-	-	-	-	-	-	1.72	0.50	-

Manager Performance Summary York

As of September 30, 2023

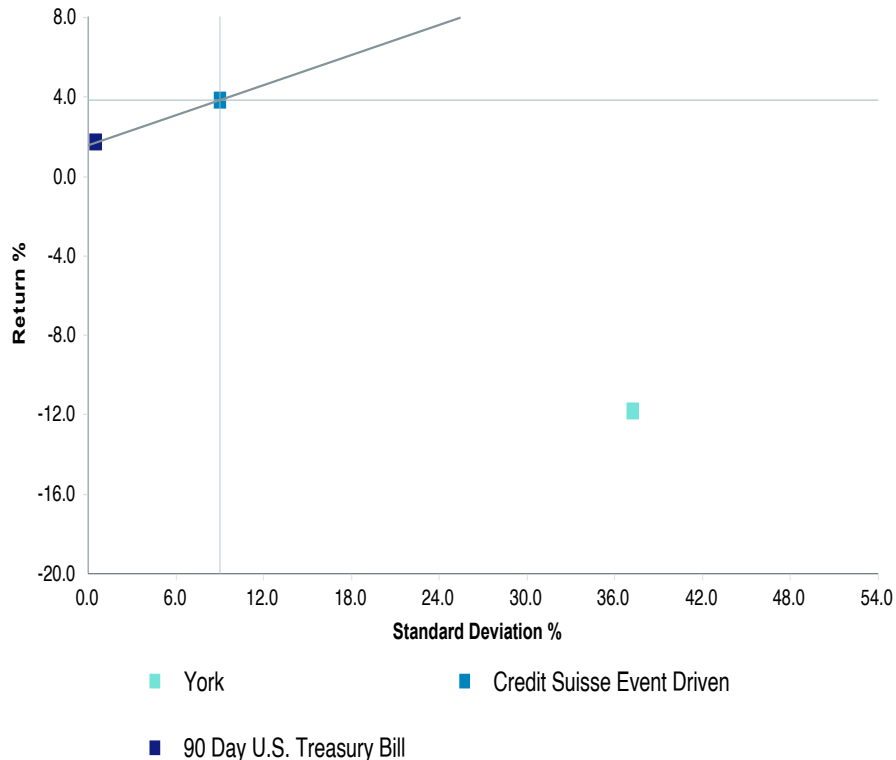
Account Information	
Account Name	York
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	Credit Suisse Event Driven
Peer Group	



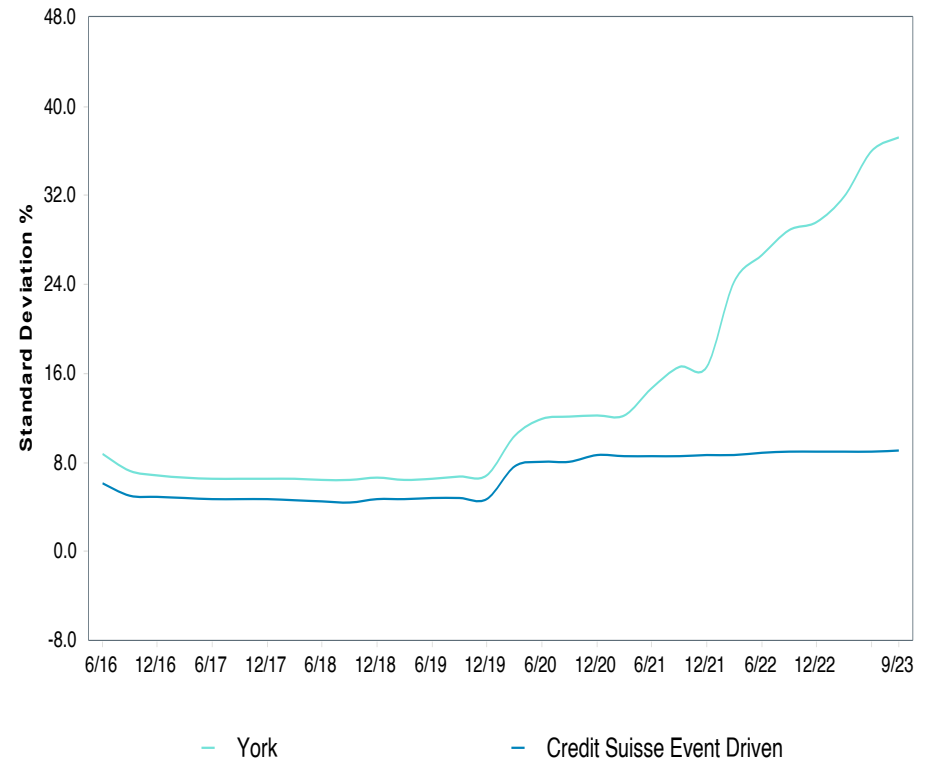
Risk Profile York

As of September 30, 2023

**Annualized Return vs. Annualized Standard Deviation
5 Years**



**Standard Deviation
Rolling 5 Years**



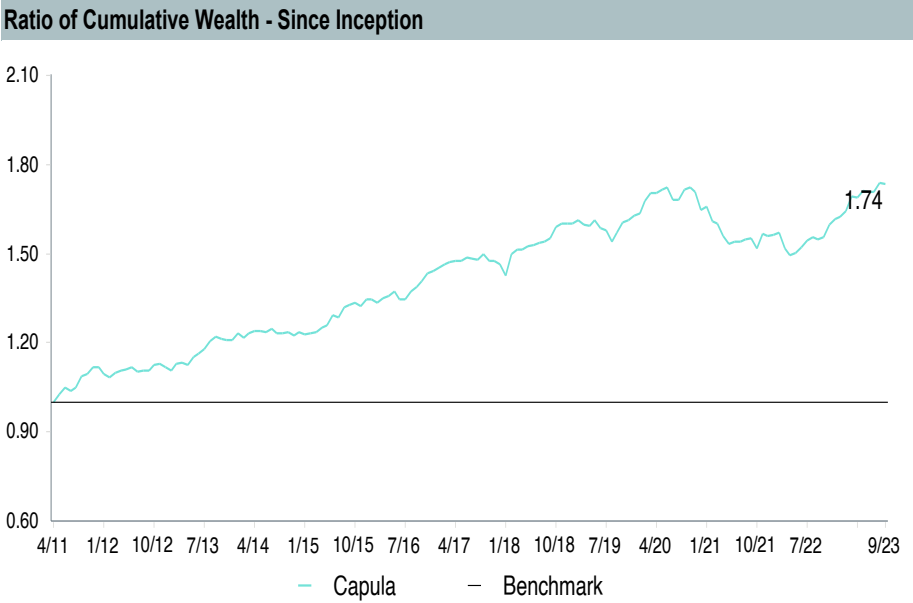
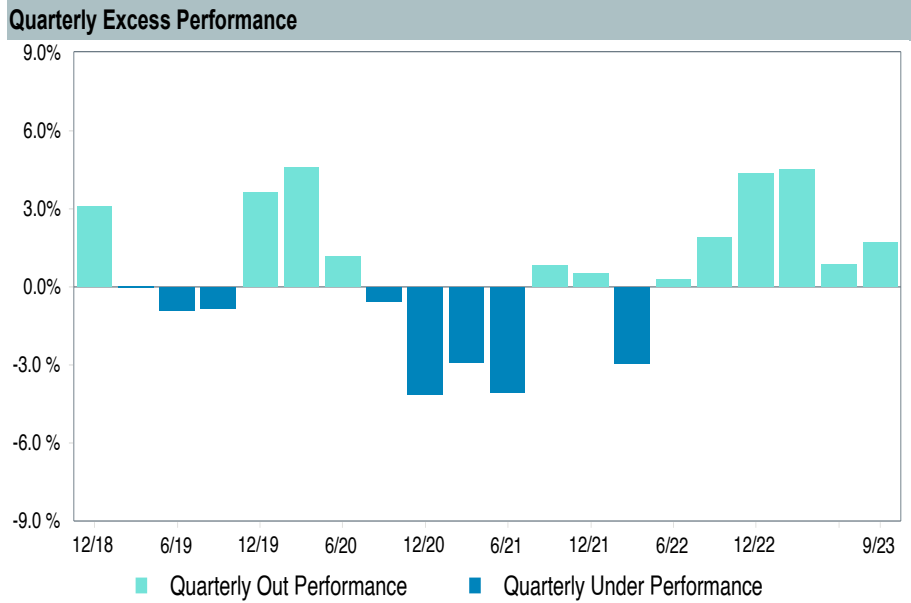
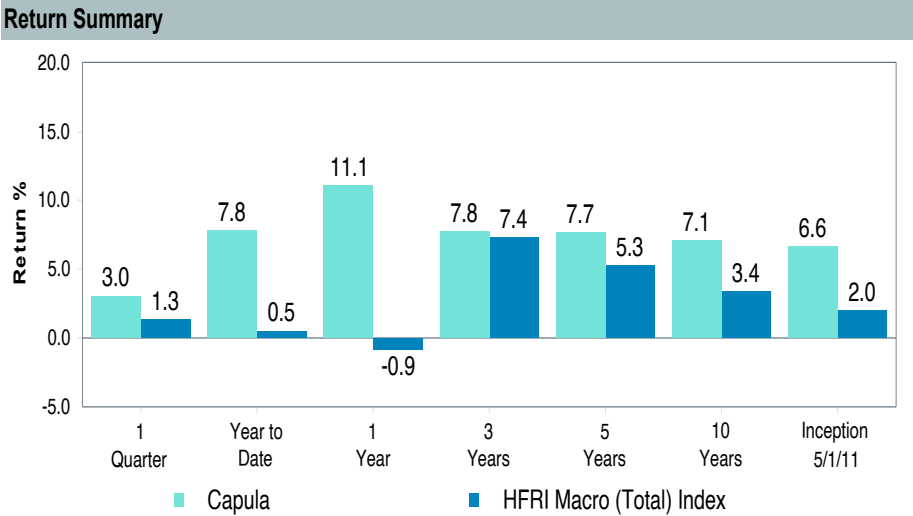
5 Years Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
York	-10.26	36.32	-0.28	0.05	-0.21	-9.40	0.90	-11.83	37.20	0.22
Credit Suisse Event Driven	0.00	0.00	-	1.00	0.27	0.00	1.00	3.86	9.03	1.00
90 Day U.S. Treasury Bill	-2.51	9.15	-0.27	0.05	-	1.77	-0.01	1.72	0.50	-0.22



Manager Performance Summary Capula

As of September 30, 2023

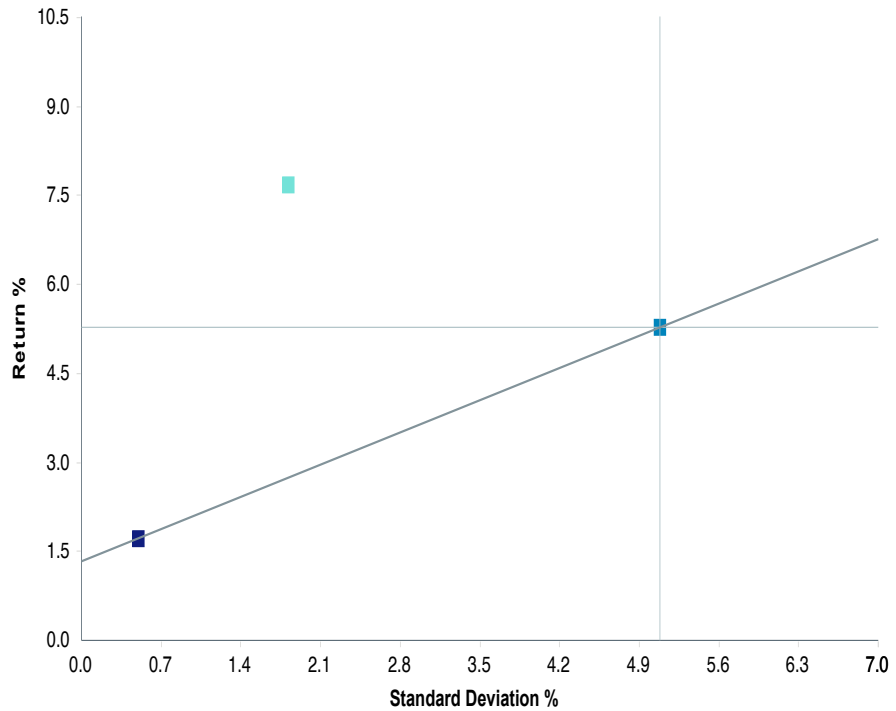
Account Information	
Account Name	Capula
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	HFRI Macro (Total) Index
Peer Group	



Risk Profile Capula

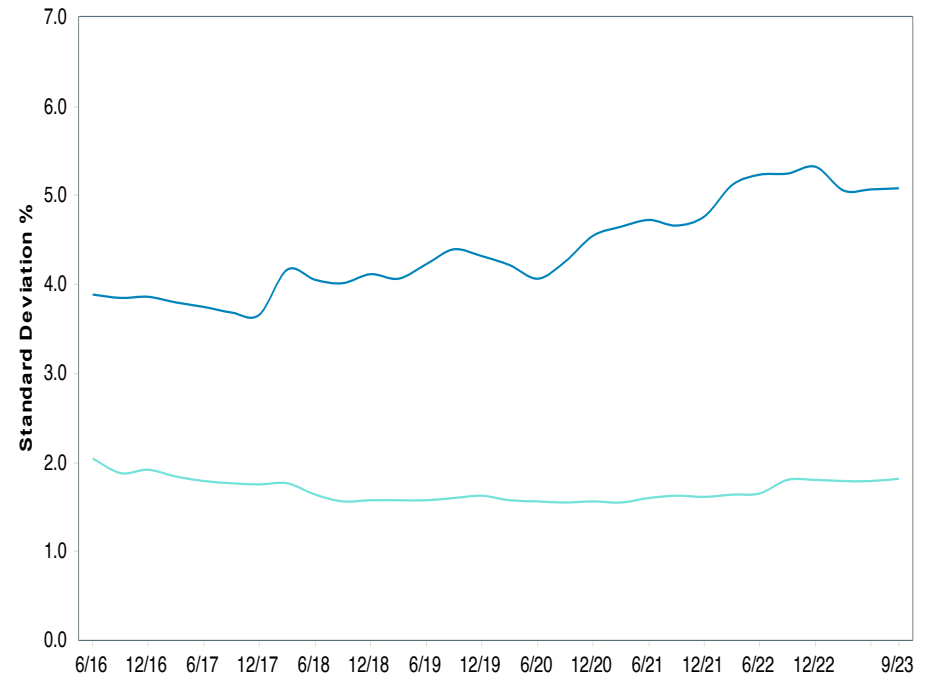
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation 5 Years



■ Capula ■ HFRI Macro (Total) Index ■ 90 Day U.S. Treasury Bill

Standard Deviation Rolling 5 Years



— Capula — HFRI Macro (Total) Index

5 Years Historical Statistics

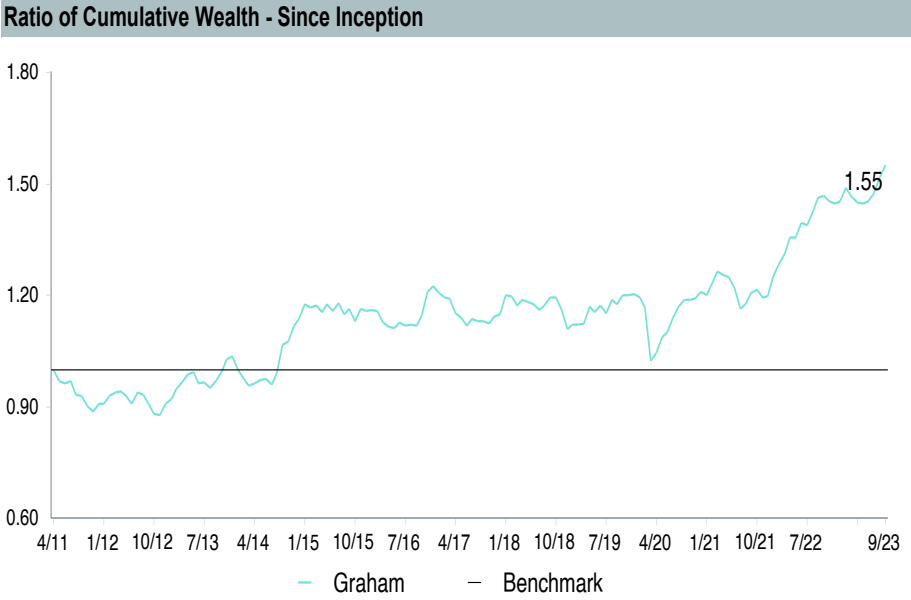
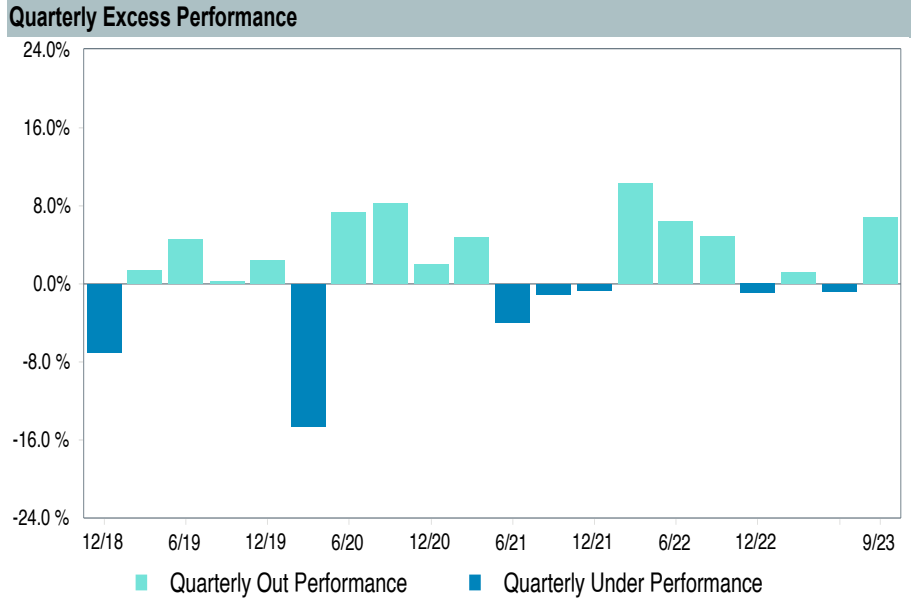
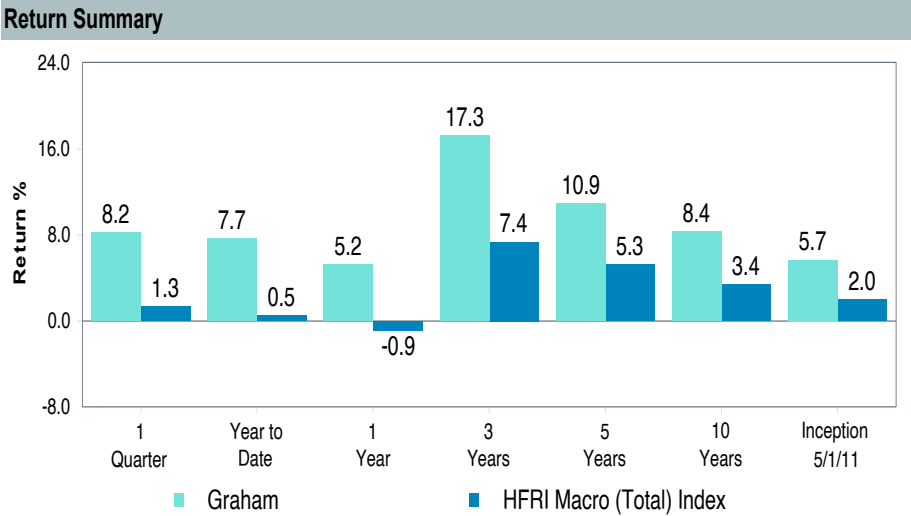
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Capula	2.15	5.35	0.40	0.00	3.34	7.64	0.01	7.67	1.81	0.03
HFRI Macro (Total) Index	0.00	0.00	-	1.00	0.69	0.00	1.00	5.28	5.08	1.00
90 Day U.S. Treasury Bill	-3.58	5.22	-0.69	0.05	-	1.84	-0.02	1.72	0.50	-0.22



Manager Performance Summary Graham

As of September 30, 2023

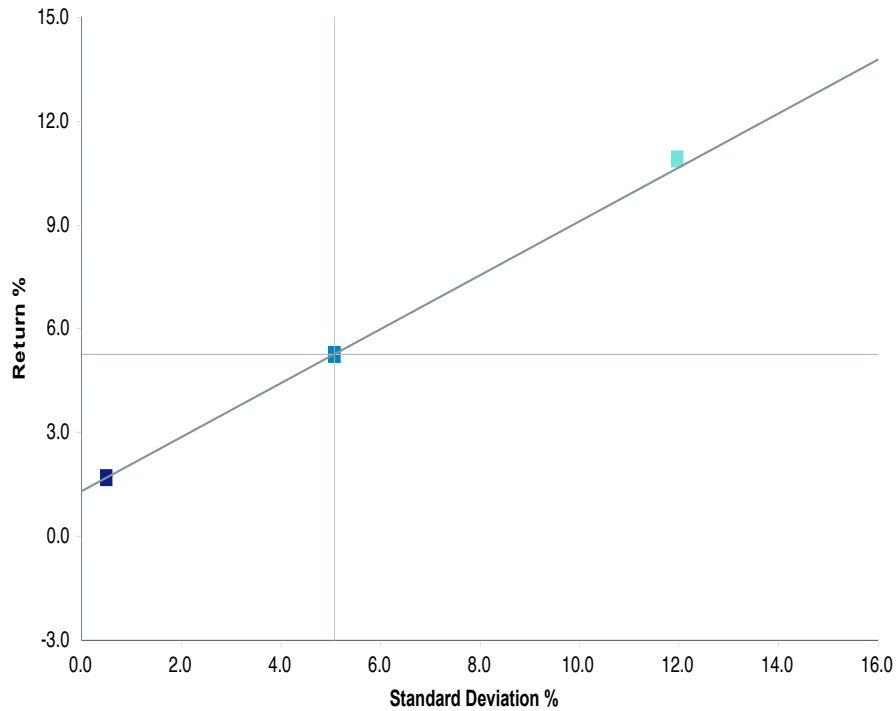
Account Information	
Account Name	Graham
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	Hedge Fund
Benchmark	HFRI Macro (Total) Index
Peer Group	



Risk Profile Graham

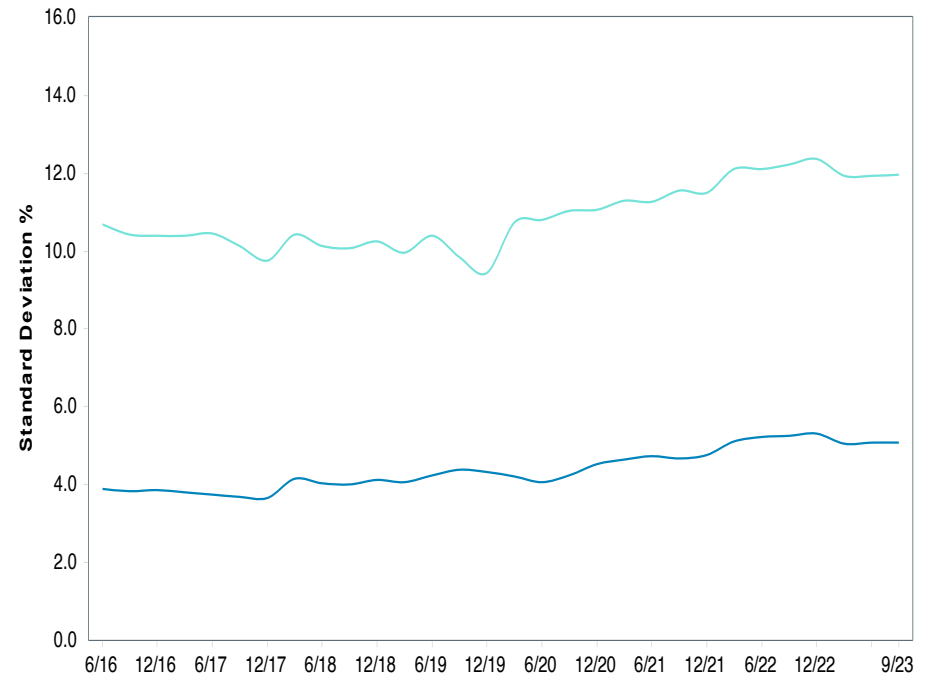
As of September 30, 2023

**Annualized Return vs. Annualized Standard Deviation
5 Years**



■ Graham ■ HFRI Macro (Total) Index ■ 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 5 Years**



— Graham — HFRI Macro (Total) Index

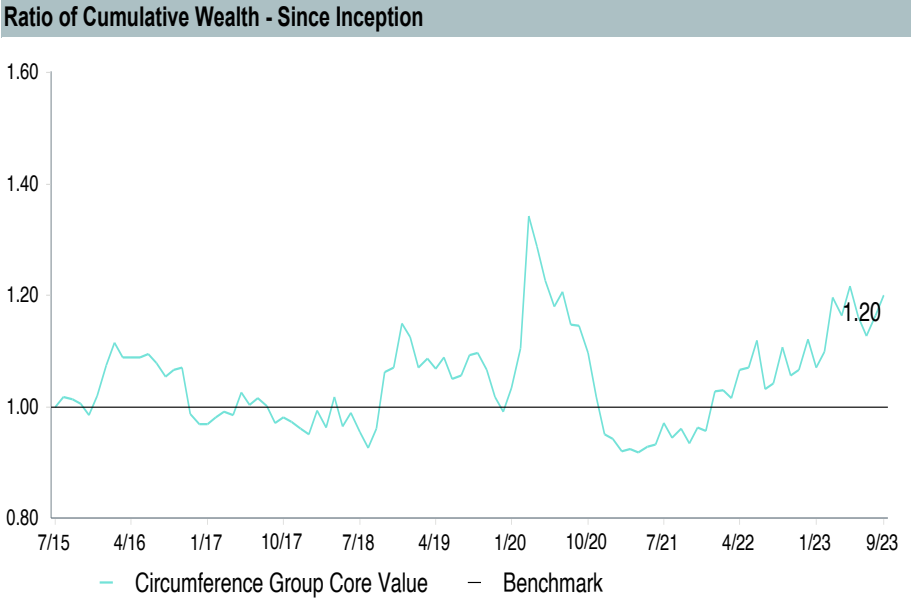
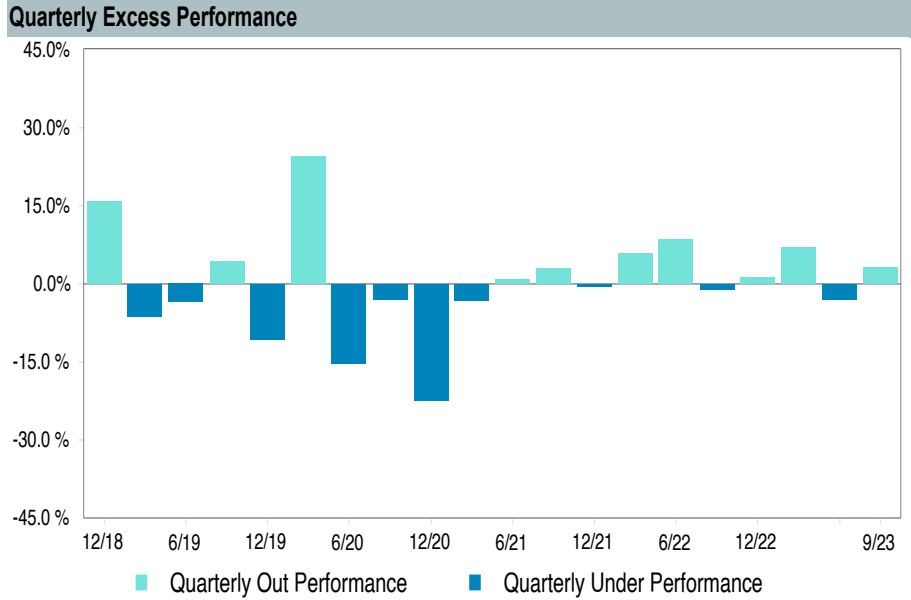
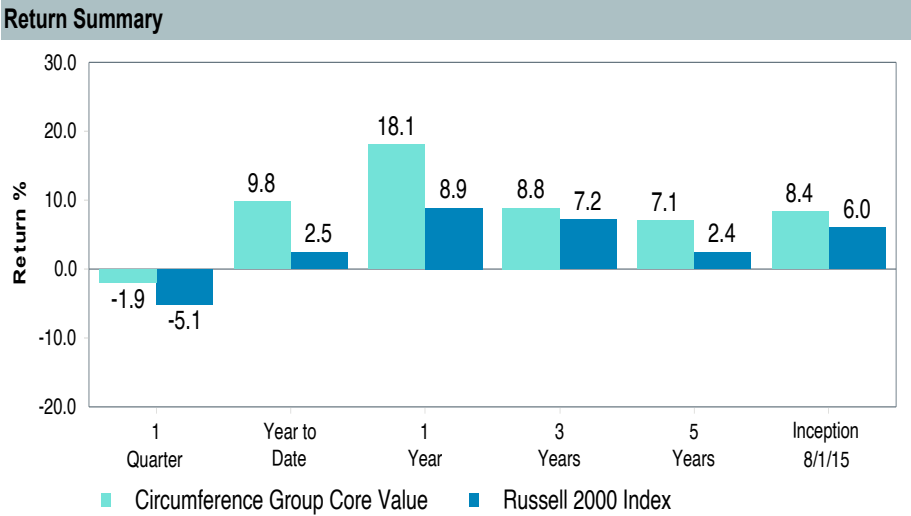
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Graham	5.84	9.05	0.65	0.51	0.78	2.24	1.69	10.93	11.96	0.72
HFRI Macro (Total) Index	0.00	0.00	-	1.00	0.69	0.00	1.00	5.28	5.08	1.00
90 Day U.S. Treasury Bill	-3.58	5.22	-0.69	0.05	-	1.84	-0.02	1.72	0.50	-0.22

Manager Performance Summary Circumference Group Core Value

As of September 30, 2023

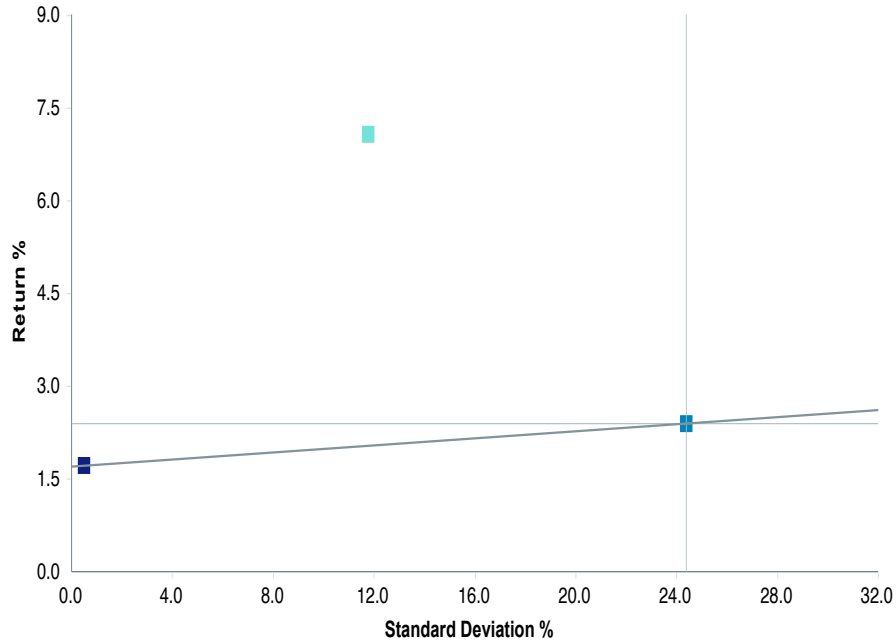
Account Information	
Account Name	Circumference Group Core Value
Inception Date	08/31/2015
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	Russell 2000 Index
Peer Group	



Risk Profile Circumference Group Core Value

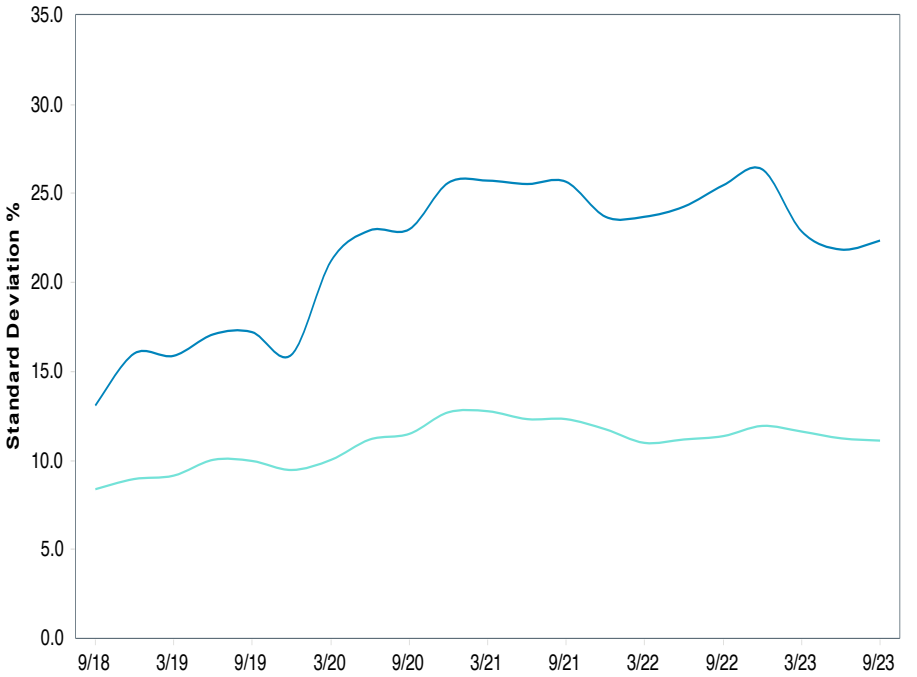
As of September 30, 2023

**Annualized Return vs. Annualized Standard Deviation
5 Years**



■ Circumference Group Core Value ■ Russell 2000 Index
■ 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 3 Years**



— Circumference Group Core Value — Russell 2000 Index

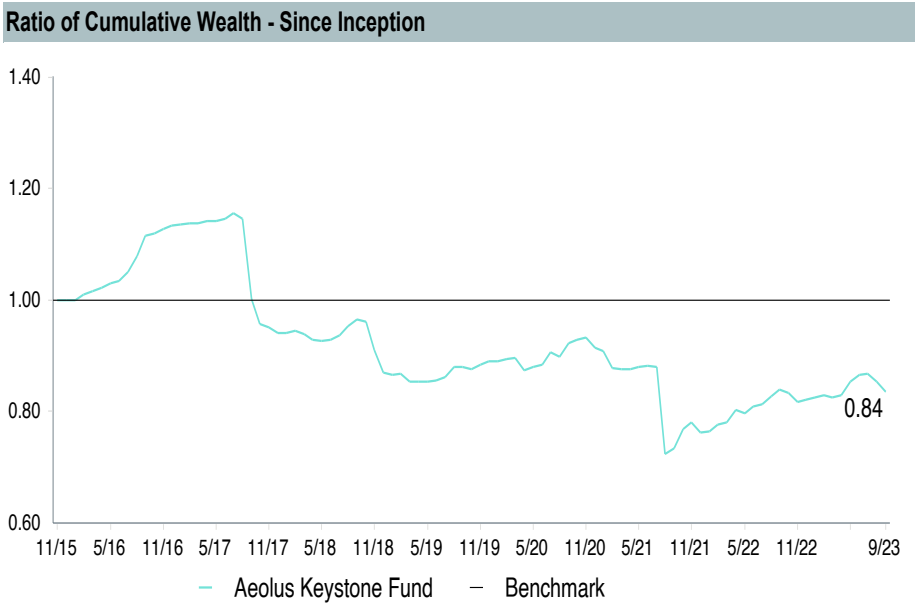
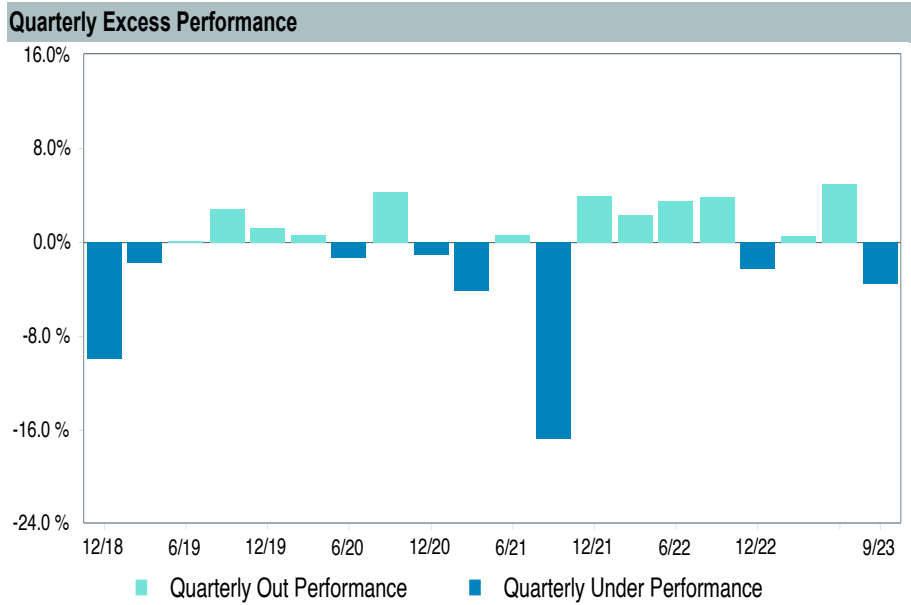
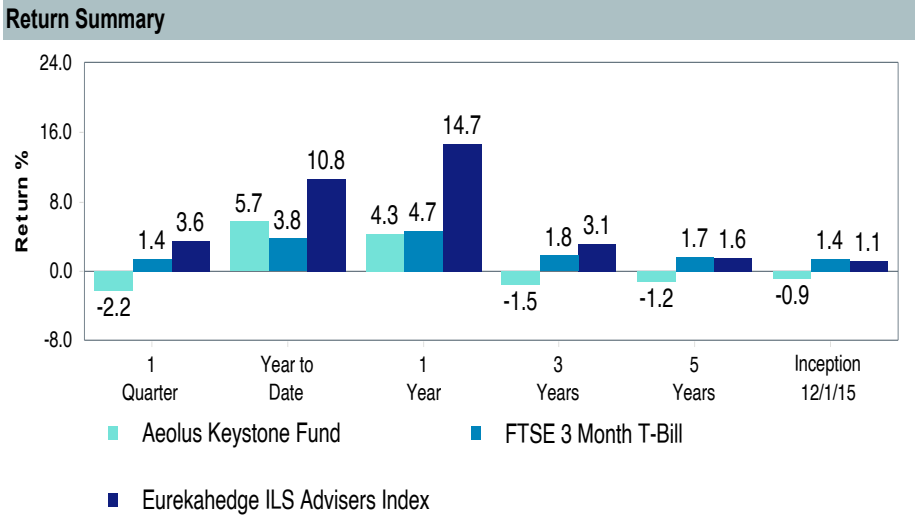
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Circumference Group Core Value	2.18	16.23	0.13	0.67	0.49	5.55	0.40	7.07	11.78	0.82
Russell 2000 Index	0.00	0.00	-	1.00	0.15	0.00	1.00	2.40	24.37	1.00
90 Day U.S. Treasury Bill	-3.64	24.48	-0.15	0.04	-	1.74	0.00	1.72	0.50	-0.21

Manager Performance Summary Aeolus Keystone Fund

As of September 30, 2023

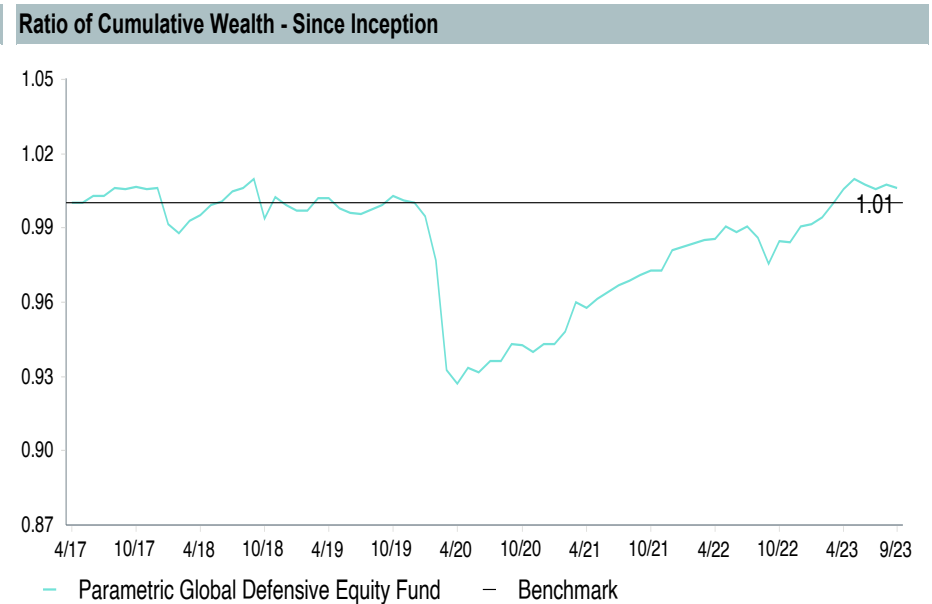
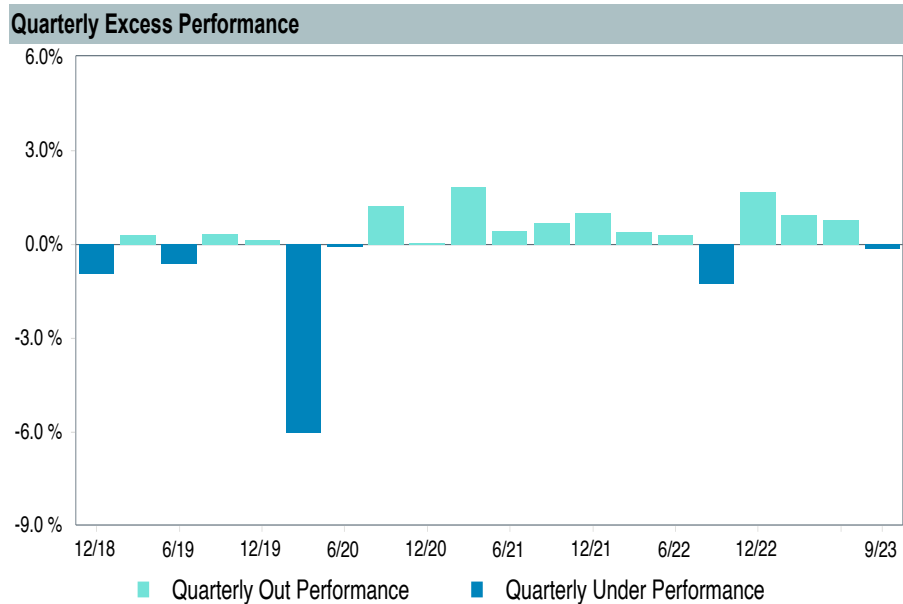
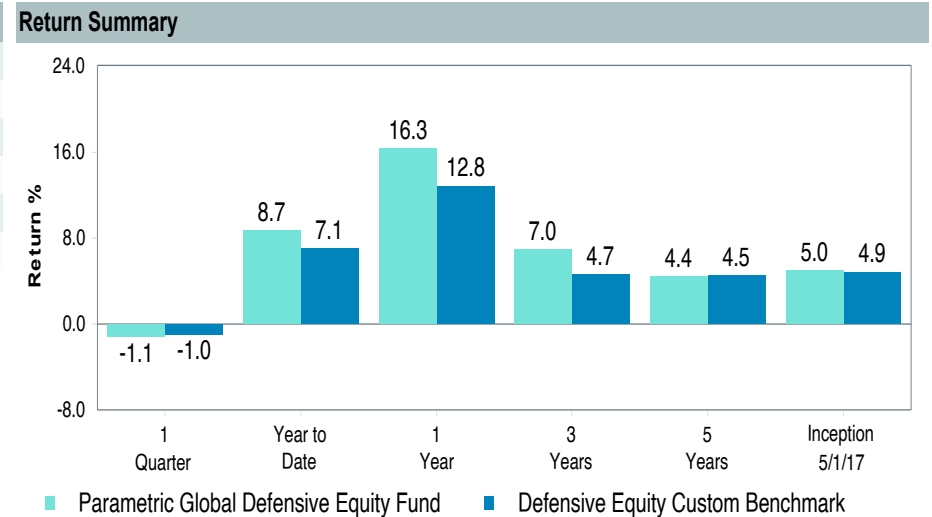
Account Information	
Account Name	Aeolus Keystone Fund
Inception Date	12/01/2015
Account Structure	Hedge Fund
Asset Class	Hedge Fund
Benchmark	FTSE 3 Month T-Bill
Peer Group	



Manager Performance Summary Parametric Global Defensive Equity

As of September 30, 2023

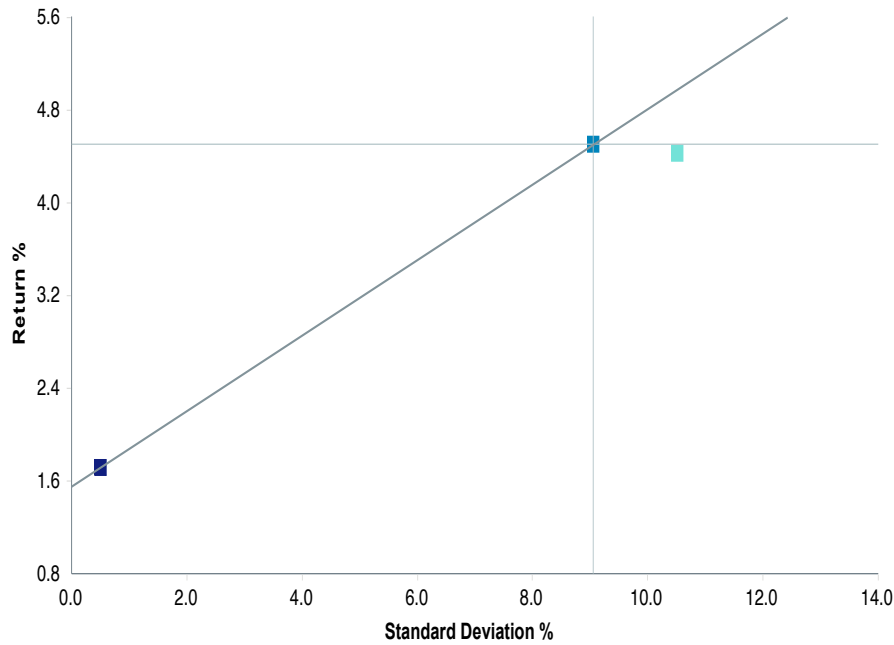
Account Information	
Account Name	Parametric Global Defensive Equity Fund
Inception Date	06/01/2017
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	Defensive Equity Custom Benchmark
Peer Group	



Risk Profile Parametric Global Defensive Equity Fund

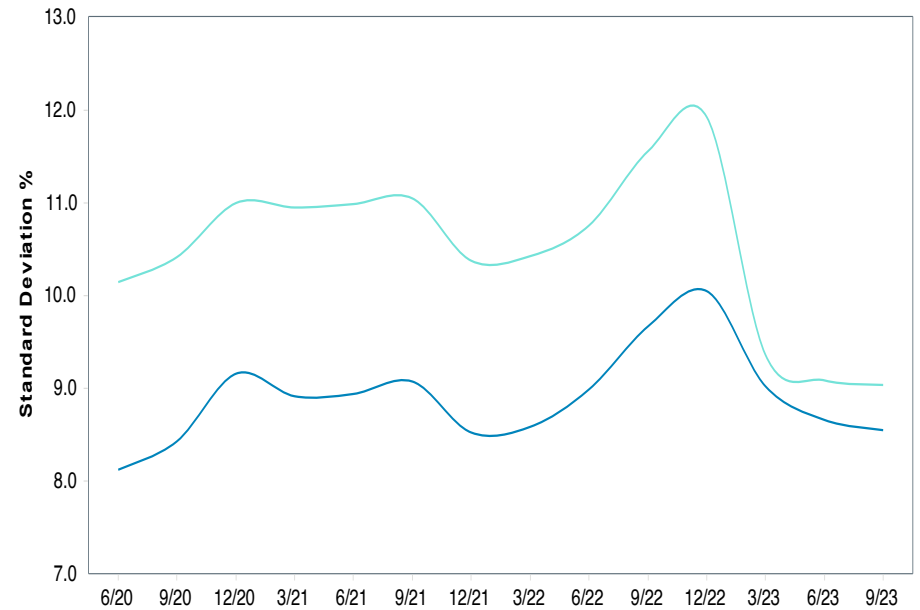
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
5 Years



- Parametric Global Defensive Equity Fund
- Defensive Equity Custom Benchmark
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 3 Years



- Parametric Global Defensive Equity Fund
- Defensive Equity Custom Benchmark

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Parametric Global Defensive Equity Fund	0.08	2.65	0.03	0.95	0.30	-0.55	1.13	4.43	10.50	0.97
Defensive Equity Custom Benchmark	0.00	0.00	-	1.00	0.34	0.00	1.00	4.50	9.06	1.00
90 Day U.S. Treasury Bill	-3.11	9.12	-0.34	0.01	-	1.74	-0.01	1.72	0.50	-0.10

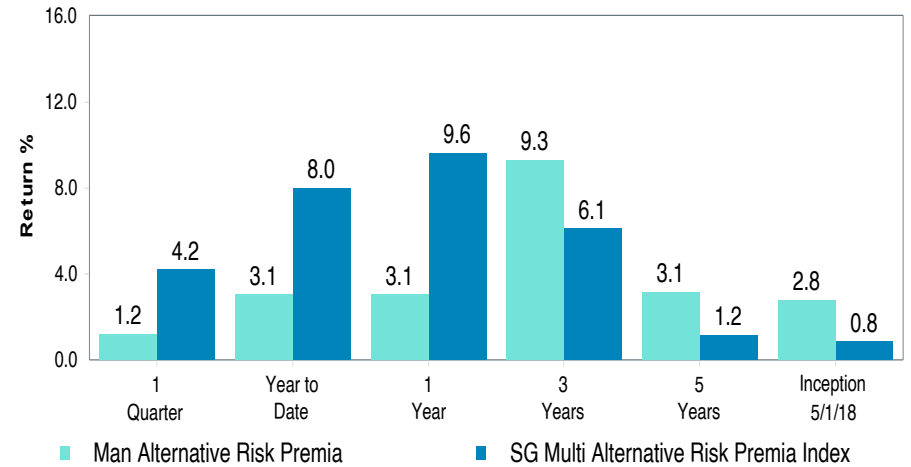
Manager Performance Summary Man Alternative Risk Premia

As of September 30, 2023

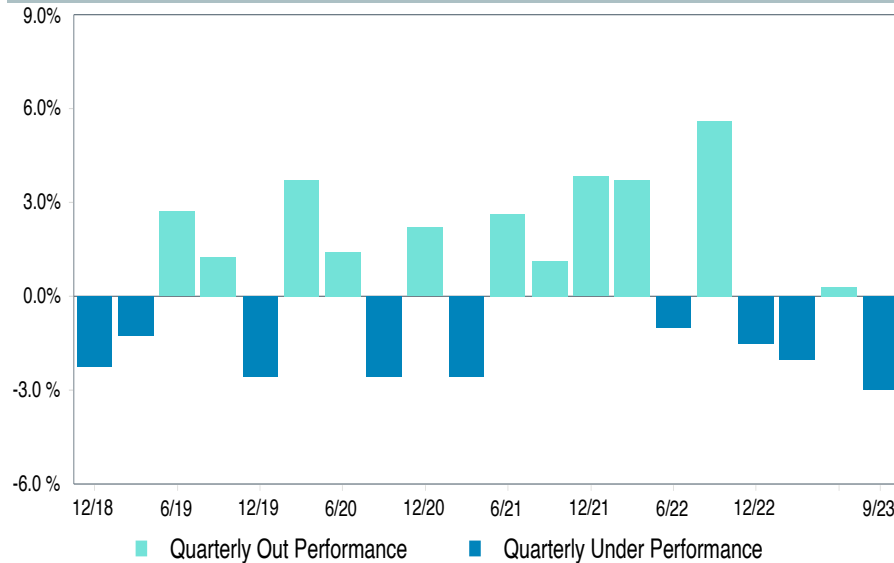
Account Information

Account Name	Man Alternative Risk Premia
Inception Date	06/01/2018
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	SG Multi Alternative Risk Premia Index
Peer Group	

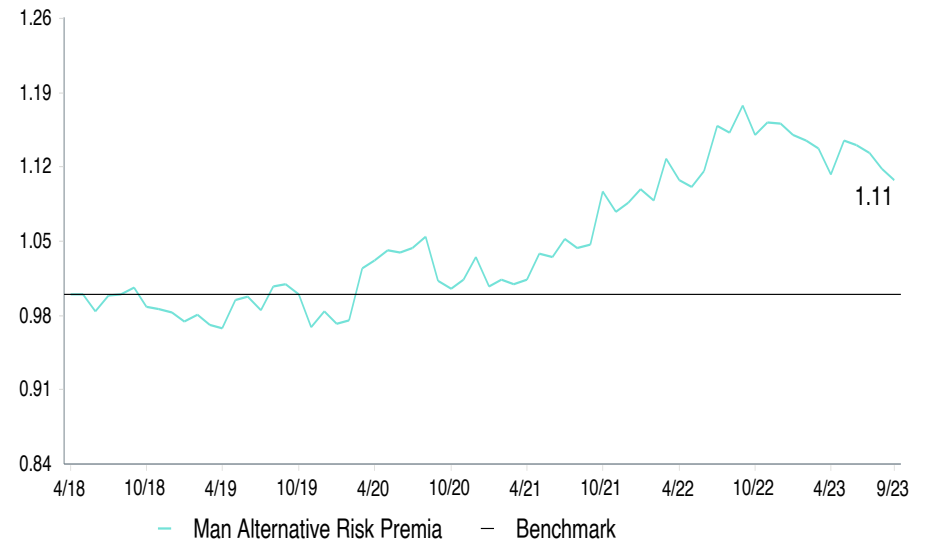
Return Summary



Quarterly Excess Performance



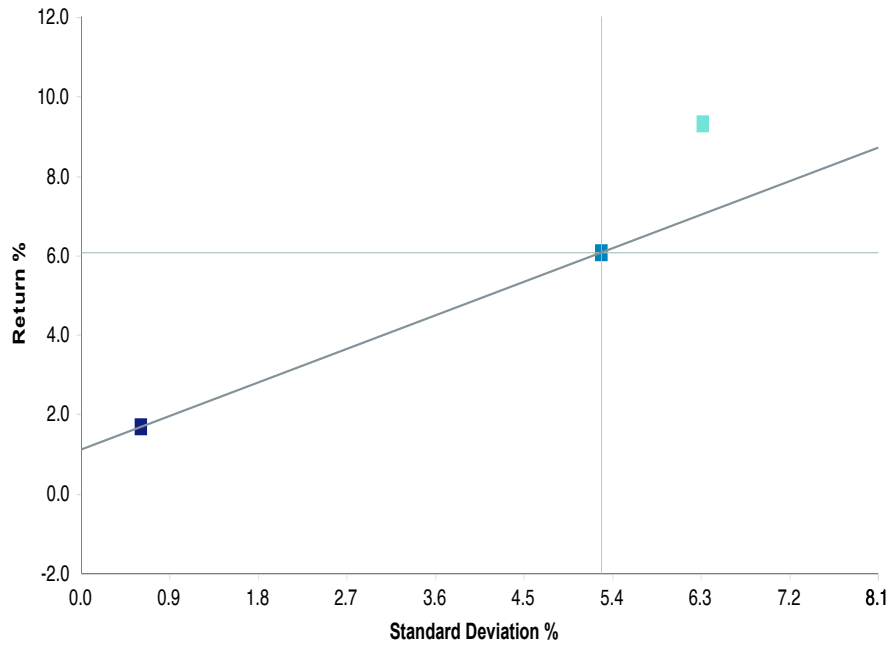
Ratio of Cumulative Wealth - Since Inception



Risk Profile Man Alternative Risk Premia

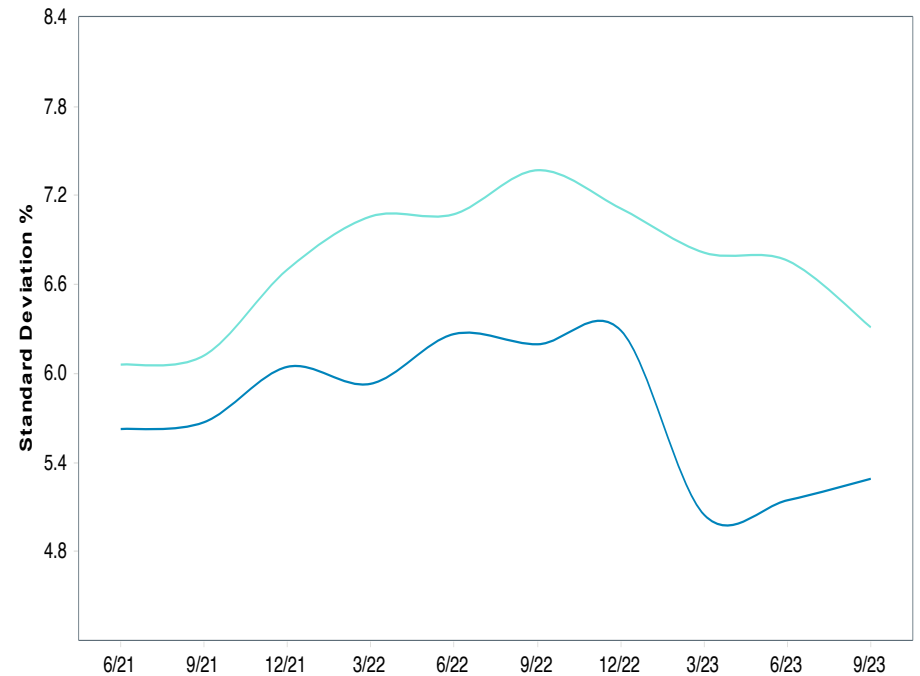
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
3 Years



- Man Alternative Risk Premia
- SG Multi Alternative Risk Premia Index
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 3 Years



- Man Alternative Risk Premia
- SG Multi Alternative Risk Premia Index

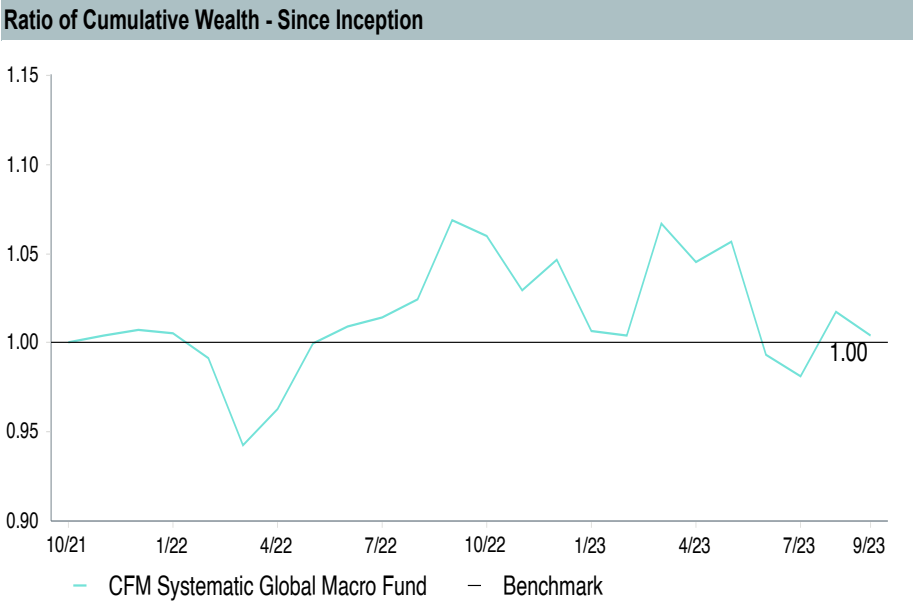
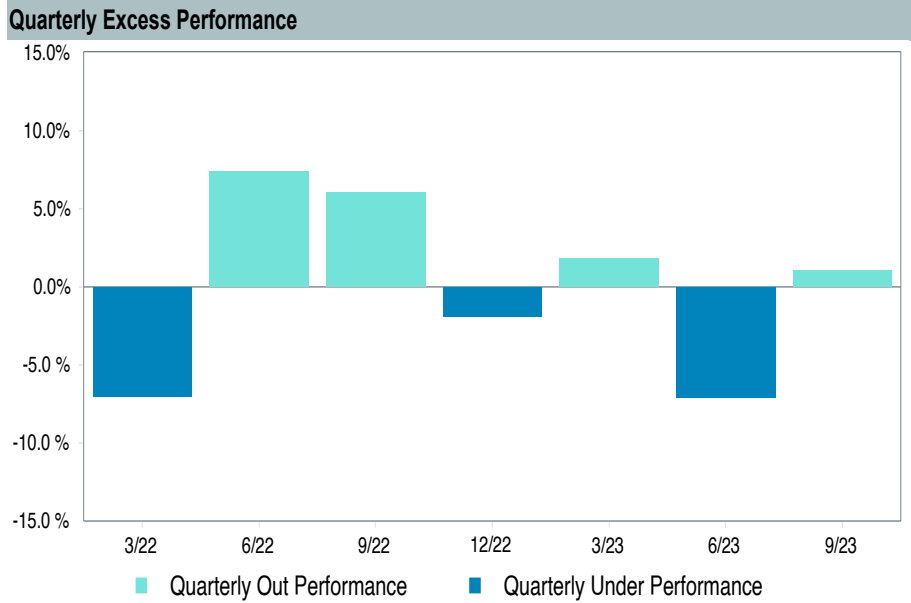
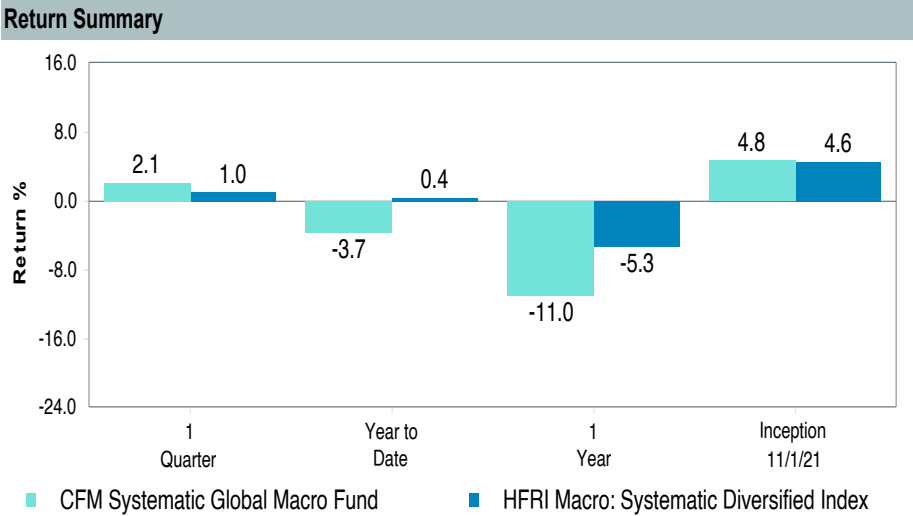
3 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Man Alternative Risk Premia	3.08	6.19	0.50	0.20	1.16	6.10	0.53	9.32	6.31	0.44
SG Multi Alternative Risk Premia Index	0.00	0.00	0.58	1.00	0.83	0.00	1.00	6.08	5.29	1.00
90 Day U.S. Treasury Bill	-4.37	5.24	-0.83	0.02	-	1.61	0.02	1.70	0.61	0.13

Manager Performance Summary CFM Systematic Global Macro Fund

As of September 30, 2023

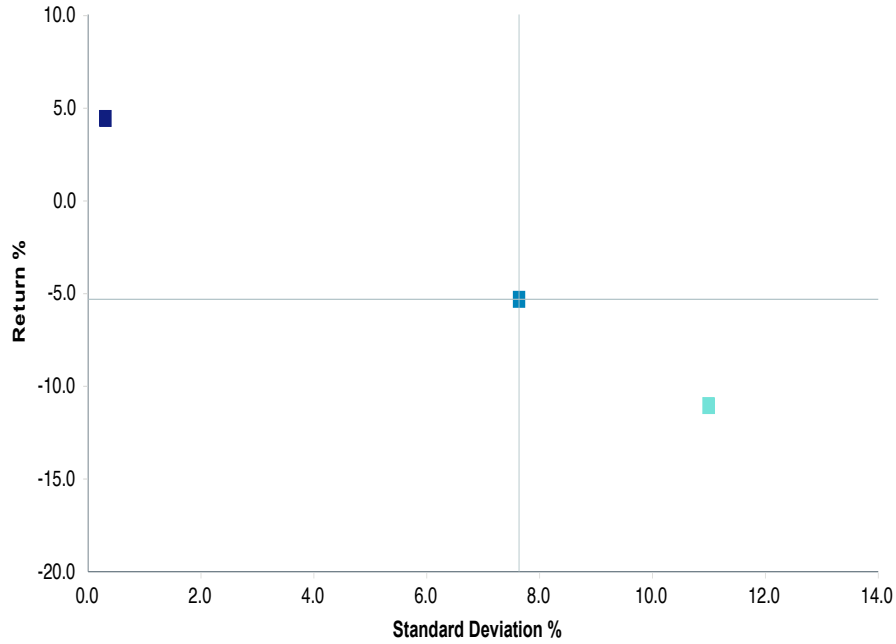
Account Information	
Account Name	CFM Systematic Global Macro Fund
Inception Date	11/01/2021
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	HFRI Macro: Systematic Diversified Index
Peer Group	



Risk Profile CFM Systematic Global Macro Fund

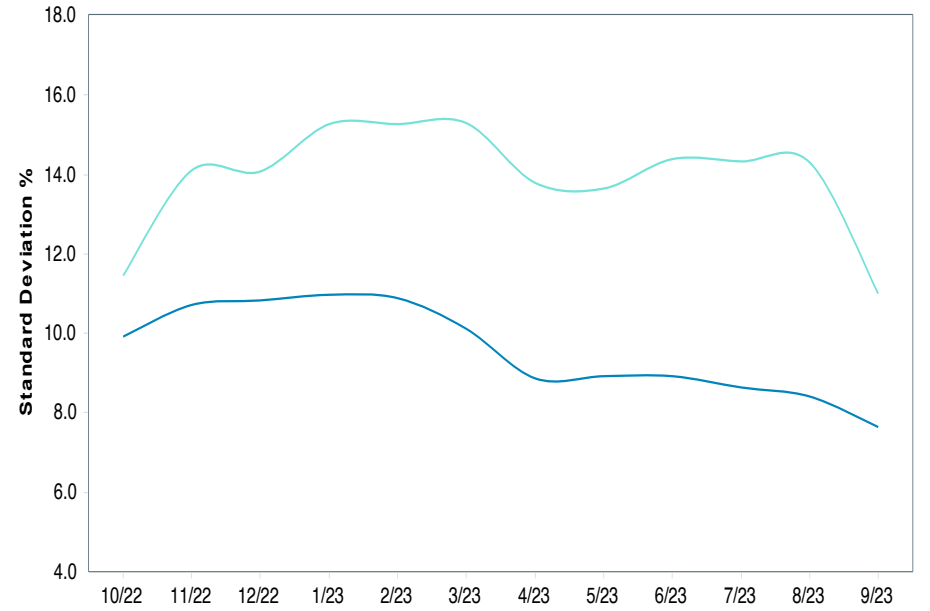
As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
1 Year



- CFM Systematic Global Macro Fund
- HFRI Macro: Systematic Diversified Index
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 1 Year



- CFM Systematic Global Macro Fund
- HFRI Macro: Systematic Diversified Index

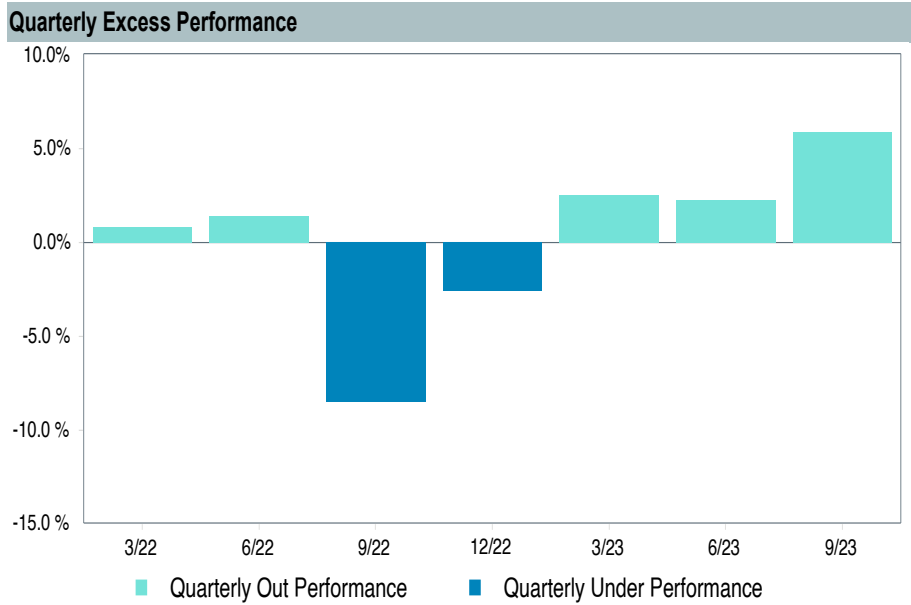
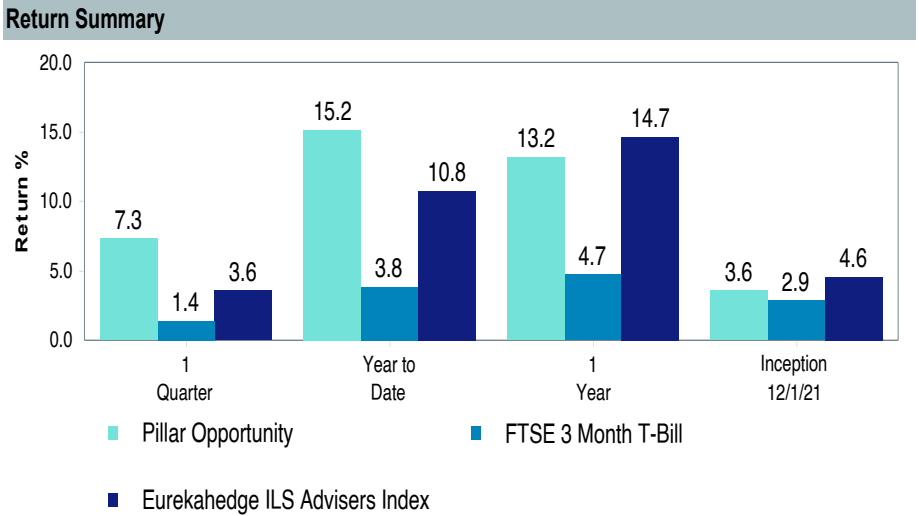
1 Year Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
CFM Systematic Global Macro Fund	-5.90	11.31	-0.52	0.09	-1.41	-8.46	0.44	-11.05	11.00	0.31
HFRI Macro: Systematic Diversified Index	0.00	0.00	-	1.00	-1.25	0.00	1.00	-5.32	7.64	1.00
90 Day U.S. Treasury Bill	9.57	7.63	1.25	0.00	-	4.48	0.00	4.47	0.30	0.05



Manager Performance Summary Pillar Opportunity

As of September 30, 2023

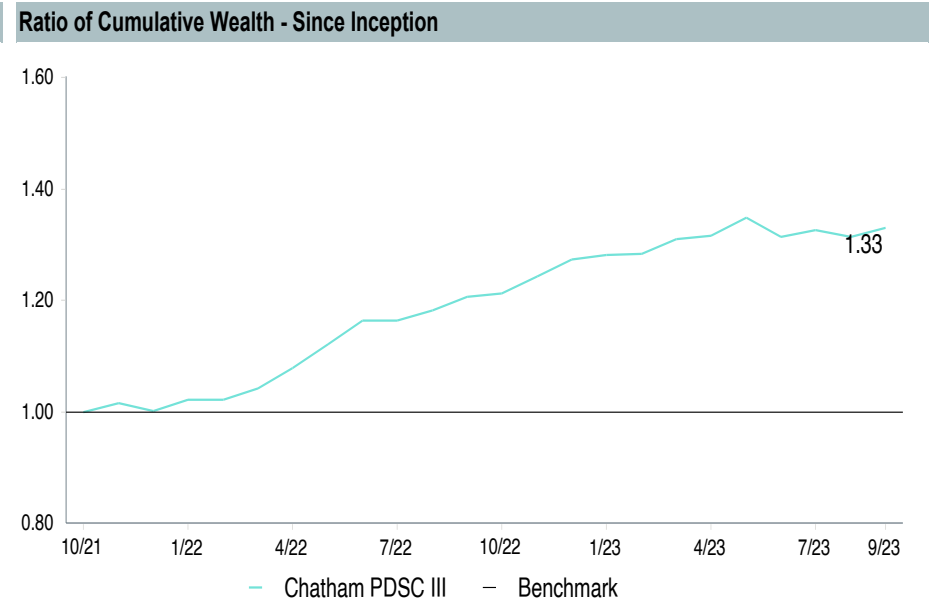
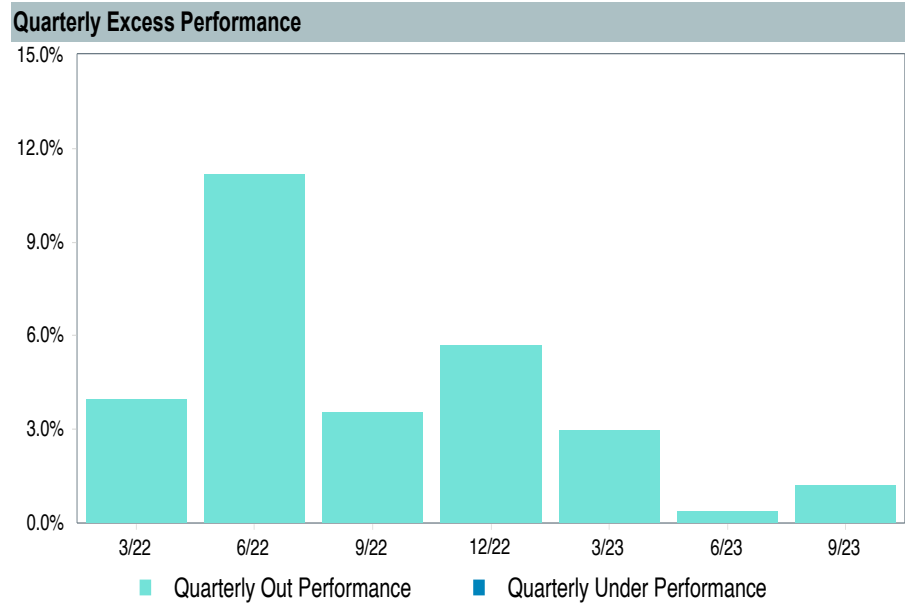
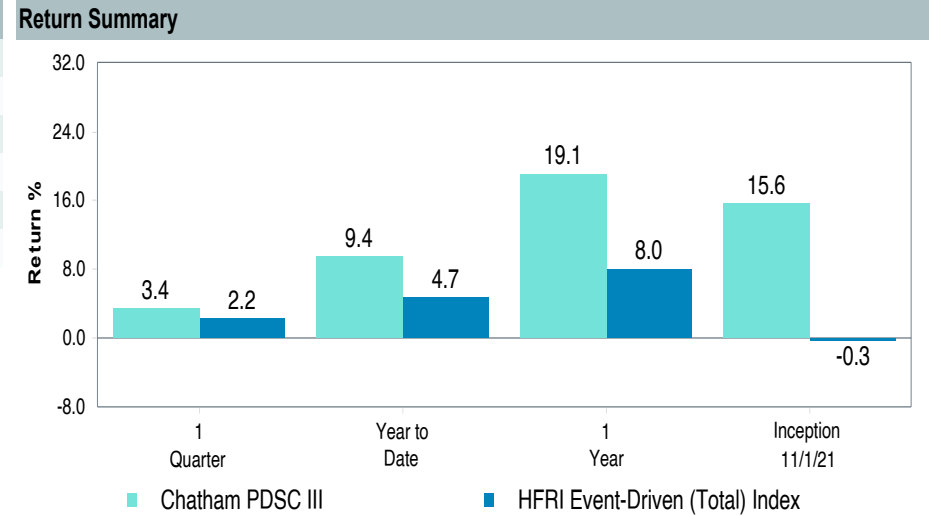
Account Information	
Account Name	Pillar Opportunity
Inception Date	12/01/2021
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	FTSE 3 Month T-Bill
Peer Group	



Manager Performance Summary Chatham PDSC III

As of September 30, 2023

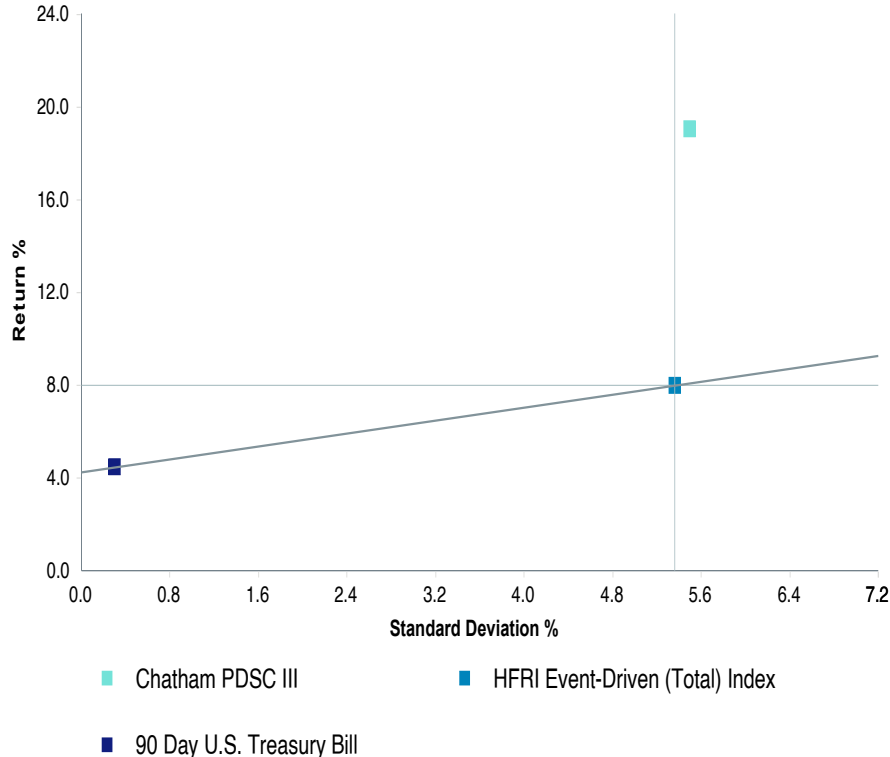
Account Information	
Account Name	Chatham PDSC III
Inception Date	11/01/2021
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	HFRI Event-Driven (Total) Index
Peer Group	



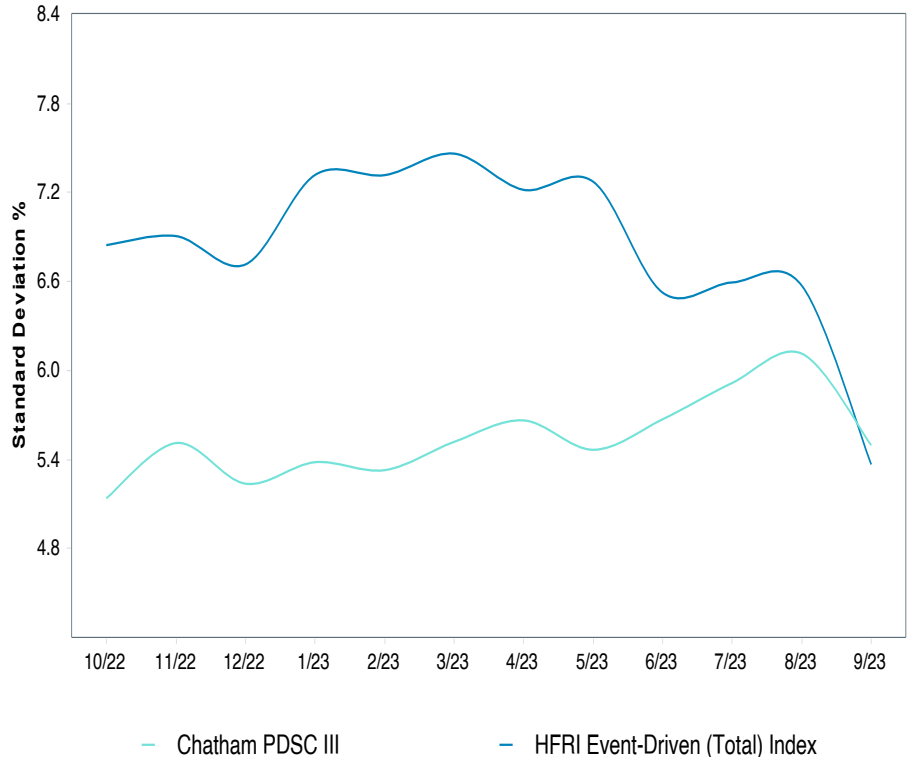
Risk Profile Chatham PDSC III

As of September 30, 2023

Annualized Return vs. Annualized Standard Deviation
1 Year



Standard Deviation
Rolling 1 Year



1 Year Historical Statistics

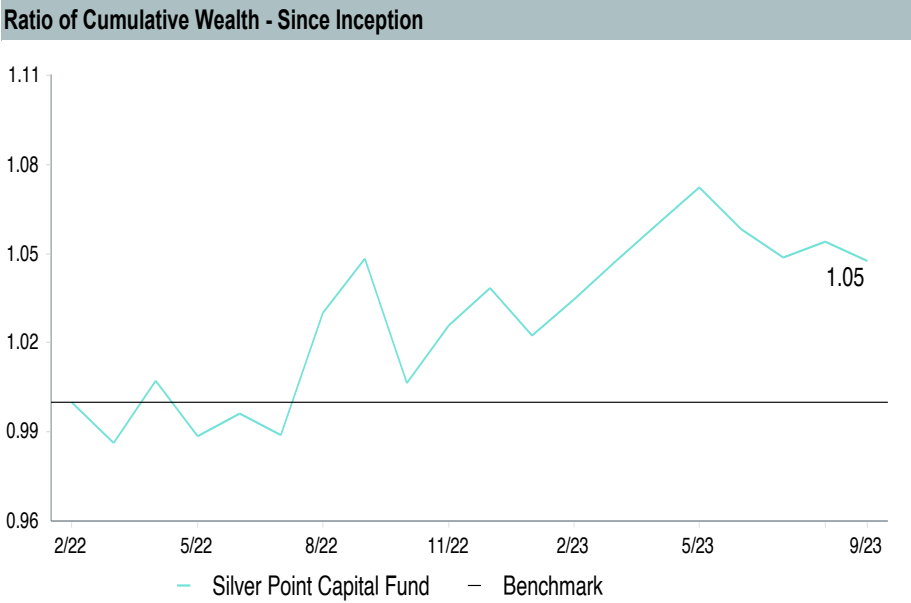
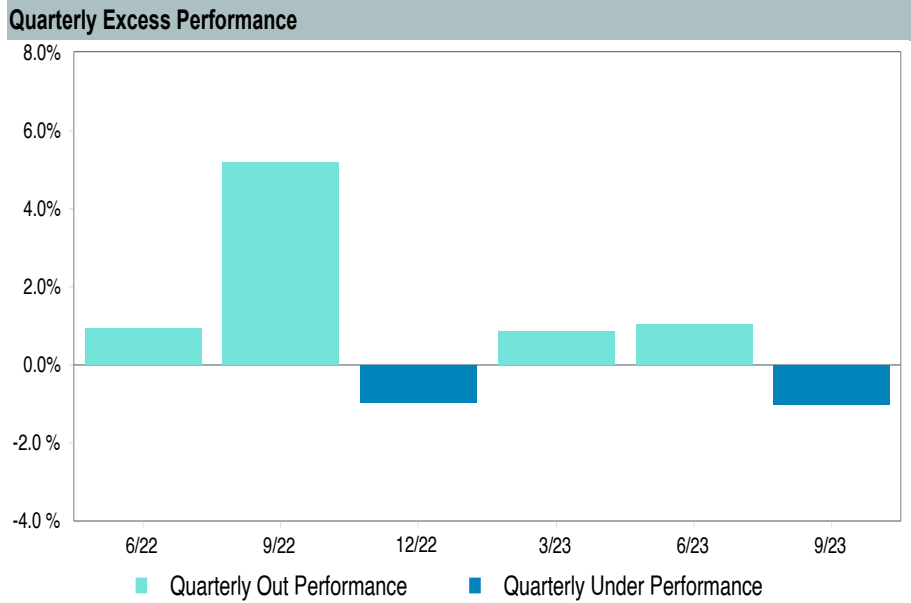
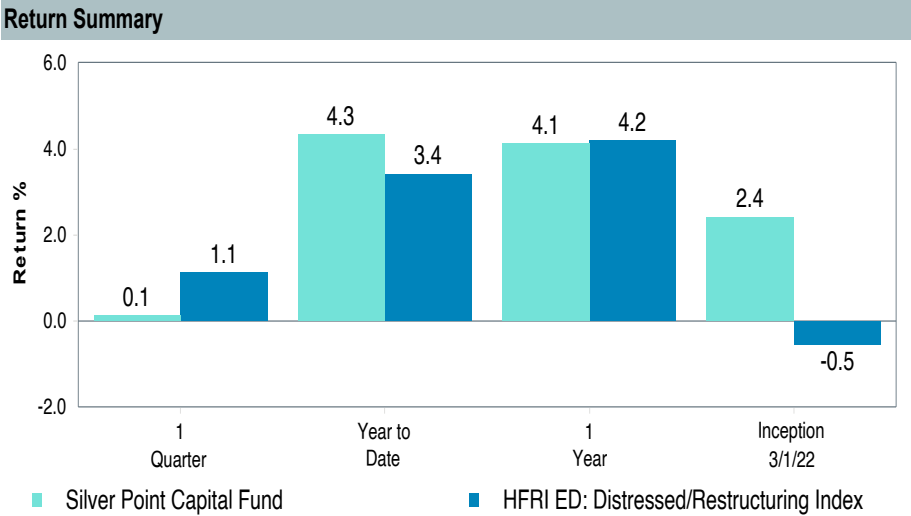
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Chatham PDSC III	9.87	5.22	1.89	0.29	2.35	14.23	0.55	19.06	5.50	0.54
HFRI Event-Driven (Total) Index	0.00	0.00	-	1.00	0.63	0.00	1.00	7.99	5.36	1.00
90 Day U.S. Treasury Bill	-3.46	5.49	-0.63	0.15	-	4.65	-0.02	4.47	0.30	-0.39



Manager Performance Summary Silver Point Capital Fund

As of September 30, 2023

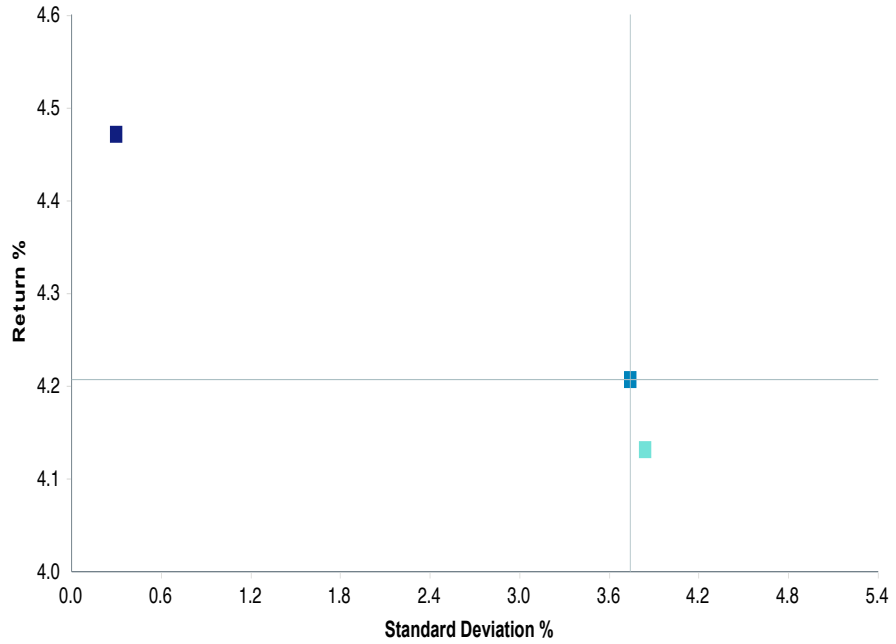
Account Information	
Account Name	Silver Point Capital Fund
Inception Date	03/01/2022
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	HFRI ED: Distressed/Restructuring Index
Peer Group	



Risk Profile Silver Point Capital Fund

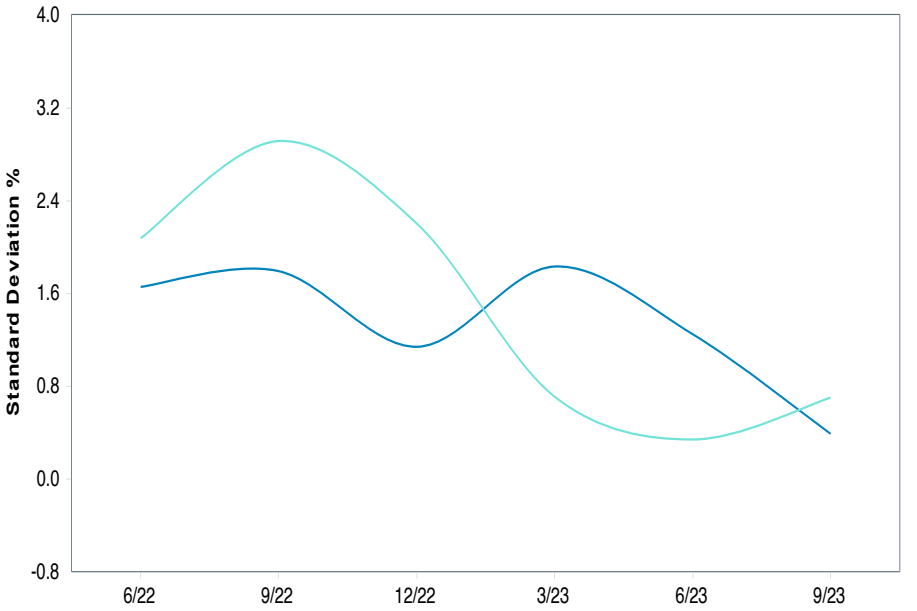
As of September 30, 2023

**Annualized Return vs. Annualized Standard Deviation
1 Year**



- Silver Point Capital Fund
- HFRI ED: Distressed/Restructuring Index
- 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 0.25 Year**



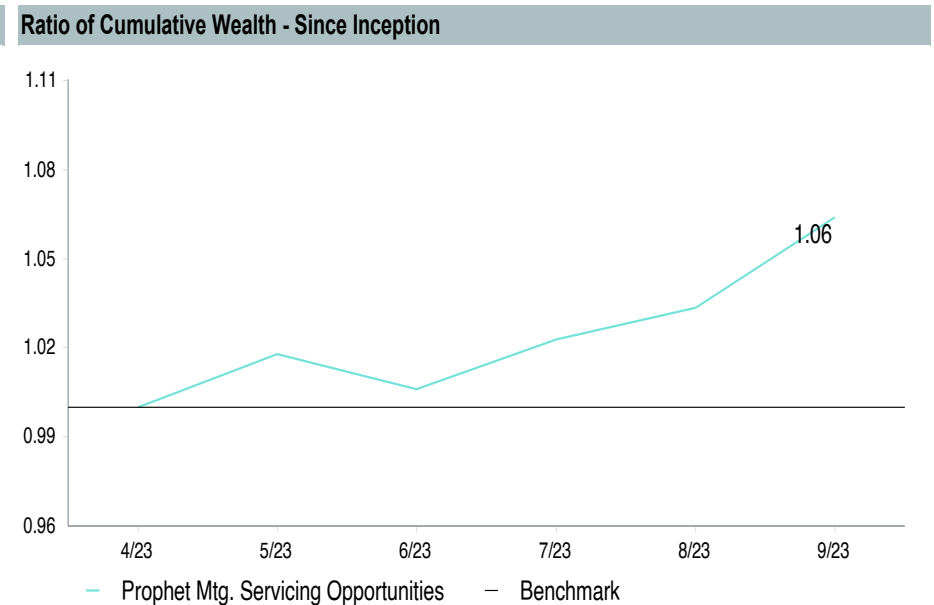
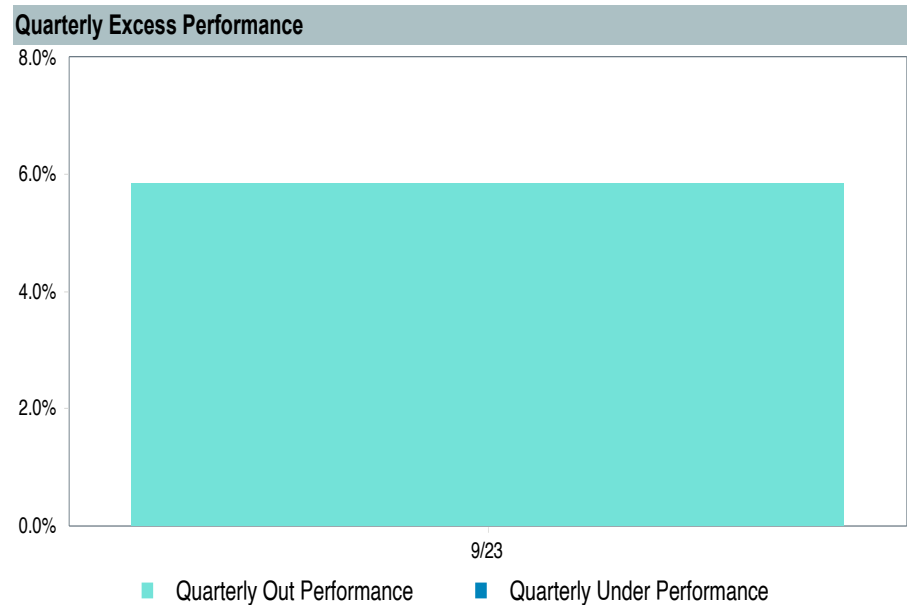
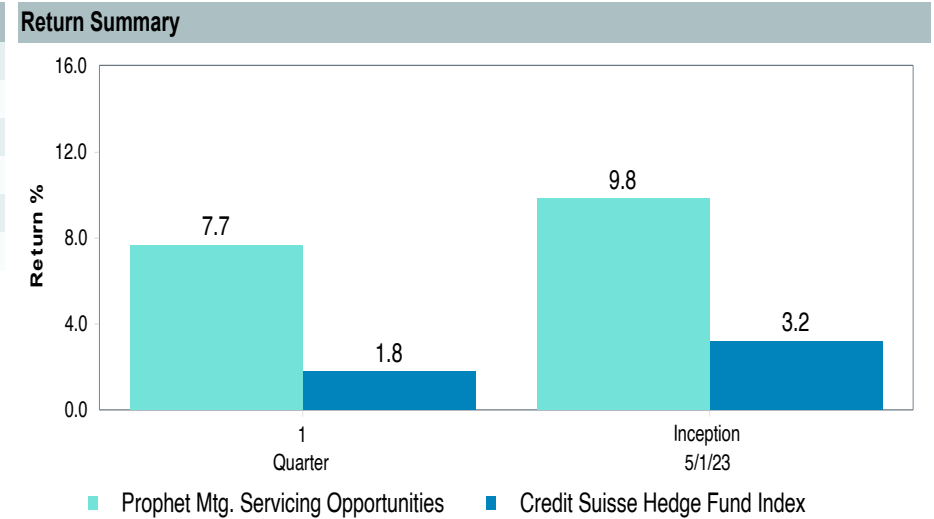
- Silver Point Capital Fund
- HFRI ED: Distressed/Restructuring Index

1 Year Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Silver Point Capital Fund	-0.07	6.02	-0.01	0.07	-0.07	5.38	-0.27	4.13	3.84	-0.26
HFRI ED: Distressed/Restructuring Index	0.00	0.00	-	1.00	-0.05	0.00	1.00	4.21	3.74	1.00
90 Day U.S. Treasury Bill	0.19	3.84	0.05	0.09	-	4.58	-0.02	4.47	0.30	-0.30

Manager Performance Summary Prophet Mtg. Servicing Opportunity

As of September 30, 2023

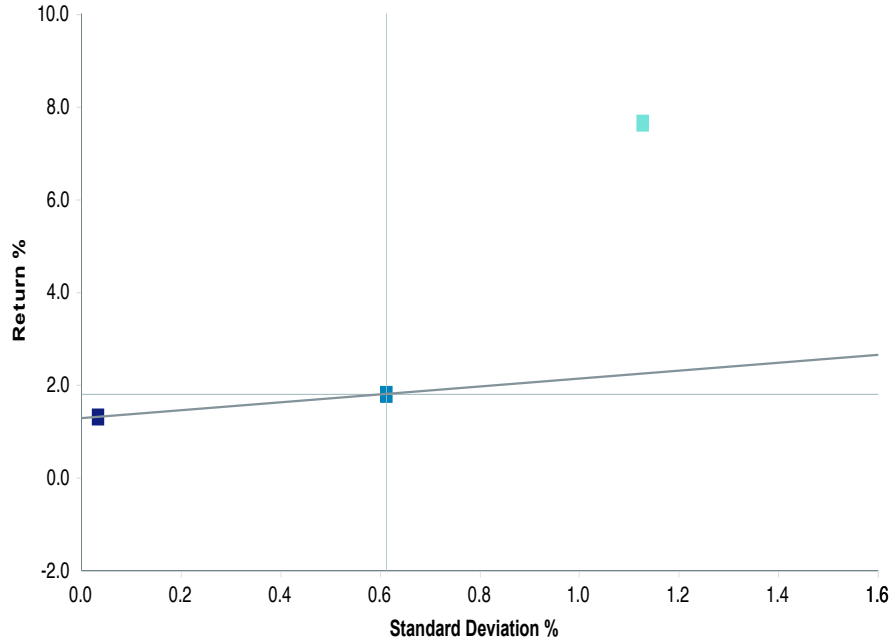
Account Information	
Account Name	Prophet Mtg. Servicing Opportunities
Inception Date	04/01/2023
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	Credit Suisse Hedge Fund Index
Peer Group	



Risk Profile Prophet Mtg. Servicing Opportunities

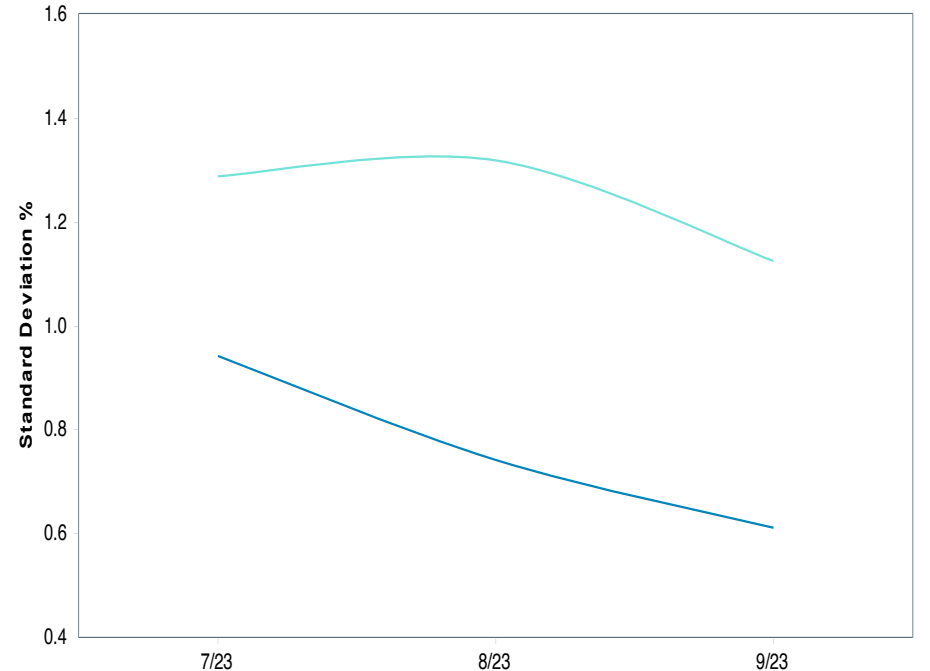
As of September 30, 2023

**Annualized Return vs. Annualized Standard Deviation
1 Quarter**



- Prophet Mtg. Servicing Opportunities
- Credit Suisse Hedge Fund Index
- 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 0.25 Year**



- Prophet Mtg. Servicing Opportunities
- Credit Suisse Hedge Fund Index

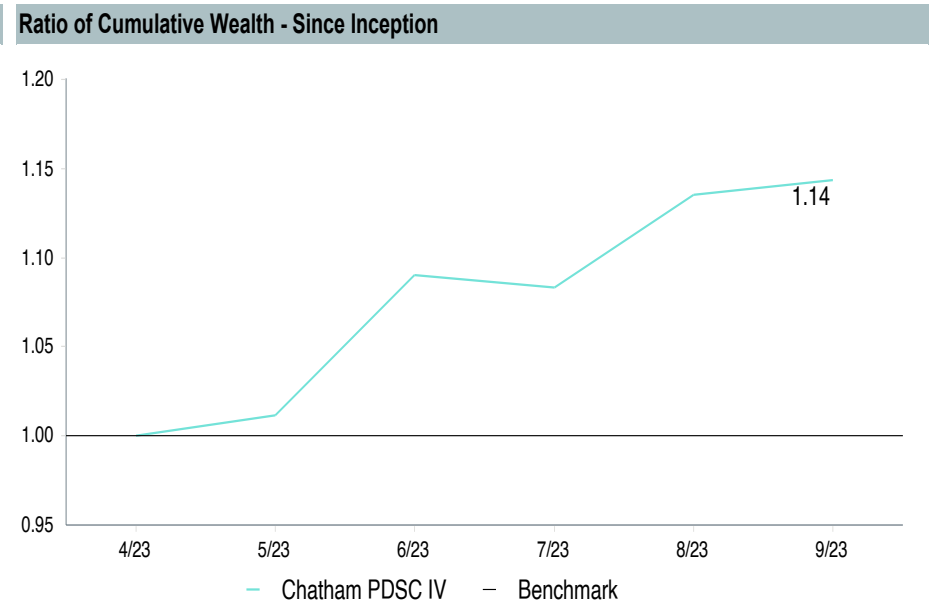
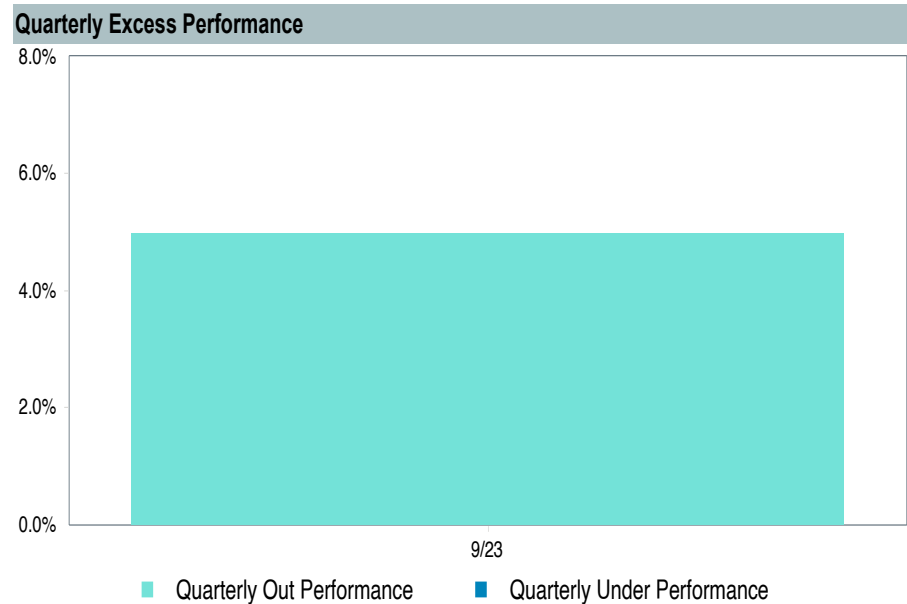
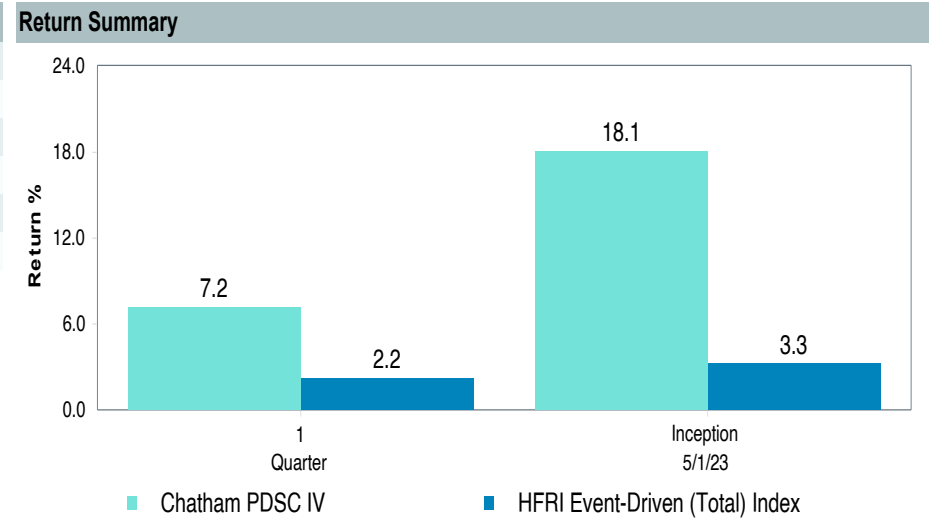
1 Quarter Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Prophet Mtg. Servicing Opportunities	1.90	0.98	1.94	0.24	1.81	1.95	0.91	7.67	1.13	0.49
Credit Suisse Hedge Fund Index	0.00	0.00	-	1.00	0.25	0.00	1.00	1.81	0.61	1.00
90 Day U.S. Treasury Bill	-0.16	0.64	-0.25	0.95	-	0.47	-0.05	1.31	0.03	-0.98

Manager Performance Summary Chatham PDSC IV

As of September 30, 2023

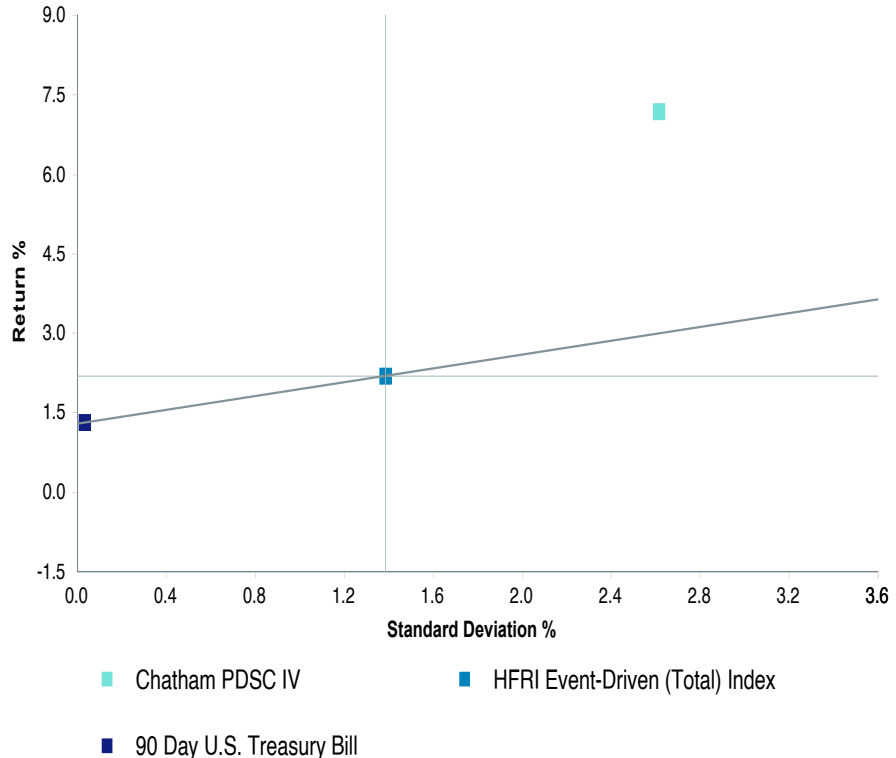
Account Information	
Account Name	Chatham PDSC IV
Inception Date	05/01/2023
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	HFRI Event-Driven (Total) Index
Peer Group	



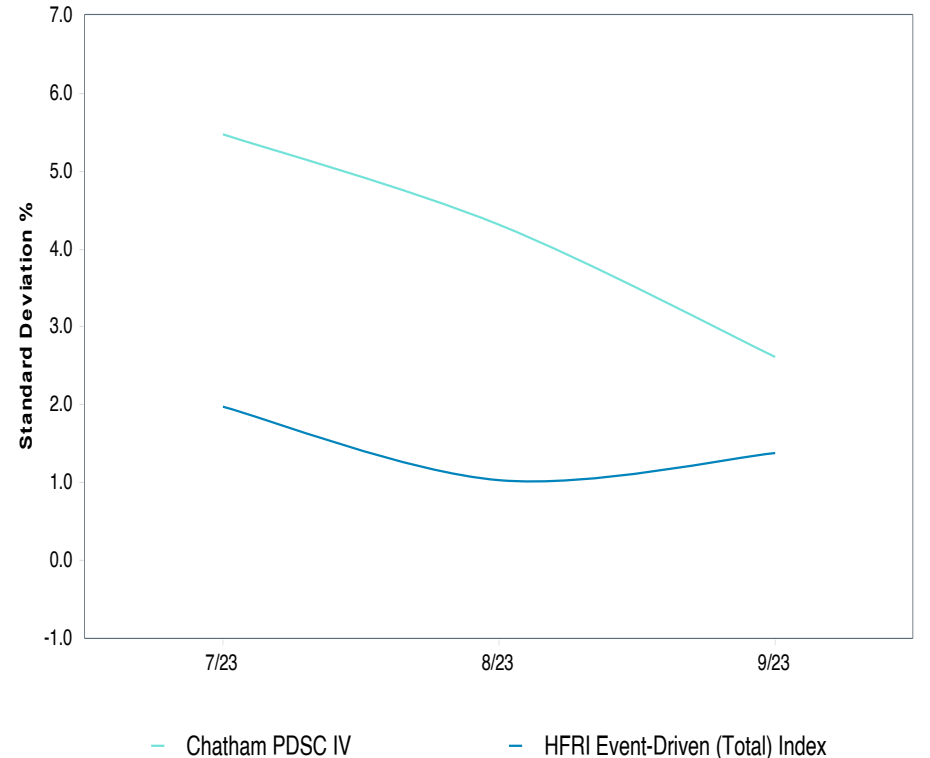
Risk Profile Chatham PDSC IV

As of September 30, 2023

**Annualized Return vs. Annualized Standard Deviation
1 Quarter**

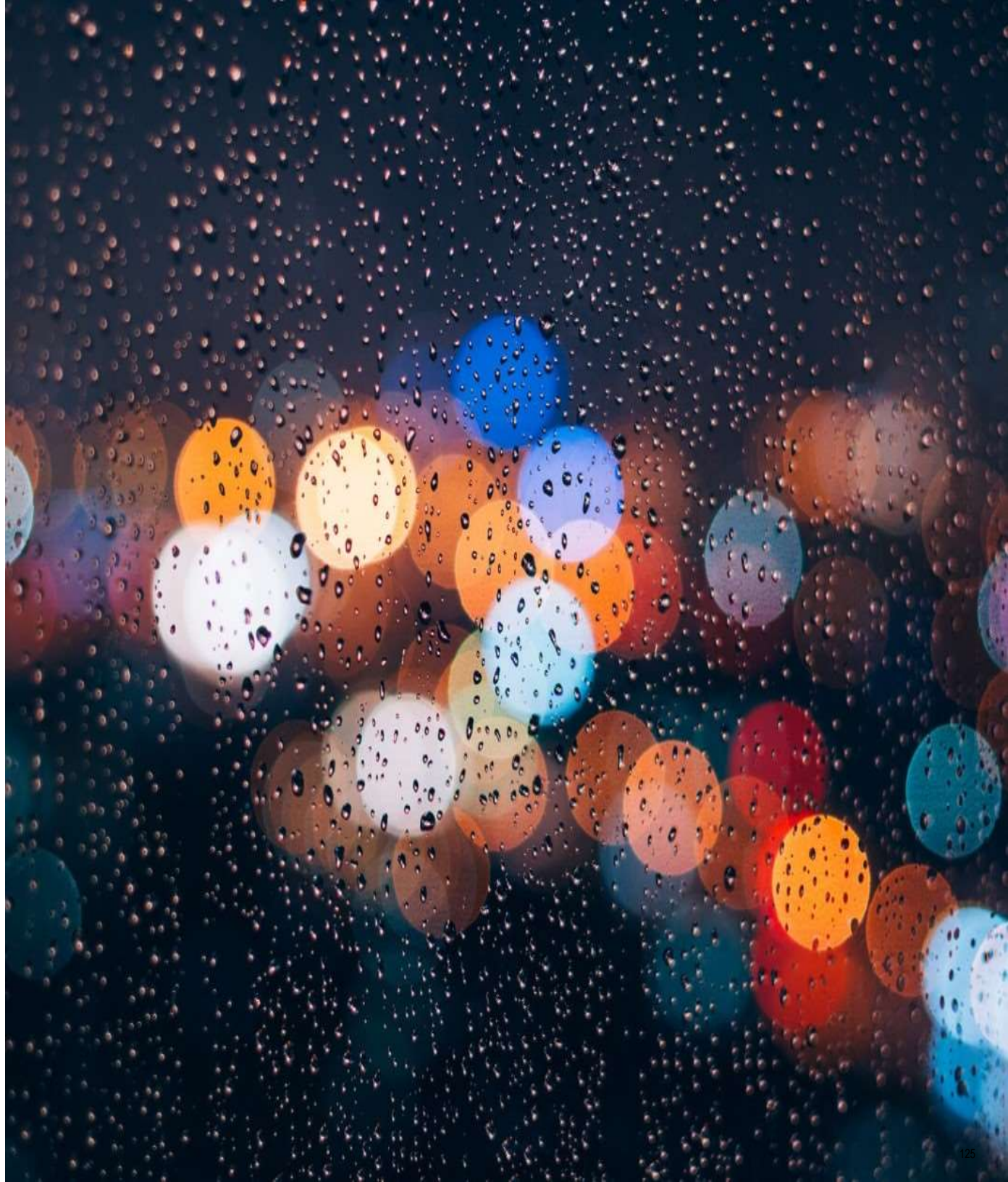


**Standard Deviation
Rolling 0.25 Year**



1 Quarter Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Chatham PDSC IV	1.63	2.85	0.57	0.01	0.74	2.24	0.16	7.18	2.61	0.09
HFRI Event-Driven (Total) Index	0.00	0.00	-	1.00	0.21	0.00	1.00	2.20	1.39	1.00
90 Day U.S. Treasury Bill	-0.30	1.42	-0.21	0.93	-	0.45	-0.02	1.31	0.03	-0.97

Private Equity

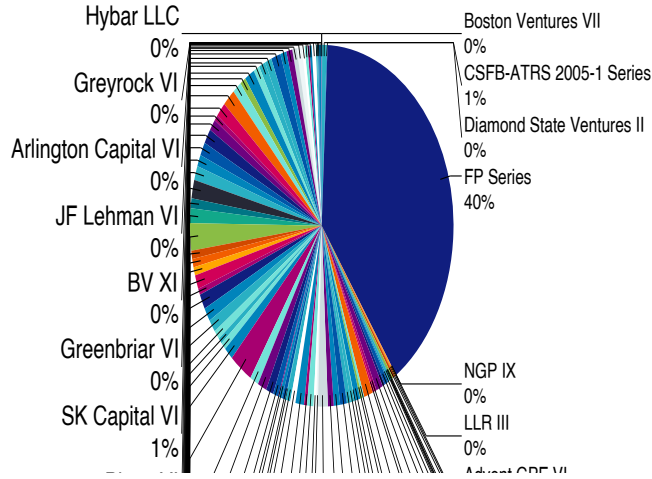


Composite Portfolio Overview Private Equity

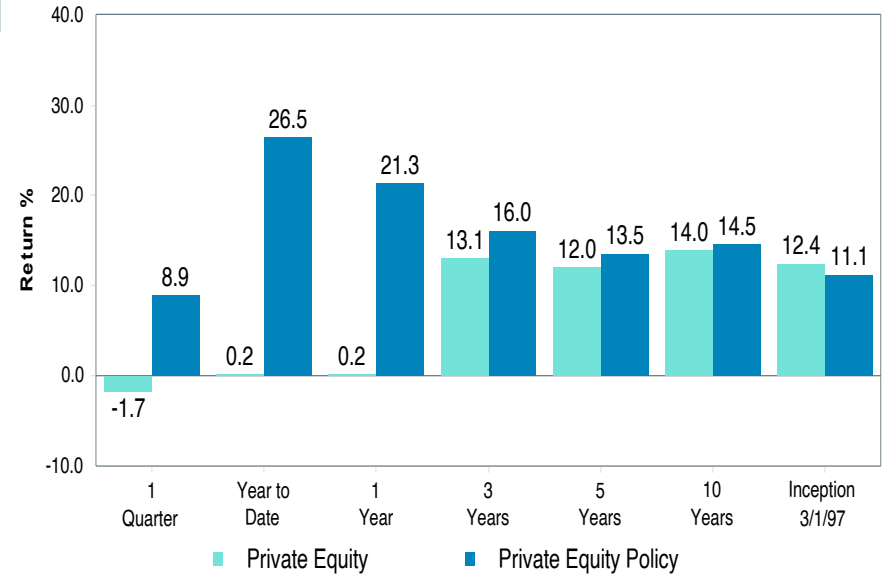
As of September 30, 2023

Current Allocation

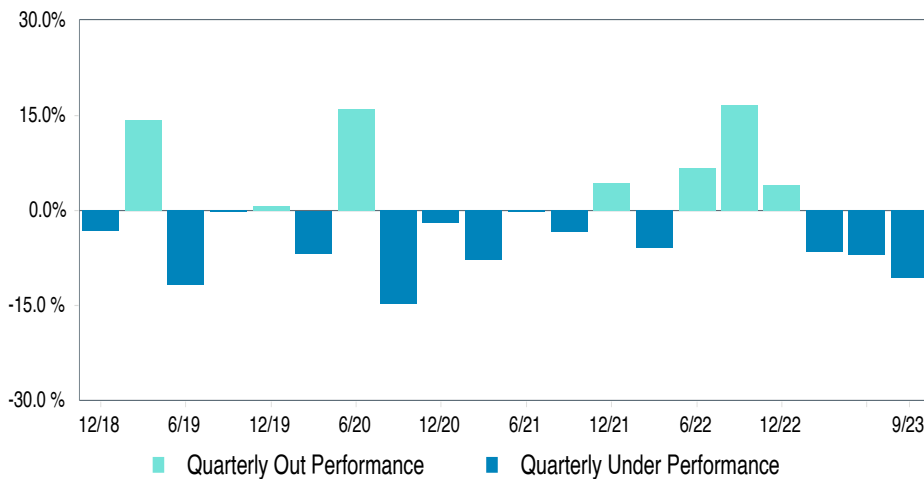
September 30, 2023 : \$2,896,123,202



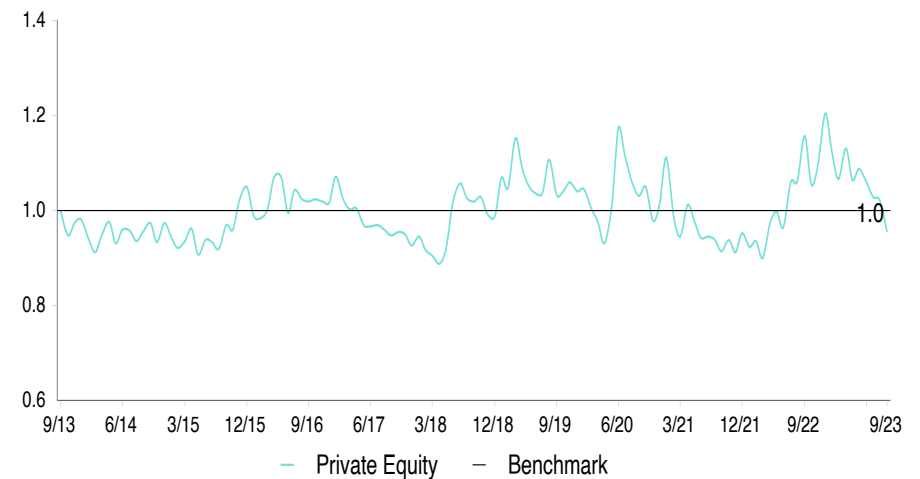
Return Summary



Quarterly Excess Performance

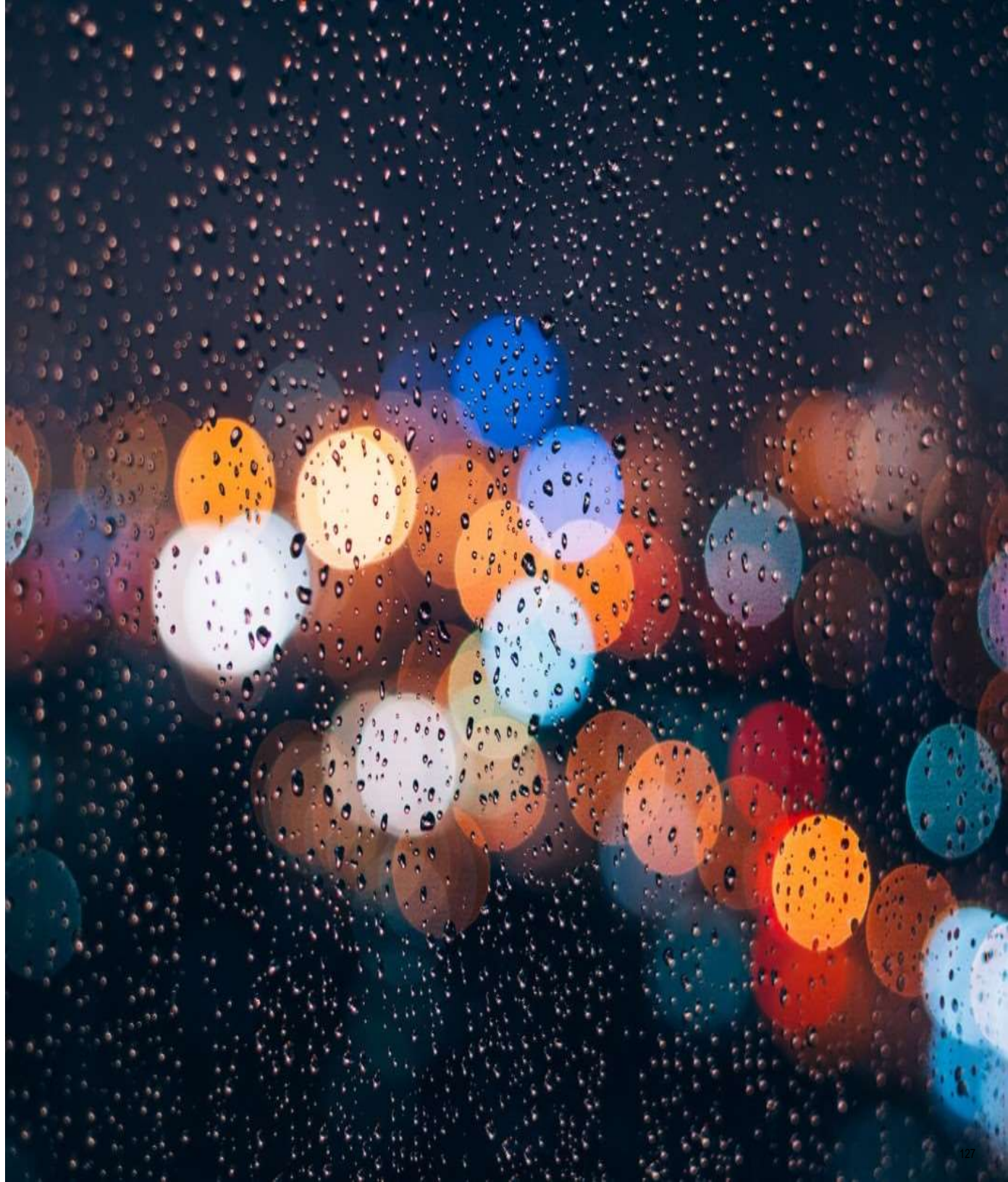


Ratio of Cumulative Wealth - 10 Years



Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.

Real Assets

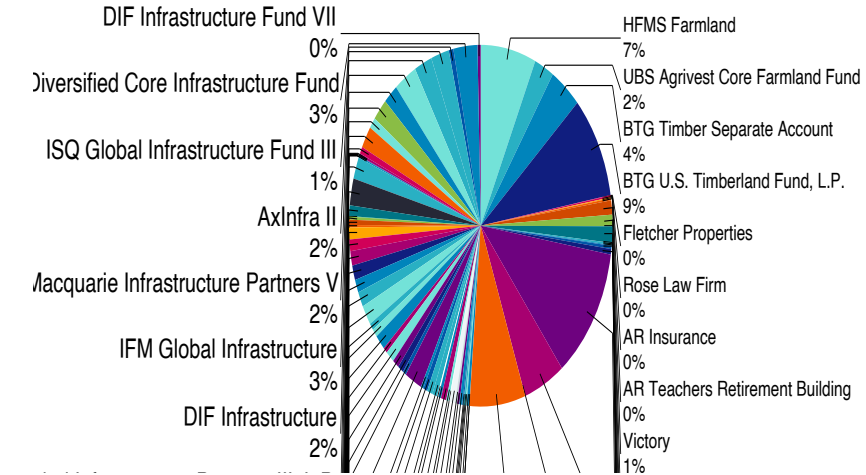


Composite Portfolio Overview Real Assets

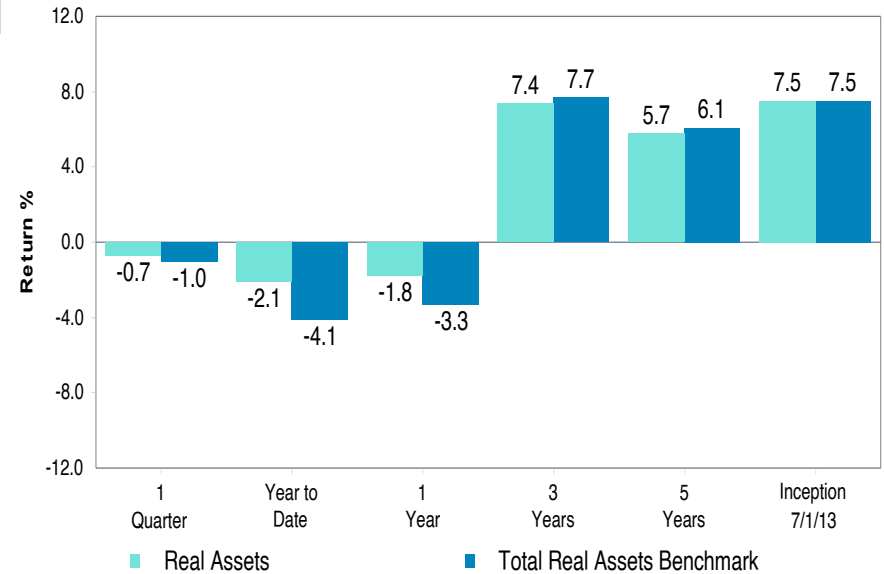
As of September 30, 2023

Current Allocation

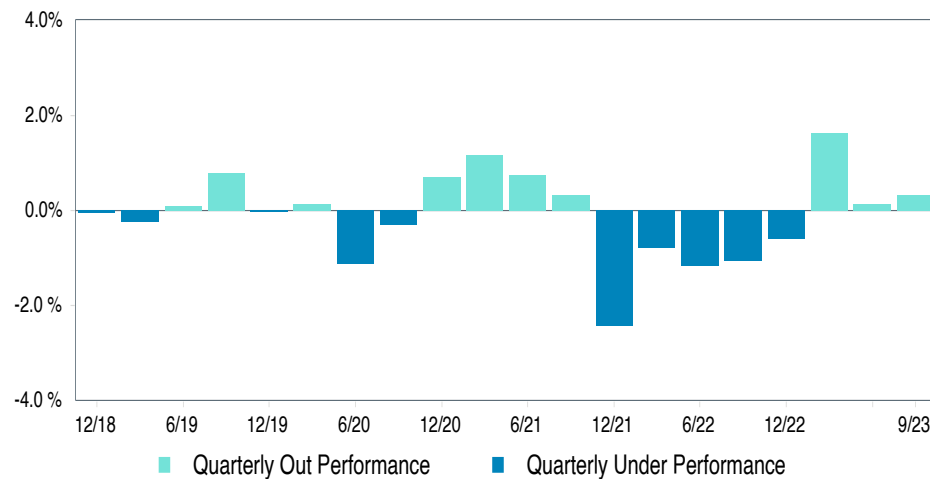
September 30, 2023 : \$2,580,336,054



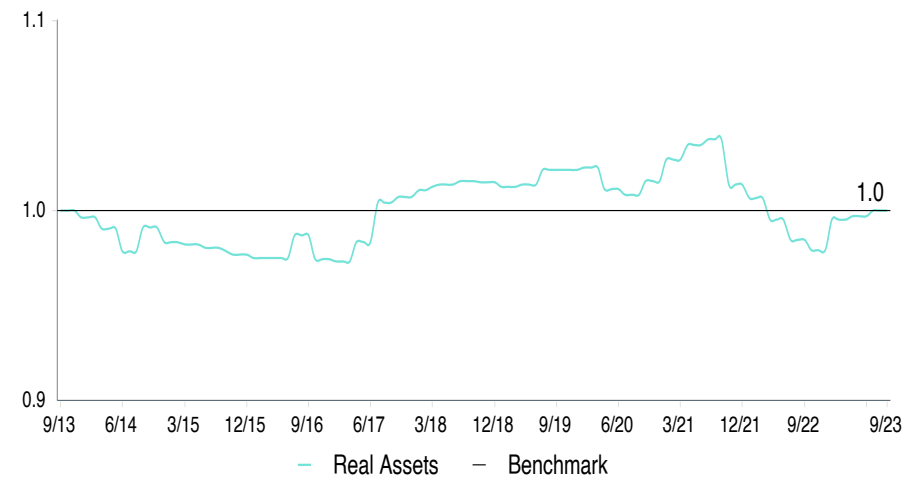
Return Summary



Quarterly Excess Performance

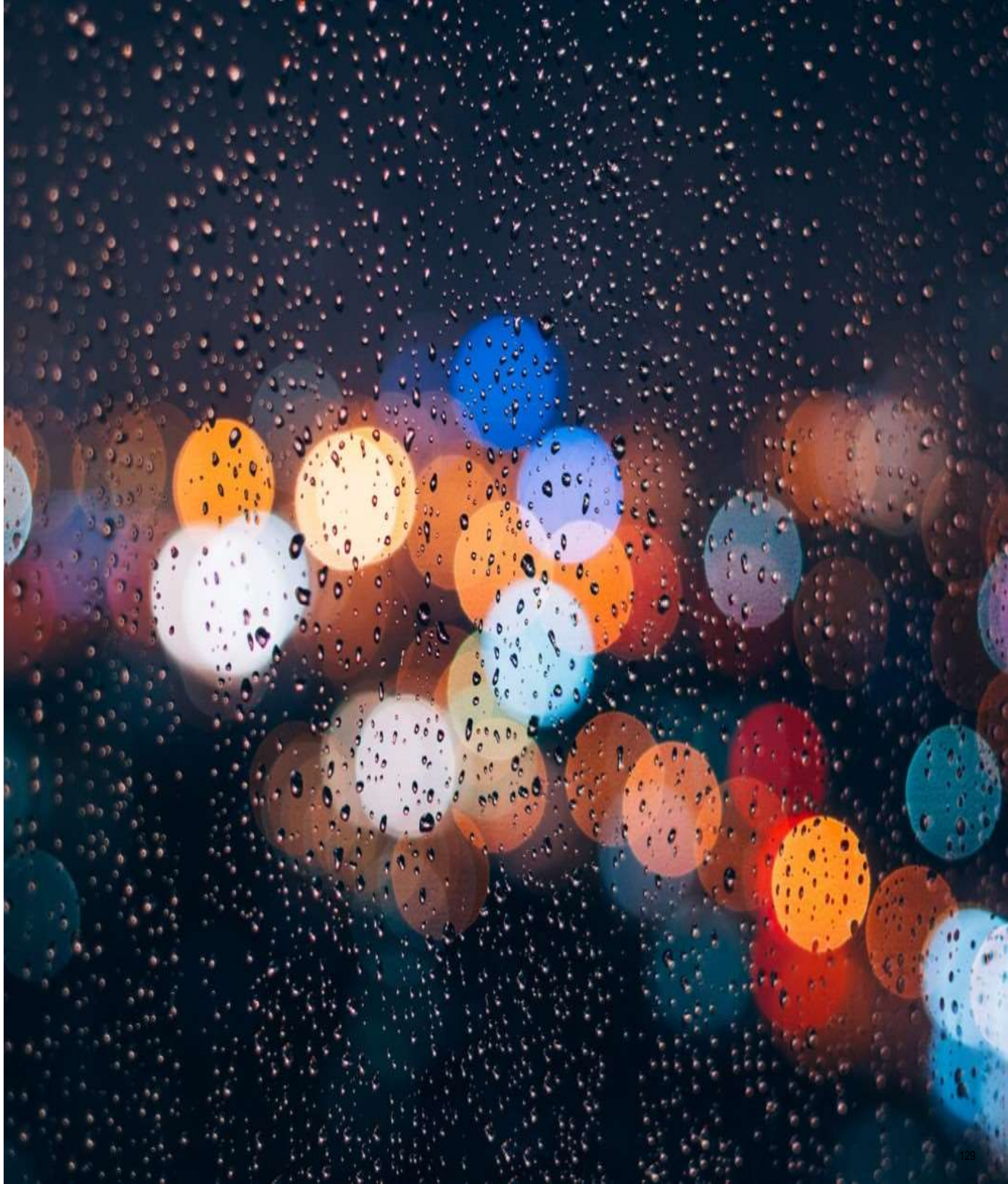


Ratio of Cumulative Wealth - 10 Years



Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.

Fee Schedule



Fee Schedule

As of September 30, 2023

	Fee Schedule	Market Value \$000	Estimated Annual Fee \$000	Estimated Annual Fee %
Total Equity		10,625,050	42,032	0.40
Jacobs Levy 130/30	0.60 % of First \$200 M 0.35 % of Next \$300 M 0.30 % Thereafter	1,236,638	4,460	0.36
Kennedy Capital Management	0.60 % of First \$100 M 0.50 % Thereafter	565,181	2,926	0.52
Stephens	0.75 % of First \$150 M 0.70 % of Next \$50 M 0.65 % Thereafter	536,196	3,660	0.68
Voya Absolute Return	0.60 % of First \$250 M 0.40 % Thereafter	758,117	3,532	0.47
Voya U.S. Convertibles	0.40 % of First \$100 M 0.30 % of Next \$100 M 0.25 % of Next \$100 M 0.20 % Thereafter	899,706	2,149	0.24
Pershing Square Holdings	1.50 % of Assets	260,870	3,913	1.50
Triam Partners	1.50 % of Assets	79,704	1,196	1.50
Triam Co-Investments	0.50 % of Assets	88,576	443	0.50
SSgA Global Index	0.04 % of First \$1000 M 0.03 % Thereafter	1,176,723	453	0.04
BlackRock MSCI ACWI IMI Fund	0.05 % of First \$250 M 0.04 % Thereafter	1,110,637	469	0.04
Wellington Global Perspectives	0.80 % of Assets	604,493	4,836	0.80
T. Rowe Price Global Equity	0.43 % of First \$500 M 0.40 % Thereafter	1,175,200	4,826	0.41
Lazard	0.68 % of First \$300 M 0.65 % Thereafter	675,427	4,480	0.66
Harris Global Equity	0.60 % of First \$100 M 0.50 % of Next \$100 M 0.45 % Thereafter	629,123	3,031	0.48
Arrowstreet Global Equity - Alpha Extension Fund	Performance Based 0.20 and 20.00	828,401	1,657	0.20

Above fees reflect only the current base management fee and excludes any performance fee arrangement.

Fee Schedule

As of September 30, 2023

	Fee Schedule	Market Value \$000	Estimated Annual Fee \$000	Estimated Annual Fee %
Fixed Income		2,821,074	4,856	0.17
BlackRock	0.20 % of First \$200 M 0.15 % of Next \$200 M 0.10 % of Next \$400 M 0.08 % Thereafter	242,502	464	0.19
Loomis Sayles	0.50 % of First \$20 M 0.40 % of Next \$30 M 0.30 % Thereafter	630,567	1,962	0.31
SSgA Aggregate Bond Index	0.04 % of First \$100 M 0.02 % Thereafter	672,500	149	0.02
Wellington Global Total Return	0.30 % of Assets	400,065	1,200	0.30
Reams Core Plus Bond Fund	0.20 % of Assets	540,288	1,081	0.20
BRS Recycling Tax Credit		176,000	-	-
BRS Recycling Tax Credit Phase 2		77,032	-	-
BRS Recycling Tax Credit Phase 3		82,120	-	-
Opportunistic/Alternatives		1,044,954	10,474	1.00
Anchorage	2.00 % of Assets	29,481	590	2.00
York	1.50 % of Assets	9,220	138	1.50
Capula	2.00 % of Assets	98,611	1,972	2.00
Graham	2.00 % of Assets	100,930	2,019	2.00
Circumference Group Core Value	1.50 % of Assets	39,054	586	1.50
Aeolus Keystone Fund	2.00 % of Assets	26,647	533	2.00
Parametric Global Defensive Equity Fund	0.40 % of First \$150 M 0.35 % Thereafter	204,707	791	0.39
Man Alternative Risk Premia	0.85 % of Assets	115,231	979	0.85
CFM Systematic Global Macro Fund	0.36 % of Assets	99,960	360	0.36
Pillar Opportunity	1.30 % of Assets	101,296	1,317	1.30
Chatham PDSC III	0.33 % of Assets	65,943	218	0.33
Prophet Mtg. Servicing Opportunities	0.84 % of Assets	43,379	364	0.84
Chatham PDSC IV	0.33 % of Assets	59,044	195	0.33

Above fees reflect only the current base management fee and excludes any performance fee arrangement.

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Disclaimers and Notes



Arkansas Teacher Retirement System

Description of Benchmarks

Total Fund - The Performance Benchmark for the Total Fund reflects a weighted average of the underlying asset class benchmarks, weighted as follows: Opportunistic/Alternatives and Real Assets at the weight of the previous month's ending market values, Fixed Income at its long-term Policy Target of 15%, and Total Equity at its long-term Policy Target of 55% plus the balance of the unfunded or uncommitted assets of the Opportunistic/Alternatives and Real Assets categories. These targets can be found on page 21 of the this report. From October 2007 to July 2013, the Performance Benchmark was the performance of the asset class benchmarks as a weighted average of the previous month's ending market values. The historical components of the benchmark are shown in the table below. Returns prior to September 30, 1996, consist of the actual allocations to the seven different asset classes included in the Arkansas Teacher Retirement System over time. The historical benchmarks used for each asset class are noted below.

Date	DJ Total Stock Market Index	Russell 3000 Index	MSCI ACW ex-U.S. Index	MSCI All Country World Index	BC Universal Bond Index	BC Aggregate Bond Index	Alternative Policy*
03/2004-9/2007	40.0 %	--	17.5 %	--	25.0 %	--	17.5 %
06/2003-02/2004	40.0	--	17.5	--	--	25.0 %	17.5
10/2001-07/2003	--	40.0 %	17.5	--	--	25.0	17.5
08/1998-09/2001	--	40.0	17.0	--	--	28.0	15.0
10/1996-07/1998	--	40.0	20.0	--	--	28.0	12.0

*Historically, the Alternative Policy was comprised of the weighted averages of the Private Equity, Real Estate, and Alternatives policy benchmarks. Prior to July 31, 2003 the alternative benchmark consisted of 57.0% of the Russell 3000 + a 2% Premium per year, 8.5% of the NCREIF Southeast Timberland Index, 28.5% of the Real Estate Index, 6% of the EnnisKnupp STIF Index.

Benchmark Descriptions

Total Equity - A weighted average of the Dow Jones U.S. Total Stock Market Index and the MSCI All Country World IMI Index based on weights of the underlying investment manager allocations. As of September 1, 2023, the Total Equity Performance Benchmark was comprised of 33.8% DJ U.S. Total Stock Market Index and 66.2% MSCI ACWI IMI.

Fixed Income - The Barclays U.S. Universal Bond Index as of March 1, 2004.

Opportunistic/Alternatives - A custom benchmark consisting of 25% DJ/CS Event-Driven Index, 25% HFR Macro Index, and 50% South Timberland NCREIF Index until June 30, 2013; 60% HFRI Macro Index and 40% DJ/CS Event-Driven Index until July 31, 2015; 56% HFRI Macro Index, 38% DJ/CS Event-Driven Index, and 6% Russell 2000 Index until March 31, 2016; 45% HFRI Macro Index, 30% DJ/CS Event-Driven Index, 5% Russell 2000 Index, and 20% Citigroup 3 Month T-bill until May 31, 2016; 37% HFRI Macro Index, 25% DJ/CS Event-Driven Index, 5% Russell 2000 Index, and 33% Citigroup 3 Month T-bill until May 31, 2017; 28% HFRI Macro Index, 20% DJ/CS Event-Driven Index, 4% Russell 2000 Index, 25% Citigroup 3 Month T-bill, and 23% Parametric Performance Benchmark thereafter.

Real Assets - A custom benchmark consisting of a weighted average of the net asset values at previous month's end of the sub-categories' benchmarks, defined as Real Estate Benchmark, Timber Benchmark, Agriculture Benchmark and Infrastructure Benchmark.

Real Estate- NFI-ODCE - NCREIF Fund Index Open-end Diversified Core Equity Index is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy; underlying funds are leveraged with gross and net returns available.

Timber Property Benchmark - NCREIF Timberland Property Index (NTPI) weighted according to ATRS' regional exposure based on net asset value.

Agriculture Benchmark - NCREIF Farmland Index (NFI) weighted according to ATRS' regional and crop type exposure based on net asset value.

Infrastructure Benchmark - Consumer Price Index (CPI) plus 500 basis points annually.

Private Equity - The Dow Jones U.S. Total Stock Market Index + a 2% premium per year.

Cash Equivalents - The Citigroup 90 day T-bill.

Benchmark Descriptions

BlackRock Performance Benchmark - The Barclays Universal Bond Index as of March 1, 2004. Previously it was the Barclays Aggregate Bond Index.

Jacobs Levy Performance Benchmark - On January 1, 2008, the benchmark for the portfolio was changed to the Russell 3000 Index. Prior to January 1, 2008, the portfolio benchmark was the Russell 1000 Growth Index.

Loomis Sayles Performance Benchmark - An Index that splices 65% of the Barclays Government/Credit Index and 35% Barclays High Yield Index.

Voya U.S. Convertibles Performance Benchmark - On January 1, 2005, the benchmark for the portfolio was changed to the Merrill Lynch Convertible Bond (All Quality) Index. Prior to January 1, 2005, the performance benchmark for the Voya U.S. Convertibles portfolio was the CSFB Convertible Securities Index. Prior to May 1, 2004, the performance benchmark consisted of 90% CSFB Convertible Securities Index and 10% Salomon High Yield Index.

Parametric Performance Benchmark - 50% MSCI All Country World Index (net) and 50% Citigroup 90 day T-Bill Index as of June 1, 2017.

Wellington Global Performance Benchmark - As of July 1, 2012 the benchmark was changed to MSCI All Country World Small Cap Index. Prior to July 1, 2012, the benchmark was MSCI All Country World Small/Mid Cap Index.

Voya Absolute Return Performance Benchmark - As of December 1, 2015 the benchmark was changed to MSCI All Country World Index. Prior to December 1, 2015, the benchmark was the S&P 500 Stock Index.

Barclays Aggregate Bond Index - A market-value weighted index consisting of the Barclays Corporate, Government and Mortgage-Backed Securities Indices. The Index also includes credit card-, auto- and home equity loan-backed securities, and is the broadest available measure of the aggregate U.S. fixed income market.

Barclays Government/Credit Index - The Barclays Government/Credit Index measures the investment return of all medium and larger public issues of U.S. Treasury, agency, investment-grade corporate, and investment-grade international dollar-denominated bonds.

Barclays High Yield Index - The Barclays High Yield Index covers the universe of fixed rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

Barclays U.S. Universal Bond Index - A market-value weighted index consisting of the components of the Barclays Aggregate Bond Index, plus EuroDollar bonds, emerging markets bonds, 144A fixed income securities, and U.S. corporate high yield securities.

Benchmark Descriptions

Barclays Mortgage Index - A market value-weighted index consisting of the mortgage pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC).

Citigroup 90 day T-bill Index - Treasury bill rates of return, as reported by Citigroup (Salomon Smith Barney), for bills with a maximum time remaining to maturity of 90 days.

Dow Jones U.S. Total Stock Market Index - A capitalization-weighted stock index representing all U.S. common stocks traded regularly on the organized exchanges. The Index is the broadest measure of the aggregate U.S. stock market.

FTSE Europe - A tradable index, designed to represent the performance of the 100 most highly capitalized blue chip companies in Europe.

Merrill Lynch Convertible Bond (All Quality) Index - The Merrill Lynch All Convertibles All Qualities Index is a widely used index that measures convertible securities' performance. It measures the performance of U.S. dollar-denominated convertible securities not currently in bankruptcy with a total market value greater than \$50 million at issuance.

MSCI All Country World ex-U.S. Index - A capitalization-weighted index consisting of 22 developed and 23 emerging countries, but excluding the U.S. Covers approximately 85% of global equity opportunity set outside of the U.S.

MSCI All Country World Index - A capitalization-weighted index of stocks representing 46 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America.

MSCI All Country World IMI Index - A capitalization-weighted index representing large and small cap stock from 46 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America.

MSCI Europe, Australasia, Far East (EAFE) Non-U.S. Stock Index - A capitalization-weighted index of stocks representing 21 developed and emerging country markets in Europe, Australia, Asia and the Far East.

MSCI World Index - A capitalization-weighted index of stocks representing 22 developed stock markets in Europe, Asia and Canada.

NFI-ODCE Index - NCREIF Fund Index Open-end Diversified Core Equity Index is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy; underlying funds are leveraged with gross and net returns available

DJ/CS Event-Driven Index - Event driven funds typically invest in various asset classes and seek to profit from potential mispricing of securities related to a specific corporate or market event. Such events can include: mergers, bankruptcies, financial or operational stress, restructurings, asset sales, recapitalizations, spin-offs, litigation, regulatory and legislative changes as well as other types of corporate events. Event driven funds can invest in equities, fixed income instruments (investment grade, high yield, bank debt, convertible debt and distressed), options and various other derivatives. Many event driven fund managers use a combination of strategies and adjust exposures based on the opportunity sets in each subsector.

Benchmark Descriptions

LIBOR Index - London Interbank Offered Rate. A filtered average of the world's most creditworthy banks' interbank deposit rates with maturities between overnight and one full year.

Russell 3000 Index - An index that measures the performance of the 3,000 stocks that make up the Russell 1000 and Russell 2000 Indices.

Russell 1000 Index - An index that measures the performance of the largest 1,000 stocks contained in the Russell 3000 Index.

Russell 1000 Value Index - An index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

Russell 2000 Index - An index that measures the performance of the smallest 2,000 companies contained in the Russell 3000 Index.

Russell 2000 Growth Index - An index that measures the performance of those Russell 2000 companies with greater price-to-book ratios and greater I/B/E/S growth forecasts.

Russell 2000 Value Index - An index that measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

Russell Mid Cap Value Index - An index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Stock Index - A capitalization-weighted stock index consisting of the 500 largest publicly traded U.S. stocks.

South Timberland Index - The largest regional subindex of the NCREIF Timberland Index, consisting of timberland properties held in the U.S. South. This includes close to 300 properties with more than 10 million cumulative acres of timberland in the following states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. Calculations are based on quarterly returns at the individual property level. Performance is reported on an all-cash, unlevered basis, gross of investment management fees.

HFR Macro Index - Macro: Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Primary investment thesis is predicated on predicted or future movements in the underlying instruments.

HFR Distressed/Restructuring Index - Distressed Restructuring Strategies employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings. Distressed Strategies employ primarily debt (greater than 60%) but also may maintain related equity exposure. Hedge Fund Research, Inc. (HFR) utilizes a UCITSIII compliant methodology to construct the HFR Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe.

Arkansas Teacher Retirement System

Historical U.S. Equity and Global Equity composite returns

As of June 30, 2015	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
U.S. Equity	6.7	18.1	16.4	9.4	10.5	04/01/1988
Dow Jones U.S. Total Stock Market Index	7.2	17.6	17.5	8.3	-	
Global Equity	1.8	14.6	12.1	-	2.5	11/01/2007
MSCI AC World Index (Net)	0.7	13.0	11.9	6.4	2.1	

In June 2015, the ATRS Board approved the combination of the U.S. and Global equity asset classes to a single Total Equity asset class. Total Equity performance reporting began in July 2015. In the table above, we show the historical returns for the U.S. Equity and Global Equity asset classes since inception through June 2015. Performance for the Total Equity asset class prior to July 2015 represents a weighted average of the U.S. Equity and Global Equity historical performance.

Index Definitions

Name	Description
Bloomberg U.S. Corporate High Yield Bond Index	An index that covers the USD-dominated, non-investment grade, fixed rate, taxable corporate bond market. Debt issues from emerging market countries are excluded. Securities are classified as high-yield if the middle rating is Ba1/BB+ or below.
Bloomberg Emerging Markets Index	An unmanaged index that tracks total returns for external-currency-denominated debt instruments of the emerging markets.
Bloomberg Global Aggregate	Provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.
Bloomberg Global Treasury Ex-US	The Global Treasury ex US Index is a subset of the flagship Global Treasury Index that does not have any exposure to US debt. This multi-currency benchmark includes investment grade, fixed-rate bonds issued by governments in their native currencies.
Bloomberg Universal Index	A market value-weighted index which is the union of the U.S. Aggregate Index, U.S. High Yield Corporate Index, Eurodollar Index, U.S. Emerging Markets Index and the CMBS High Yield Index. The Index is appropriate for core plus fixed income mandates.
Bloomberg U.S. Government Index	A market value weighted index of U.S. government and government agency securities (other than mortgage securities) with maturities of one year or more.
Bloomberg U.S. Government/Credit Index	A subcomponent of the Capital Aggregate Index, this benchmark includes treasury securities, government related issues, and high-quality corporate bonds with an outstanding par value of \$250 million or greater and at least one year of maturity remaining.
Bloomberg U.S. High Yield Index	An index composed of non-investment grade corporate debt denominated in U.S. dollars. The issues have to have an outstanding par value of \$150 million or greater and at least one year of maturity remaining.
Bloomberg U.S. Inflation Index	Measures the performance of the U.S. Treasury Inflation Protected Securities ("TIPS") market.
Bloomberg U.S. Intermediate Aggregate Bond Index	A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater
Bloomberg U.S. Intermediate Government/Credit Index	A market-value weighted index consisting of government bonds and SEC-registered corporate bonds with one to ten years to maturity and an outstanding par value of \$150 million or greater.
Bloomberg U.S. Intermediate Government Bond Index	An unmanaged index considered representative of intermediate- term fixed-income obligations issued by the U.S. treasury, government agencies and quasi-federal corporations.

Index Definitions

Name	Description
Bloomberg U.S. Intermediate Treasury	An unmanaged index considered representative of intermediate-term fixed- income obligations issued by the U.S. treasury.
Bloomberg U.S. Aggregate Bond Index	A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$250 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.
Bloomberg U.S. Long Credit Bond Index	An unmanaged index considered representative of long-term fixed-income obligations issued by U.S. corporate, specified foreign debentures, and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.
Bloomberg U.S. Long Government/Credit Index	The Capital U.S. Government/ Credit Bond Index measures performance of U.S. dollar denominated U.S. treasuries, government-related, and investment grade U.S. corporate securities that have a remaining maturity of greater than or equal to 1 year. In addition, the securities have \$250 million or more of outstanding face value, and must be fixed rate and non-convertible.
Bloomberg U.S. Long-Term Government Bond Index	An unmanaged index considered representative of long-term fixed- income obligations issued by the U.S. treasury, government agencies and quasi-federal corporations.
Bloomberg U.S. TIPS	A market value-weighted index consisting of U.S. Treasury Inflation Protected Securities with one or more years remaining until maturity with total outstanding issue size of \$500m or more.
Bloomberg U.S. Treasury 20-30 Year STRIPS Index	A subcomponent of the Aggregate Index, this benchmark includes long-term treasury STRIPS.
Bloomberg Commodity Index	Consists of 22 exchange-traded futures on physical commodities, which are weighted to account for economic significance and market liquidity. Performance is calculated on an excess return basis and reflects commodity future price movements.
BofA Merrill Lynch 3 Month Treasury Bill	An index that measures the average return of the last three-month U.S. Treasury Bill issues .
BofA Merrill Lynch High Yield Master	A market capitalization-weighted index that tracks the performance of U.S. dollar- denominated, below investment grade corporate debt publicly issued in the U.S. domestic market.

Index Definitions

Name	Description
Citigroup 90-Day T-Bill Index	An index that measures the average return of the last three-month U.S. Treasury Bill issues
CRSP US Large Growth Cap Index	An index comprised of nearly 330 US large cap growth companies and includes securities traded on NYSE, NYSEMarket, NASDAQ, or ARCA, representing nearly 45% of the U.S. investable equity market. The index is reconstituted quarterly after the market close on the third Fridays of March, June, September, and December. CRSP classifies growth securities using the following factors: future long-term growth in earnings per share (EPS), future short-term growth in EPS, 3-year historical growth in EPS, 3-year historical growth in sales per share, current investment-to-assets ratio, and return on assets.
CRSP US Total Market Index	An index comprised of nearly 4,000 constituents across mega, large, small, and micro capitalizations and includes securities traded on NYSE, NYSE Market, NASDAQ, or ARCA, representing nearly 100% of the U.S. investable equity market. The index is reconstituted quarterly after the market close on the third Fridays of March, June, September, and December.
Credit Suisse Leveraged Loan Index	Designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market.
DJ U.S. Completion Total Stock Market Index	A capitalization-weighted index that consists of the stocks in the Dow Jones U.S. Total Stock Market Index less the stocks in the S&P 500 Stock Index.
DJ U.S. Total Stock Market Index	A capitalization-weighted stock index representing all domestic common stocks traded regularly on the organized exchanges. The index is the broadest measure of the aggregate domestic stock market and includes approximately 5,000 stocks.
FTSE 4Good U.S. Select Index	A socially responsible investment (SRI) index of US stocks that excludes companies with certain business activities such as weapons, tobacco, gambling, alcohol, nuclear power, and adult entertainment
FTSE All-World ex-U.S. Index	A capitalization-weighted stock index representing 46 developed market countries and emerging market countries excluding the U.S.
FTSE EPRA NAREIT Global ex-U.S. Index	Designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate.
FTSE Global All Cap ex US Index	A market-capitalization weighted index representing the performance of roughly 5350 large, mid and small cap companies in 46 Developed and Emerging markets worldwide, excluding the USA.
FTSE Global Core Infrastructure Index	Represents the performance of infrastructure and infrastructure-related securities companies in a set of industries that FTSE defines as being involved in infrastructure. The series is based on the FTSE Global Equity Index Series and both developed and emerging markets are included.

Index Definitions

Name	Description
FTSE NAREIT U.S. Equity REITS	Free float adjusted, market capitalization weighted index of US based equity real estate investment trusts (REITs).
Goldman Sachs Commodity Index	A composite index of commodity sector returns which represents a broadly diversified, unleveraged, long-only position in commodity futures.
HFR Fund-of-Fund Index.	This index is equity-weighted including 800 constituents. It includes both domestic and offshore accounts and is valued in U.S. dollars. Only fund-of-fund products are included in the index that have at least \$50 million under managements and have been actively trading for at least one year. All funds report net returns on a monthly basis.
HFRI Fund Weighted Composite Index	The HFRI Fund Weighted Composite Index is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
Hueler Stable Value Index	The Hueler Analytics Stable Value Pooled Fund Comparative Universe represents investment strategies of \$96 billion in stable value assets, across 24 pooled funds, invested in contracts universe across a universe of 16 general account issuers and 14 synthetic wrap providers. The allocation of pooled fund assets is dominated by synthetic contracts issued by insurance companies and banks.
J.P. Morgan EMBI Global Diversified	Comprised of dollar-denominated Brady bonds, traded loans and Eurobonds issued by emerging market sovereign and quasi-sovereign entities. The Diversified version limits the weights of the index countries by only including a specified portion of those countries' eligible current face amounts of debt outstanding, providing for a more even distribution of weights within the countries in the index.
iMoneyNet All Taxable Money Funds Index	An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.
iMoneyNet Money Fund Average.	An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.
MSCI All Country World ex-U.S. Index	A capitalization-weighted index of stocks representing 44 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America. Index consists of 23 developed and 21 emerging countries, but excludes the U.S.
MSCI All Country World ex-U.S. Index IMI-.	A capitalization-weighted index of large, mid and small cap stocks representing 22 developed (excluding the United States) and 24 emerging market countries. The index is the broadest measure of the aggregate non-US stock market, covering approximately 99% of the global equity investment opportunity set outside of the United States.

Index Definitions

Name	Description
MSCI All Country World ex-U.S. Small Cap Index	Covers all investable small cap securities with a market capitalization below that of the companies in the MSCI Standard Indices (excluding U.S.), and target approximately 14% of each market's free-float adjusted market capitalization.
MSCI All Country World Index IMI	A capitalization-weighted index of large, mid and small cap stocks representing 23 developed and 24 emerging market countries. The index is the broadest measure of the aggregate global stock market, covering approximately 99% of the global equity investment opportunity set.
MSCI All Country World Index	A capitalization-weighted index of stocks representing 46 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America.
MSCI EAFE Growth Index	A capitalization-weighted index of 21 stock markets in Europe, Australia, Asia and the Far East designed to capture the growth-oriented companies.
MSCI EAFE Small Cap Index	A capitalization-weighted index of small cap stocks representing 23 developed country markets in Europe, Australia, Asia, and the Far East.
MSCI EAFE Value Index	A capitalization-weighted index of 21 stock markets in Europe, Australia, Asia and the Far East designed to capture the value-oriented companies.
MSCI Emerging Markets Index	A capitalization-weighted index of stocks representing 22 emerging country markets.
MSCI U.S. Broad Market Index	A capitalization-weighted stock index that aggregates the MSCI U.S. Large Cap 300, Mid Cap 450, Small Cap 1,750 and Micro-Cap Indices. This index represents approximately 99.5% of the capitalization of the U.S. Equity market and includes approximately 3,562 companies.
MSCI U.S. REIT Index	A broad index that fairly represents the equity REIT opportunity set with proper invest ability screens to ensure that the index is investable and replicable. The index represents approximately 85% of the U.S. REIT universe
MSCI World Index	A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, representing 24 developed market country indices.
NCREIF Property Index	NCREIF Property Index - A capitalization-weighted index of privately owned investment grade income-producing properties representing approximately \$269 billion in assets.

Index Definitions

Name	Description
NFI ODCE Index	NFI ODCE Index - A capitalization weighted index comprised of open-end, Core funds investing in commercial real estate properties. The funds that constitute the index are subject to certain geographic and property type diversification requirements as well as leverage restrictions. The index reflects the impact of leverage on investment results. The returns shown in this report are net of management fees of the respective funds included in the index.
Rolling 3-year Constant Maturity Treasury Index	An index published by the Federal Reserve Board based on the monthly average yield of a range of Treasury securities, all adjusted to the equivalent of a three-year maturity.
Russell 1000 Growth Index	An index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher I/B/E/S growth forecasts.
Russell 1000 Index	A capitalization-weighted index of the 1,000 largest publicly traded U.S. stocks by capitalization.
Russell 1000 Value Index.	An index that measures the performance of those stocks included in the Russell 1000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
Russell 2000 Growth Index	A capitalization-weighted index of those stocks in the Russell 2000 Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
Russell 2000 Index	A capitalization-weighted index of the smallest 2,000 stocks in the Russell 3000 Index. The index excludes the largest- and smallest-capitalization issues in the domestic stock market.
Russell 2000 Value Index	An index that measures the performance of those stocks included in the Russell 2000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
Russell 2500 Growth Index	A capitalization-weighted index representing those companies within the Russell 2500 Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
Russell 2500 Index	The Index is constructed by first identifying the 3,000 largest-capitalization U.S. stocks and ranking them by market capitalizations, choosing the bottom 2,500 names on the list.
Russell 2500 Value Index.	an index that measures the performance of those stocks included in the Russell 2500 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.

Index Definitions

Name	Description
Russell 3000 Growth Index	A capitalization-weighted index consisting of those Russell 3000 Index stocks that have higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
Russell 3000 Index	A capitalization-weighted index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.
Russell 3000 Value Index	A capitalization-weighted index consisting of those Russell 3000 Index stocks that have lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
Russell Mid Cap Growth Index	A capitalization-weighted index representing those stocks in the Russell MidCap Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
Russell Mid Cap Value Index	A capitalization-weighted index consisting of those Russell MidCap Index stocks that have lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
S&P 500 Index	A capitalization-weighted index representing stocks chosen by Standard & Poor's, Inc. for their size, liquidity, stability and industry group representation. The companies in the S&P 500 Index are generally among the largest in their industries.
S&P Completion Index	The S&P Completion Index is a sub-index of the S&P Total Market Index, including all stocks eligible for the S&P TMI and excluding all current constituents of the S&P 500. The index covers approximately 4,000 constituents, offering investors broad exposure to mid, small, and micro-cap companies.
S&P GSCI®	Both the first major investable commodity index and one of the most widely recognized benchmarks, the S&P GSCI® is broad-based, production weighted, and meant to be representative of the global commodity market beta.
S&P Leverage Loan Index	A daily total return index that uses LSTA/LPC Mark-to-Market Pricing to calculate market value change.
S&P Midcap 400 Index	A market-capitalization-weighted index of stocks in all major industries in the mid-range of the U.S. stock market.
Wilshire REIT	A measure of the types of U.S. real estate securities that represent the ownership and operation of commercial or residential real estate. To be included in the index, a company must have a market capitalization of \$200 million and have at least 75% of the total revenue derived from the ownership and operation of the real estate assets.

- Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect our fees or expenses.
- Past performance is no guarantee of future results.

Thought Leadership Highlights

Public Funds

Topic	Article	Link
Aon United	SECURE 2.0	Link
Market View	Quarterly Market Review and Outlook Video (access code 'aon!')	Link to Article Link to Video
P&I Conference	Video Public Funds in 2023: Challenges and Opportunities	Link to Video
Quarterly Themes	Key Themes for Public Funds in 2023 (4-minute video, access code 'aon!')	Link to Video
Asset Allocation	How Public Pensions Should Assess Illiquidity from Alts: 3 Questions with Eric Friedman & John Sullivan	Link
	Global Equity	Link
	Client Video: U.S. vs non-U.S. Equity (access code 'aon!')	Link to Video
	The Strength of the U.S. Equity Market and its Impact on Equity Allocations	Link
	White Paper: Why Diversify?	Link
	Managing Through Today's Environment for Illiquid Assets: 3 Questions with Eric Friedman	Link
	White Paper: Impact Investing is Hard: Here's How to Do It Well	Link
Strategy Review	Aon's Environmental Social and Governance (ESG) Manager Ratings: 3 Questions With Daniel Ingram	Link
	Diverse Manager Initiatives: Three Questions for Institutional Investors	Link
	Why Securities Lending is Right, Now	Link
	The 'Case' for Litigation Finance	Link
	Private Credit: 3 Questions with Galina Kalcheva	Link
	Private Credit 101 (access code 'aon!')	Link to Video
	Conviction in Equity: 4 Questions	Link
	Conviction in Equity Investing Revisited	Link

If you do not get Aon Investments' monthly email newsletter, but would like to, please ask your consultant.

Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.

Disclaimer

Past performance is not necessarily indicative of future results.

Unless otherwise noted, performance returns presented reflect the respective fund's performance as indicated. Returns may be presented on a before-fees basis (gross) or after-fees basis (net). After-fee performance is net of each respective sub-advisors' investment management fees and include the reinvestment of dividends and interest as indicated on the notes page within this report or on the asset allocation and performance summary pages. Actual returns may be reduced by Aon Investments' investment advisory fees or other trust payable expenses you may incur as a client. Aon Investments' advisory fees are described in Form ADV Part 2A. Portfolio performance, characteristics and volatility also may differ from the benchmark(s) shown.

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Aon Investments USA Inc.
200 East Randolph Street
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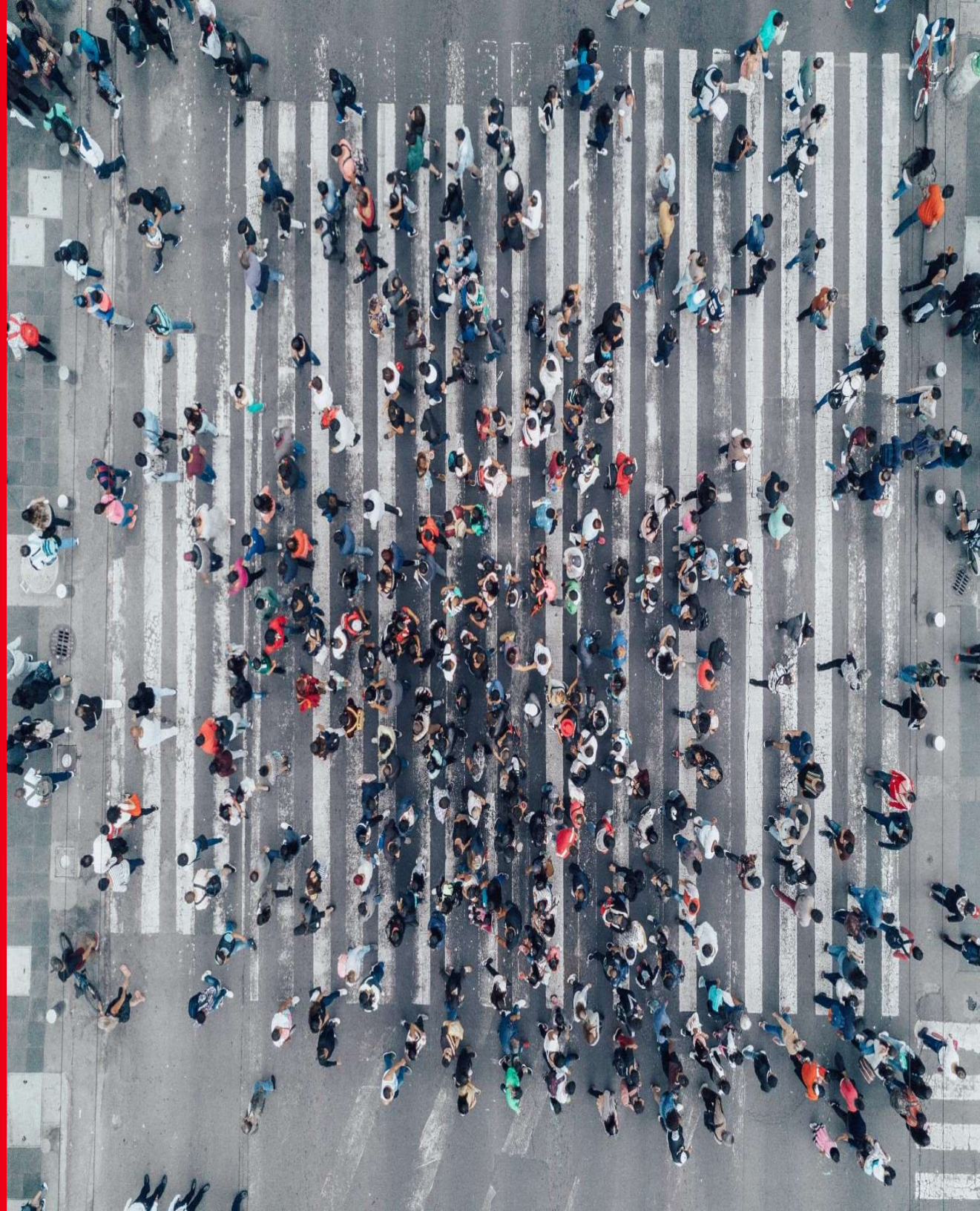
Monthly Investment Review

Arkansas Teacher Retirement System |
October 31, 2023

All information presented in this report should be considered preliminary.
Finalized data will be available on the next Quarterly Investment Report after the close of the quarter.

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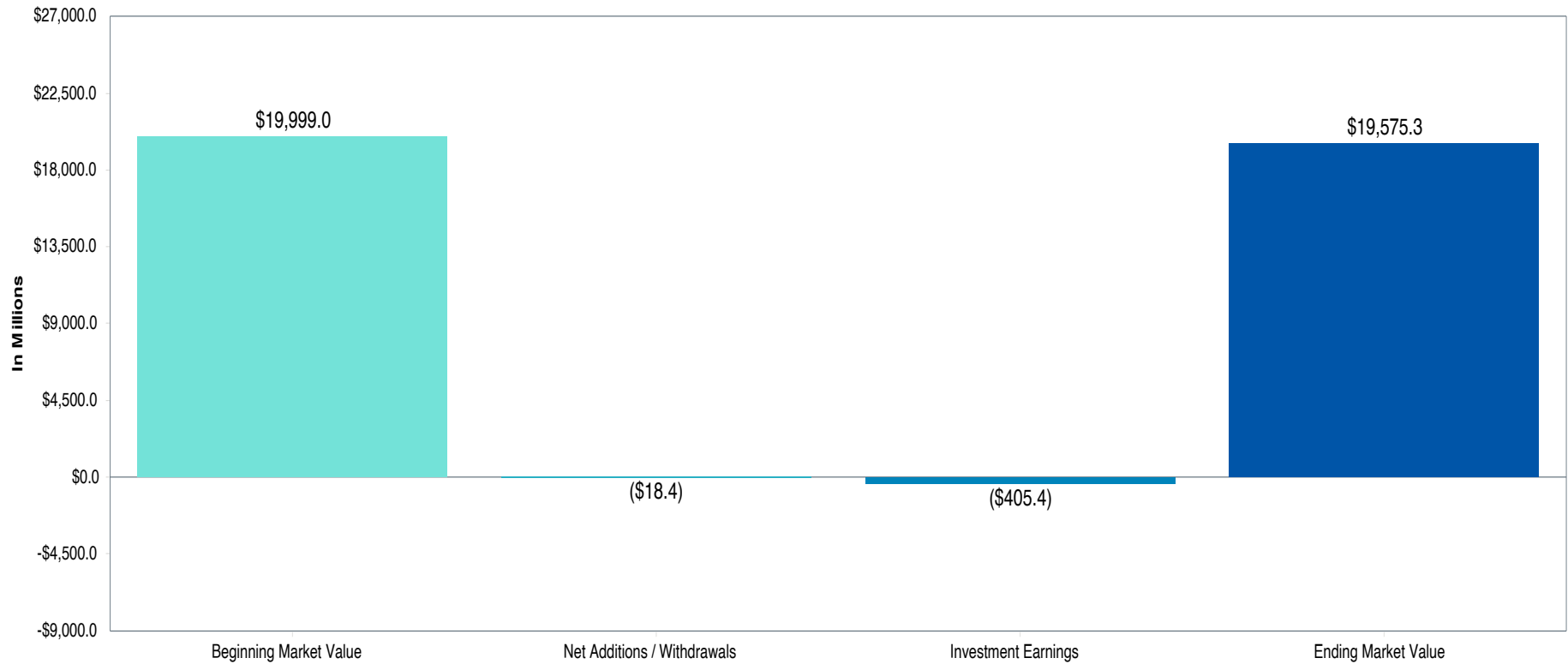
Asset Allocation & Performance

Market Environment

	Performance %						
	1 Month	Year to Date	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
Dow Jones U.S. Total Stock Market Index	-2.7	9.4	-5.9	8.4	9.1	10.1	10.4
S&P 500 Index	-2.1	10.7	-5.3	10.1	10.4	11.0	11.2
Russell 1000 Index	-2.4	10.3	-5.5	9.5	9.5	10.7	10.9
Russell 1000 Value Index	-3.5	-1.8	-6.6	0.1	10.2	6.6	7.6
Russell 1000 Growth Index	-1.4	23.2	-4.5	19.0	8.7	14.2	13.8
Russell 2000 Index	-6.8	-4.5	-11.6	-8.6	3.9	3.3	5.6
Russell 2000 Value Index	-6.0	-6.5	-8.7	-9.9	9.7	3.3	5.2
Russell 2000 Growth Index	-7.7	-2.9	-14.5	-7.6	-1.8	2.7	5.7
MSCI AC World IMI (Net)	-3.3	5.7	-6.6	9.4	6.5	7.1	6.6
MSCI AC World ex USA IMI (Net)	-4.3	0.7	-7.7	11.6	3.0	3.5	2.7
MSCI EAFE Index (Net)	-4.1	2.7	-8.0	14.4	5.7	4.1	3.1
MSCI Emerging Markets Index (Net)	-3.9	-2.1	-6.7	10.8	-3.7	1.6	1.2
BImbg. U.S. Universal Index	-1.5	-2.1	-4.3	1.2	-5.0	0.2	1.2
BImbg. U.S. Aggregate	-1.6	-2.8	-4.8	0.4	-5.6	-0.1	0.9
BImbg. U.S. Government	-1.2	-2.6	-4.1	-0.5	-5.8	-0.2	0.5
BImbg. Barc. Credit Bond Index	-1.8	-1.7	-4.7	2.7	-5.3	0.8	1.8
BImbg. U.S. Mortgage Backed Securities	-2.1	-4.3	-6.0	-0.8	-5.7	-1.1	0.3
BImbg. U.S. Corp: High Yield	-1.2	4.6	-0.7	6.2	1.2	3.1	3.9
Citigroup 90-Day T-Bill	0.5	4.3	1.9	4.9	1.9	1.8	1.2

Total Plan Asset Summary

As of October 31, 2023



Summary of Cash Flows

	1 Month	Year to Date	Fiscal YTD	1 Year
Total Fund				
Beginning Market Value	19,999,048,353	19,774,984,699	20,745,857,372	19,577,199,609
+ Additions / Withdrawals	-18,381,294	-735,156,173	-350,810,204	-828,511,298
+ Investment Earnings	-405,379,398	535,459,134	-819,759,507	826,599,350
= Ending Market Value	19,575,287,660	19,575,287,660	19,575,287,660	19,575,287,660

Asset Allocation & Performance

As of October 31, 2023

	Allocation			Performance %								
	Market Value \$ (\$)	%	Policy %	1 Month	Year to Date	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Fund*	19,575,287,660	100.0	100.0	-2.0	2.5	-4.1	4.0	7.5	7.0	7.5	8.2	04/01/1986
<i>Performance Benchmark</i>				-2.0	6.4	-3.2	6.5	6.4	7.3	7.4	8.3	
Total Equity	10,200,589,504	52.1	54.8	-3.5	4.5	-6.4	6.8	8.6	7.3	7.5	7.1	07/01/2015
<i>Total Equity Performance Benchmark</i>				-3.1	6.9	-6.4	9.0	7.3	8.0	8.0	7.8	
Fixed Income	2,784,141,402	14.2	15.0	-1.3	-1.1	-3.1	1.2	-2.6	1.2	2.1	4.7	07/01/1992
<i>Performance Benchmark</i>				-1.5	-2.1	-4.3	1.2	-5.0	0.2	1.2	4.6	
Opportunistic/Alternatives	1,046,050,287	5.3	5.2	0.3	7.8	2.7	7.4	6.5	3.0	3.3	3.6	05/01/2011
<i>Custom Alternatives Benchmark</i>				-0.5	4.5	0.8	4.0	5.3	3.5	2.5	2.3	
Real Assets	2,587,364,112	13.2	12.9									
Real Estate	1,523,451,009	7.8										
Timber	338,166,356	1.7										
Agriculture	238,062,498	1.2										
Infrastructure	487,684,249	2.5										
Private Equity	2,910,061,877	14.9	12.0									
Cash	47,080,478	0.2	0.0									

*Preliminary Results

*Policy % is the interim target used for benchmarking purposes. See page 17 for long-term targets. Beginning July 1, 2013, an updated Investment Policy was adopted which includes the new Real Assets category, which includes Real Estate, Timber, Agriculture and Infrastructure.

*Real Assets and Private Equity are valued on a quarterly basis and reported on a quarter lag. Market values have been adjusted for the current month's cash flows. Updated results for these portfolios are not yet available and will be included in the quarterly performance report.

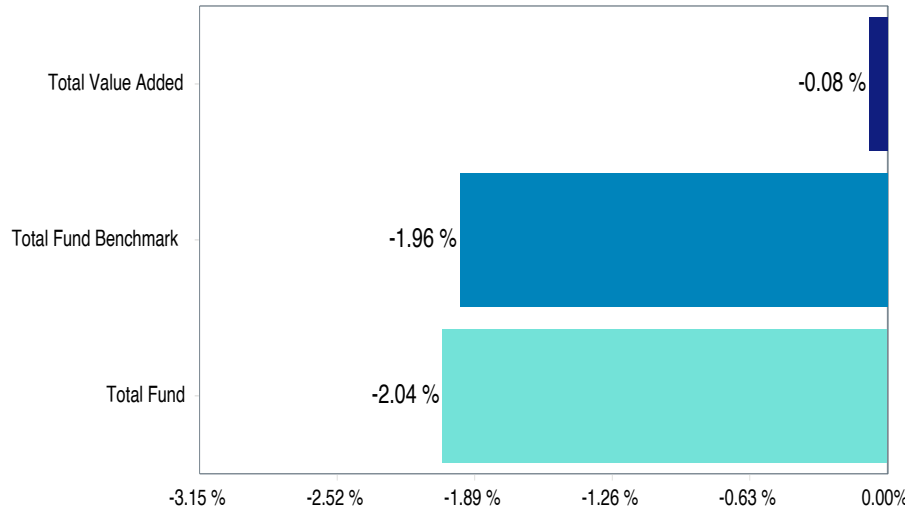
*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 21 of this report.

*Includes investment gains from Allianz litigation income received on 2/28/2022.

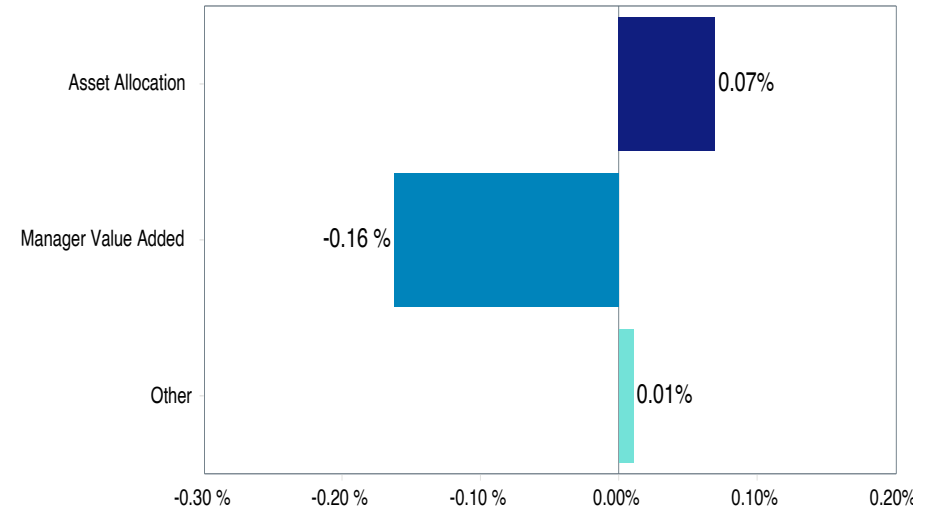
Total Fund Attribution

1 Month Ending October 31, 2023

Total Fund Performance

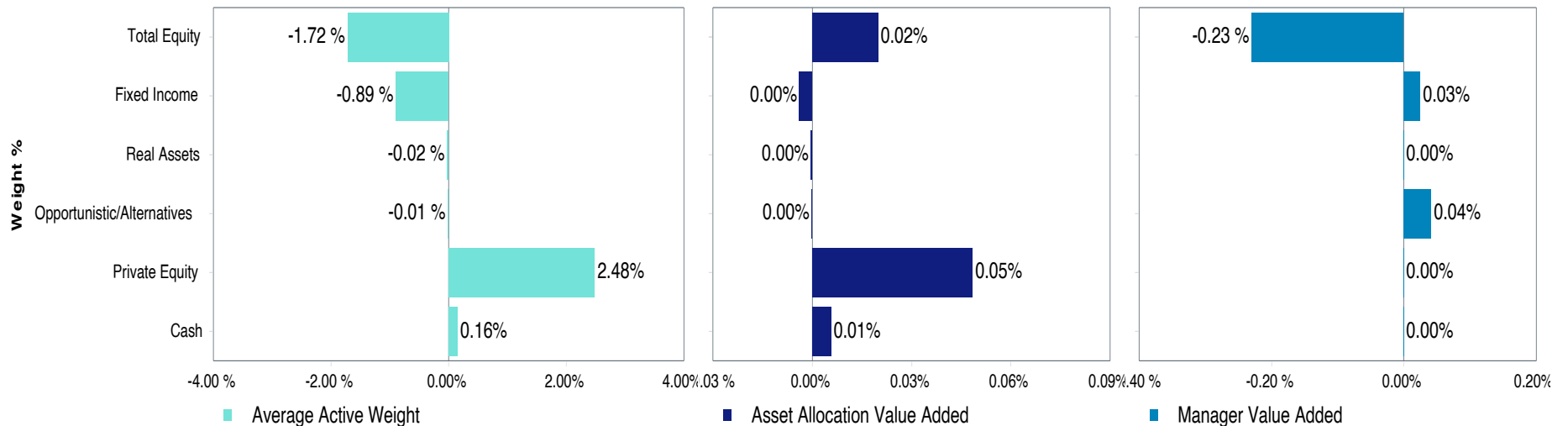


Total Value Added: -0.08 %



Total Asset Allocation: 0.07%

Total Manager Value Added: -0.16 %



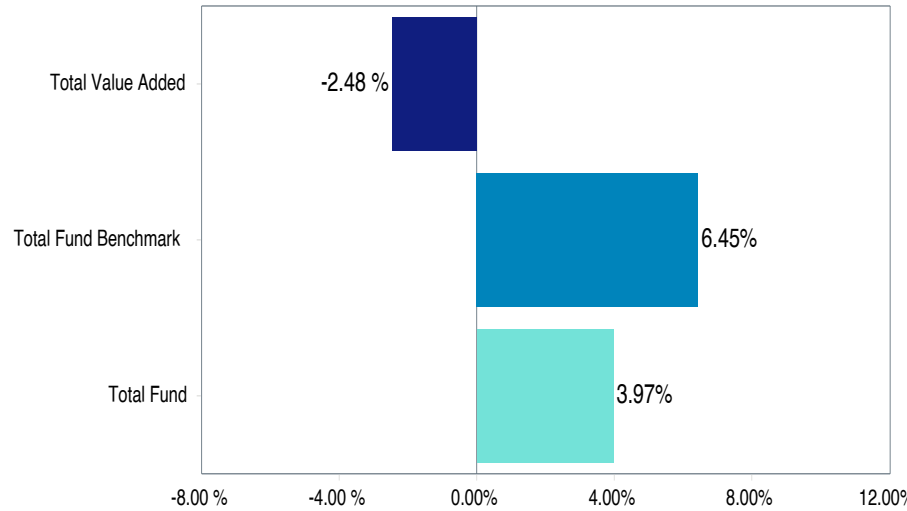
*Preliminary Results



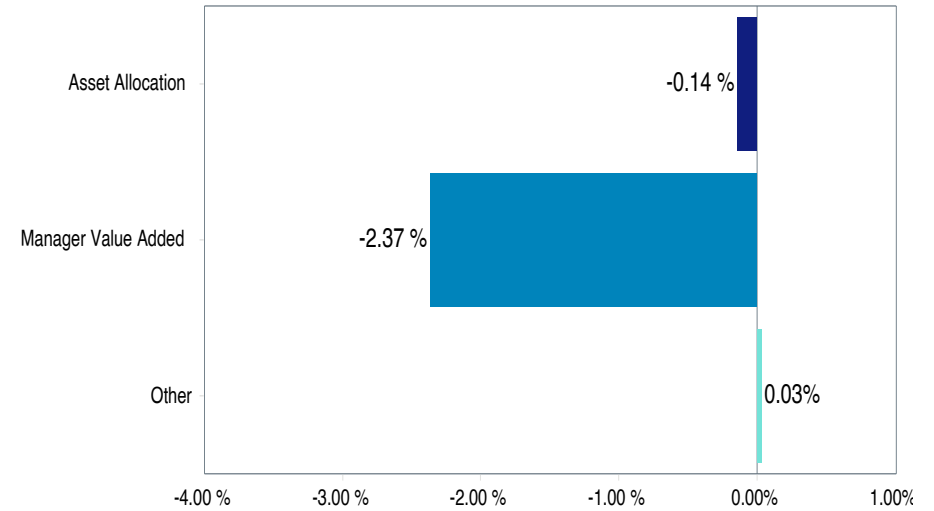
Total Fund Attribution

1 Year Ending October 31, 2023

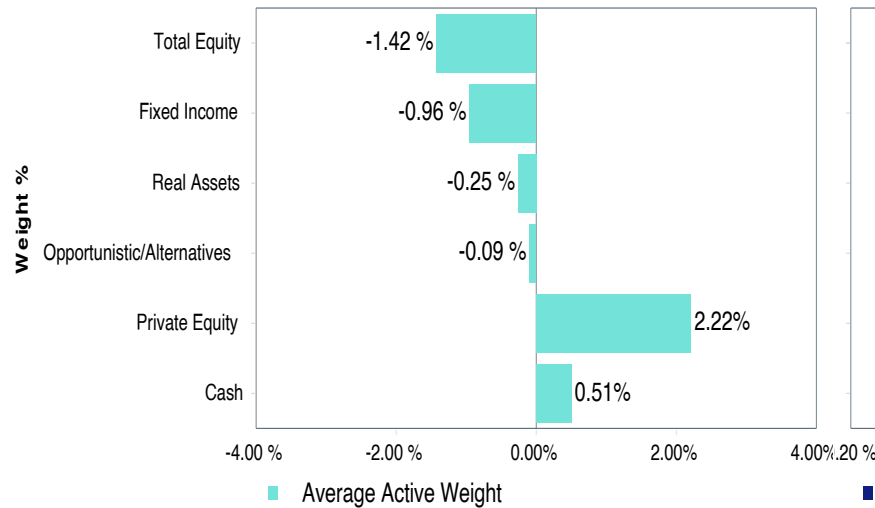
Total Fund Performance



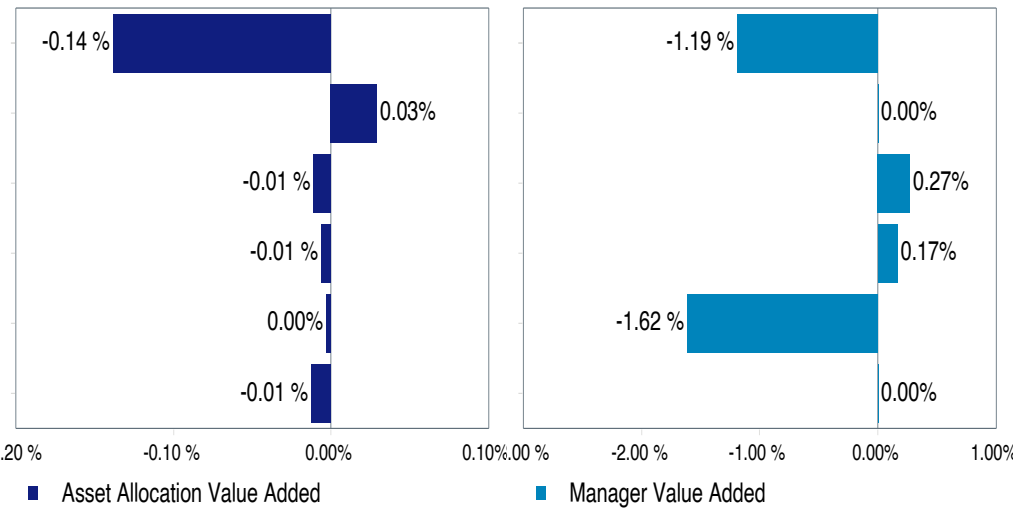
Total Value Added: -2.48 %



Total Asset Allocation: -0.14 %



Total Manager Value Added: -2.37 %



*Preliminary Results



Asset Allocation & Performance

As of October 31, 2023

	Allocation		Performance %								
	Market Value \$	%	1 Month	Fiscal YTD	Year to Date	1 Year	3 Years	5 Years	Since Inception	Inception Date	
Total Equity	10,200,589,504	100.0	-3.5	-6.4	4.5	6.8	8.6	7.3	7.1	07/01/2015	
<i>Total Equity Performance Benchmark</i>			-3.1	-6.4	6.9	9.0	7.3	8.0	7.8		
Jacobs Levy 130/30	1,199,291,140	11.8	-3.0	-2.8	8.8	6.7	23.5	15.7	11.8	01/01/2008	
<i>Russell 3000 Index</i>			-2.7	-5.8	9.4	8.4	9.2	10.2	8.8		
Kennedy Capital Management	532,714,373	5.2	-5.8	-9.8	-6.5	-8.7	10.7	4.9	11.0	01/01/1994	
<i>Russell 2000 Value Index</i>			-6.0	-8.7	-6.5	-9.9	9.7	3.3	8.6		
Stephens	510,535,103	5.0	-4.8	-9.5	1.0	-3.8	1.2	4.9	8.5	08/01/2006	
<i>Russell 2000 Growth Index</i>			-7.7	-14.5	-2.9	-7.6	-1.8	2.7	7.3		
Voya Absolute Return	740,582,533	7.3	-2.4	-5.2	9.5	12.4	7.9	7.7	9.4	10/01/2008	
<i>Performance Benchmark Voya Absolute Return</i>			-3.0	-6.3	6.7	10.5	6.7	7.5	9.2		
Voya U.S. Convertibles	859,670,189	8.4	-4.5	-8.2	-2.4	-3.4	1.0	10.2	9.7	12/01/1998	
<i>Performance Benchmark</i>			-4.4	-6.8	1.2	-0.5	1.8	8.7	7.6		
Pershing Square Holdings	252,795,946	2.5	-2.7	-1.9	3.4	9.6	10.9	21.4	7.7	01/01/2013	
<i>Dow Jones U.S. Total Stock Market Index</i>			-2.7	-5.9	9.4	8.4	9.1	10.1	12.0		
SSgA Global Index	1,137,895,335	11.2	-3.3	-6.6	5.9	9.6	6.7	7.5	6.1	04/01/2008	
<i>MSCI AC World IMI (Net)</i>			-3.3	-6.6	5.7	9.4	6.5	7.1	5.8		
BlackRock MSCI ACWI IMI Fund	1,024,810,330	10.0	-3.3	-6.5	6.2	9.9	6.8	7.4	7.4	07/01/2011	
<i>MSCI AC World IMI (Net)</i>			-3.3	-6.6	5.7	9.4	6.5	7.1	7.1		

*Preliminary Results

*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 21 of this report.

Asset Allocation & Performance

As of October 31, 2023

	Allocation		Performance %							
	Market Value \$	%	1 Month	Fiscal YTD	Year to Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Wellington Global Perspectives	571,079,989	5.6	-5.6	-9.3	-3.5	-1.0	7.5	4.8	10.9	07/01/2009
<i>Performance Benchmark</i>			-5.9	-9.2	-1.9	1.3	4.7	4.4	8.8	
T. Rowe Price Global Equity	1,152,882,150	11.3	-1.9	-6.5	9.8	12.6	2.0	11.4	12.0	08/01/2009
<i>MSCI AC World Index (Net)</i>			-3.0	-6.3	6.7	10.5	6.7	7.5	8.4	
<i>MSCI AC World Index Growth (Net)</i>			-2.6	-7.3	15.1	17.1	3.7	9.9	10.1	
Lazard	646,082,170	6.3	-4.4	-8.5	-1.3	9.7	-0.3	4.9	7.0	08/01/2009
<i>MSCI AC World Index (Net)</i>			-3.0	-6.3	6.7	10.5	6.7	7.5	8.4	
Harris Global Equity	588,167,165	5.8	-6.6	-9.0	5.1	11.1	10.5	6.9	5.4	06/01/2014
<i>MSCI World Index (Net)</i>			-2.9	-6.3	7.9	10.5	8.1	8.3	7.1	
<i>MSCI World Value (Net)</i>			-3.4	-5.2	-1.5	3.1	10.2	4.8	4.3	
Arrowstreet Global Equity - Alpha Extension Fund	821,133,224	8.0	-0.9	-1.2					5.8	04/01/2023
<i>MSCI AC World IMI (Net)</i>			-3.3	-6.6					-1.1	
Triam Partners	76,182,746	0.7	-4.4	-9.0	-2.6	6.0	2.2	5.0	5.4	11/01/2015
<i>S&P 500 Index</i>			-2.1	-5.3	10.7	10.1	10.4	11.0	11.2	
Triam Co-Investments	86,710,257	0.9	-1.8	-4.9	4.0	15.7	8.7	8.4	5.6	01/01/2017
<i>S&P 500 Index</i>			-2.1	-5.3	10.7	10.1	10.4	11.0	11.6	

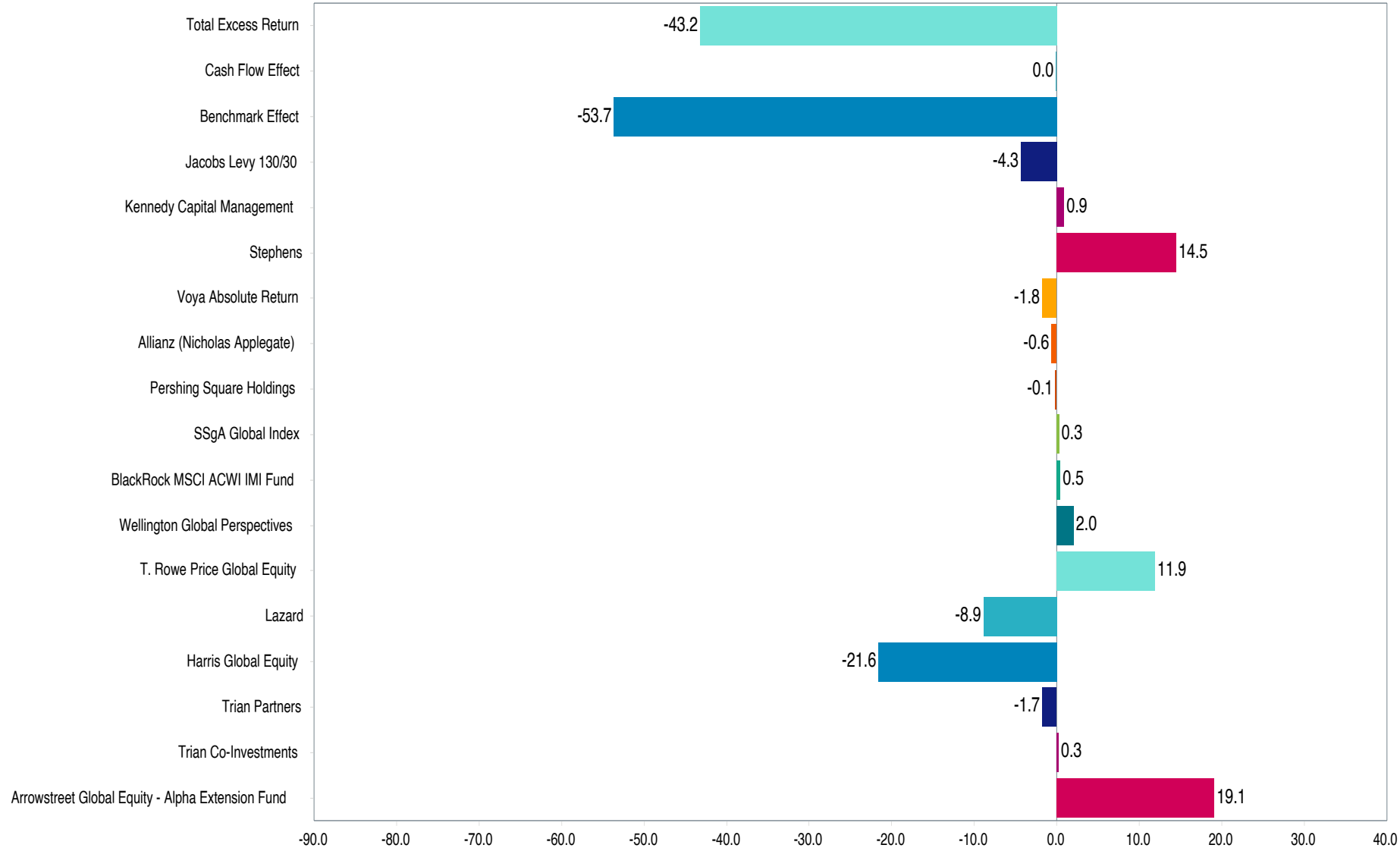
*Preliminary Results

*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 21 of this report.

Asset Class Attribution

1 Month Ending October 31, 2023

1 Month



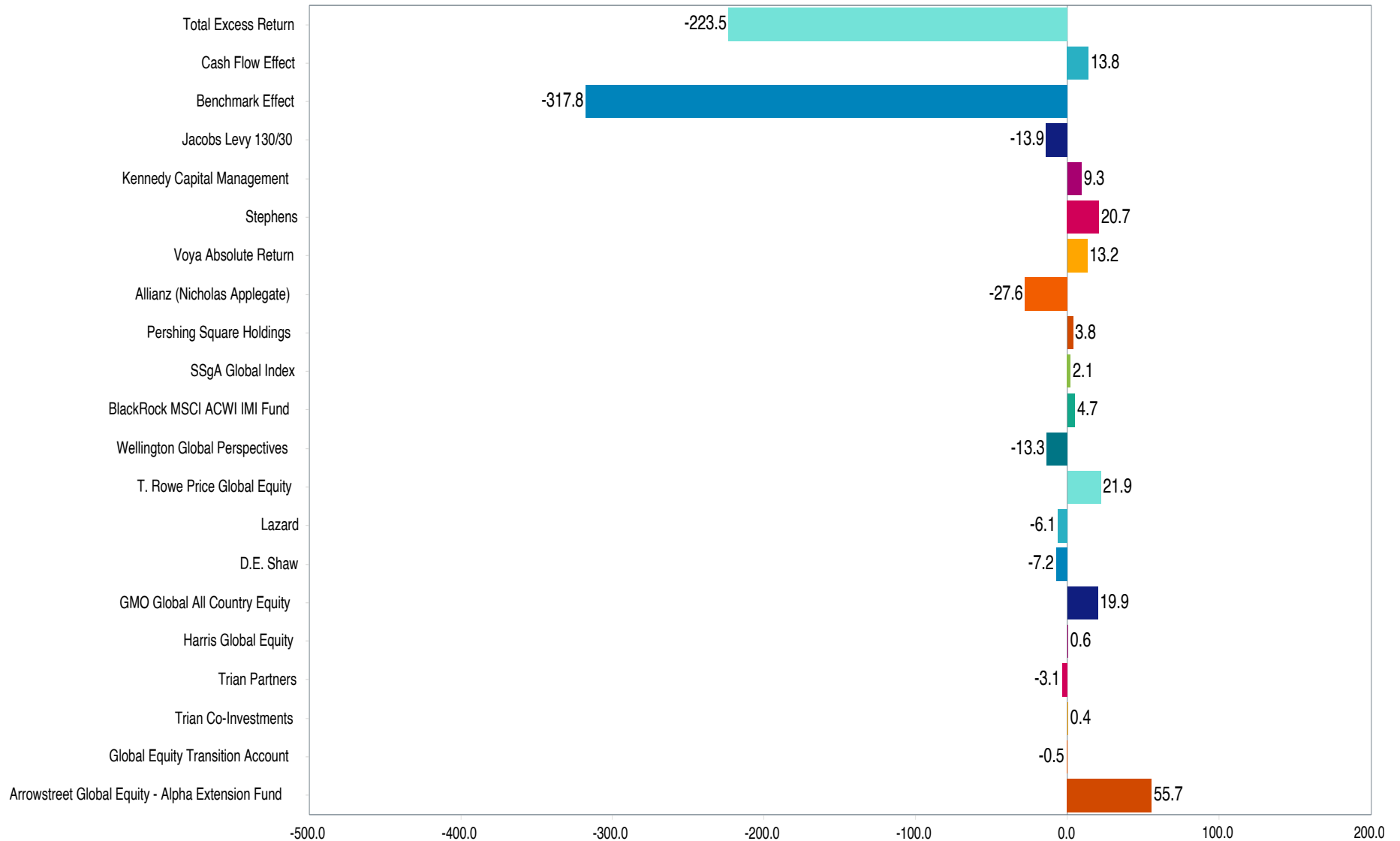
*Preliminary Results



Asset Class Attribution

1 Year Ending October 31, 2023

1 Year



*Preliminary Results



Asset Allocation & Performance

As of October 31, 2023

	Allocation		Performance %							
	Market Value \$	%	1 Month	Fiscal YTD	Year to Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Fixed Income	2,784,141,402	100.0	-1.3	-3.1	-1.1	1.2	-2.6	1.2	4.7	07/01/1992
<i>Performance Benchmark</i>			-1.5	-4.3	-2.1	1.2	-5.0	0.2	4.6	
BlackRock	238,310,113	8.6	-1.7	-4.9	-2.5	0.8	-5.5	0.2	3.2	10/01/2003
<i>Performance Benchmark</i>			-1.5	-4.3	-2.1	1.2	-5.0	0.2	3.0	
Loomis Sayles	618,334,120	22.2	-2.0	-3.5	-0.6	2.2	-2.6	1.9	6.0	09/01/2008
<i>Performance Benchmark</i>			-1.3	-3.1	0.1	2.6	-3.2	1.3	4.0	
SSgA Aggregate Bond Index	661,861,119	23.8	-1.6	-4.8	-2.6	0.4	-5.6	-0.1	1.7	06/01/2010
<i>Blmbg. U.S. Aggregate</i>			-1.6	-4.8	-2.8	0.4	-5.6	-0.1	1.7	
Wellington Global Total Return	401,543,924	14.4	0.3	3.5	4.7	6.3	4.4	3.8	2.9	06/01/2014
<i>ICE BofAML 3 Month U.S. T-Bill</i>			0.4	1.8	4.1	4.8	1.8	1.8	1.2	
Reams Core Plus Bond Fund	528,940,753	19.0	-2.1	-6.0	-2.7	1.1	-4.8	2.2	1.8	06/01/2014
<i>Blmbg. U.S. Aggregate</i>			-1.6	-4.8	-2.8	0.4	-5.6	-0.1	0.6	
BRS Recycling Tax Credit	176,000,000	6.3								
BRS Recycling Tax Credit Phase 2	77,031,608	2.8								
BRS Recycling Tax Credit Phase 2	77,031,608	2.8								

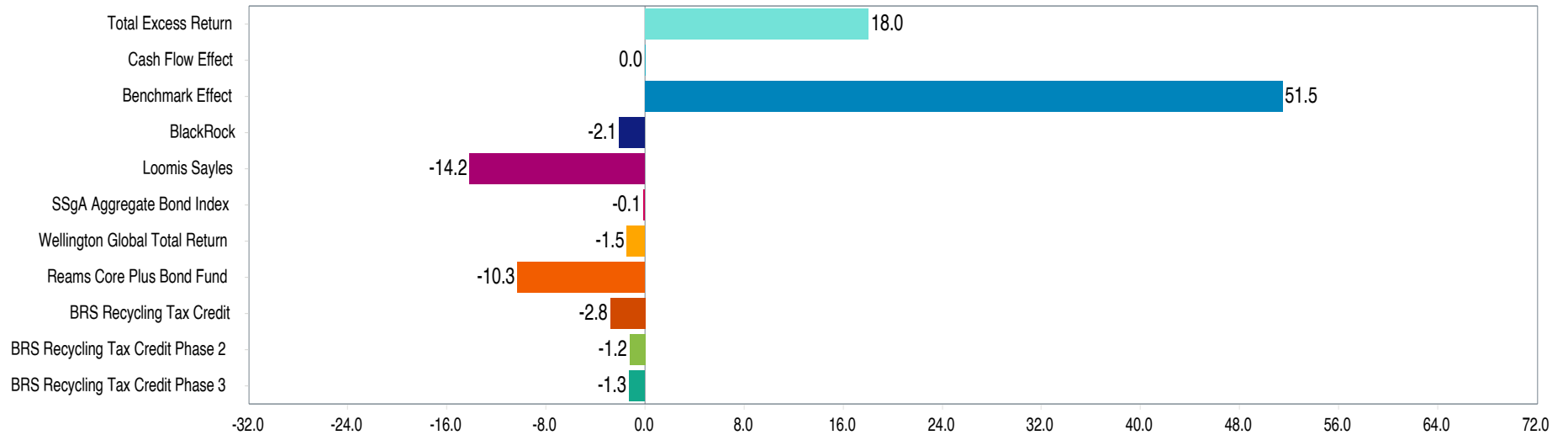
*Preliminary Results

*The BRS Recycling Tax Credit represents an annual income stream of \$16 million dollars over the next 14 years, which ATRS purchased for approximately \$162 million. The value shown above represents the year-end market value in accordance with GASB Statement 72, representing the 14 years of annual income, and has been incorporated into Total Fixed Income and Total Fund performance.

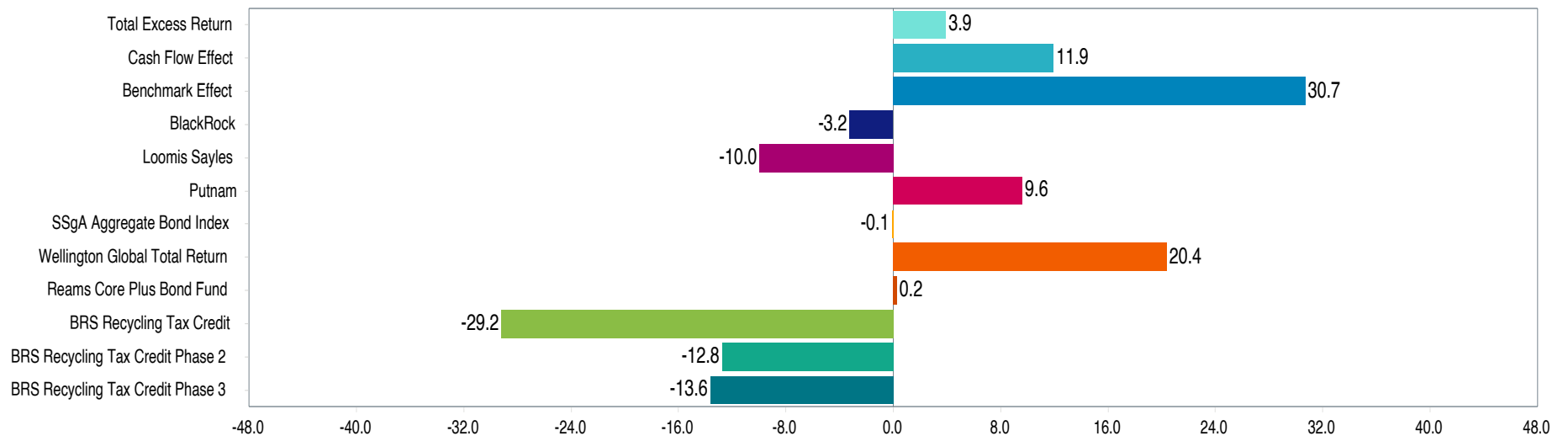
Asset Class Attribution

As of October 31, 2023

1 Month



1 Year



*Preliminary Results

Asset Allocation & Performance

As of October 31, 2023

	Allocation		Performance %								
	Market Value \$ (\$)	%	1 Month	Fiscal YTD	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Opportunistic/Alternatives	1,046,050,287	100.0	0.3	2.7	7.8	7.4	6.5	3.0	3.3	3.6	05/01/2011
<i>Custom Alternatives Benchmark</i>			-0.5	0.8	4.5	4.0	5.3	3.5	2.5	2.3	
Anchorage	26,813,990	2.6	0.1	1.4	3.6	3.6	10.0	5.0	4.9	5.6	05/01/2011
<i>Credit Suisse Event Driven</i>			0.0	1.5	5.7	6.6	7.2	4.4	2.9	2.9	
<i>HFRI ED: Distressed/Restructuring Index</i>			-1.5	-0.4	1.9	1.1	7.8	4.5	3.7	4.1	
York	8,445,761	0.8	-8.4	-28.1	-2.4	-20.5	0.0	-13.3	-5.3	-2.8	05/01/2011
<i>Credit Suisse Event Driven</i>			0.0	1.5	5.7	6.6	7.2	4.4	2.9	2.9	
<i>HFRI ED: Distressed/Restructuring Index</i>			-1.5	-0.4	1.9	1.1	7.8	4.5	3.7	4.1	
Capula	100,010,887	9.6	1.4	4.5	9.4	11.5	8.2	7.9	7.2	6.7	05/01/2011
<i>HFRI Macro (Total) Index</i>			-0.8	0.5	-0.3	-2.3	7.2	5.5	3.2	1.9	
Graham	101,912,585	9.7	1.0	9.2	8.7	5.1	17.8	11.6	8.1	5.7	05/01/2011
<i>HFRI Macro (Total) Index</i>			-0.8	0.5	-0.3	-2.3	7.2	5.5	3.2	1.9	
Circumference Group Core Value	37,945,310	3.6	-2.8	-4.7	6.7	8.3	8.6	6.8		7.9	08/01/2015
<i>Russell 2000 Index</i>			-6.8	-11.6	-4.5	-8.6	3.9	3.3		5.1	
Aeolus Keystone Fund	26,892,913	2.6	0.9	-1.3	6.7	5.7	-1.5	-0.9		-0.7	12/01/2015
<i>FTSE 3 Month T-Bill</i>			0.5	1.9	4.3	4.9	1.9	1.8		1.5	
<i>Eureka Hedge ILS Advisers Index</i>			1.7	5.3	12.6	15.5	3.7	2.1		1.3	
Parametric Global Defensive Equity Fund	203,252,244	19.4	-0.7	-1.8	7.9	10.9	7.2	5.4		4.8	06/01/2017
<i>Performance Benchmark</i>			-1.3	-2.2	5.7	8.0	4.7	5.0		4.7	
<i>MSCI AC World Index</i>			-3.0	-6.2	7.2	11.1	7.2	8.0		7.5	
Man Alternative Risk Premia	117,310,178	11.2	1.5	2.7	4.6	4.7	10.9	4.1		3.1	06/01/2018
<i>SG Multi Alternative Risk Premia Index</i>			0.0	4.2	8.0	7.1	6.8	1.4		0.8	
CFM Systematic Global Macro Fund	100,406,595	9.6	0.4	2.6	-3.3	-9.8				4.8	11/01/2021
<i>HFRI Macro: Systematic Diversified Index</i>			-1.1	-0.1	-0.7	-6.3				3.8	

*Preliminary Results

Asset Allocation & Performance

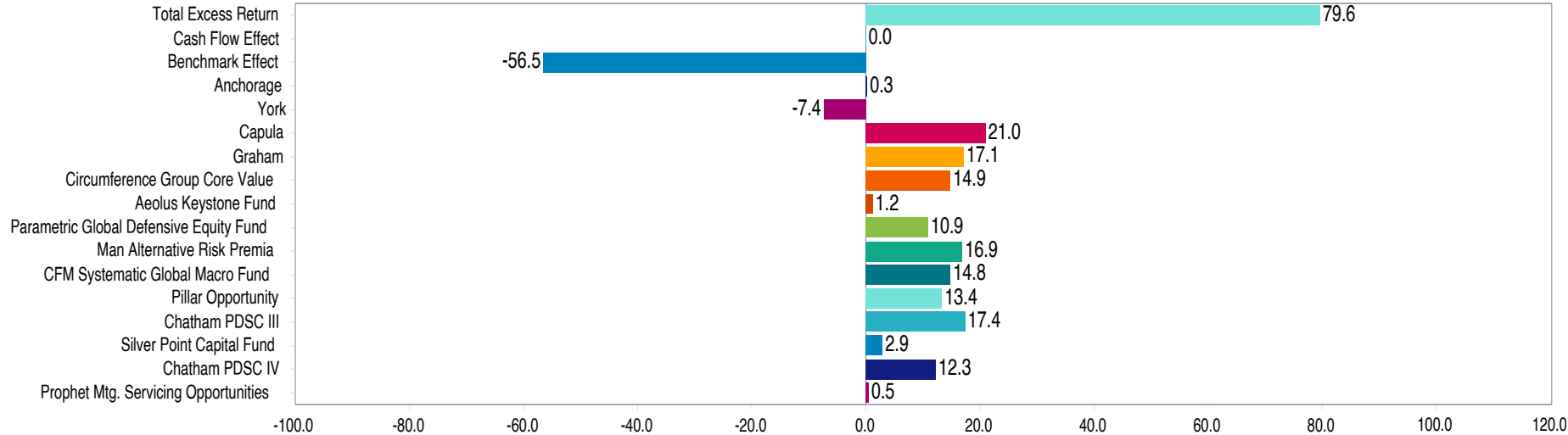
As of October 31, 2023

	Allocation		Performance %								
	Market Value \$ (\$)	%	1 Month	Fiscal YTD	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Pillar Opportunity	103,169,643	9.9	1.8	9.3	17.3	14.8				4.4	12/01/2021
<i>FTSE 3 Month T-Bill</i>			0.5	1.9	4.3	4.9				3.0	
<i>Eurekahedge ILS Advisers Index</i>			1.7	5.3	12.6	15.5				5.3	
Chatham PDSC III	66,405,894	6.3	0.7	4.1	10.2	16.4				15.4	11/01/2021
<i>HFRI Event-Driven (Total) Index</i>			-2.0	0.1	2.6	3.3				-1.3	
Silver Point Capital Fund	50,987,944	4.9	-0.9	-0.8	3.4	5.9				1.8	03/01/2022
<i>HFRI ED: Distressed/Restructuring Index</i>			-1.5	-0.4	1.9	1.1				-1.4	
Prophet Mtg. Servicing Opportunities	43,378,885	4.1	0.0	7.7						9.8	05/01/2023
<i>Credit Suisse Hedge Fund Index</i>			-0.1	1.7						3.1	
Chatham PDSC IV	59,117,460	5.7	0.1	7.3						18.2	05/01/2023
<i>HFRI Event-Driven (Total) Index</i>			-2.0	0.1						1.2	

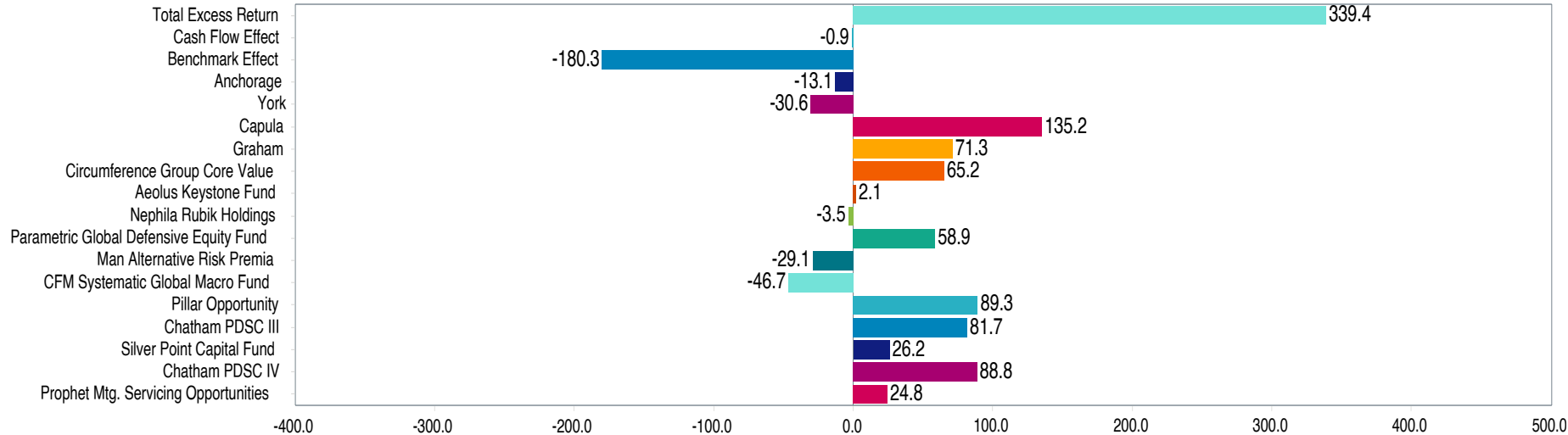
Asset Class Attribution

As of October 31, 2023

1 Month



1 Year



Total Fund Asset Allocation

Asset Allocation as of 10/31/2023							Values in \$1,000		
	Total Equity	U.S. Bond	Real Estate	Private Equity	Cash	Total	Percent of Total	ATRS Benchmark Policy	ATRS Long-Term Target
Jacobs Levy 130/30	\$1,199,291.1					\$1,199,291.1	6.13%		
Kennedy Capital Management	\$532,714.4					\$532,714.4	2.72%		
Stephens	\$510,535.1					\$510,535.1	2.61%		
Voya Absolute Return	\$740,582.5					\$740,582.5	3.78%		
Voya U.S. Convertibles	\$859,670.2					\$859,670.2	4.39%		
Pershing Square Holdings	\$252,795.9					\$252,795.9	1.29%		
SSgA Global Index	\$1,137,895.3					\$1,137,895.3	5.81%		
BlackRock MSCI ACWI IMI Fund	\$1,024,810.3					\$1,024,810.3	5.24%		
Wellington Global Perspectives	\$571,080.0					\$571,080.0	2.92%		
T. Rowe Price Global Equity	\$1,152,882.2					\$1,152,882.2	5.89%		
Lazard	\$646,082.2					\$646,082.2	3.30%		
Harris Global Equity	\$588,167.2					\$588,167.2	3.00%		
Triam Partners	\$76,182.7					\$76,182.7	0.39%		
Triam Partners Co-Investments	\$86,710.3					\$86,710.3	0.44%		
Capital Guardian & Knight Vinke	\$56.9					\$56.9	0.00%		
Global Equity Transition Account	\$0.0					\$0.0	0.00%		
Arrowstreet	\$821,133.2					\$821,133.2	4.19%		
Total Equity						\$10,200,589.5	52.11%	54.84%	53.00%
BlackRock		\$238,310.1				\$238,310.1	1.22%		
Loomis Sayles		\$618,334.1				\$618,334.1	3.16%		
SSgA Aggregate Bond Index		\$661,861.1				\$661,861.1	3.38%		
Wellington Global Total Return		\$401,543.9				\$401,543.9	2.05%		
Reams Core Plus Bond Fund		\$528,940.8				\$528,940.8	2.70%		
BRS Recycling Tax Credit		\$176,000.0				\$176,000.0	0.90%		
BRS Recycling Tax Credit Phase 2		\$77,031.6				\$77,031.6	0.39%		
BRS Recycling Tax Credit Phase 3		\$82,119.8				\$82,119.8	0.42%		
Total Fixed Income						\$2,784,141.4	14.22%	15.00%	15.00%
Anchorage				\$26,814.0		\$26,814.0	0.14%		
Capula				\$100,010.9		\$100,010.9	0.51%		
Graham				\$101,912.6		\$101,912.6	0.52%		
York				\$8,445.8		\$8,445.8	0.04%		
Circumference Group Core Value				\$37,945.3		\$37,945.3	0.19%		
Aeolus Keystone Fund				\$26,892.9		\$26,892.9	0.14%		
Nephila Rubik Holdings				\$0.0		\$0.0	0.00%		
Parametric Global Defensive Equity				\$203,252.2		\$203,252.2	1.04%		
Man Alternative Risk Premia				\$117,310.2		\$117,310.2	0.60%		
CFM Systematic Global Macro				\$100,406.6		\$100,406.6	0.51%		
Juniperus				\$103,169.6		\$103,169.6	0.53%		
Chatham PDSC III				\$66,405.9		\$66,405.9	0.34%		
Silver Point Capital				\$50,987.9		\$50,987.9	0.26%		
Chatham PDSC IV				\$59,117.5		\$59,117.5	0.30%		
Prophet				\$43,378.9		\$43,378.9	0.22%		
Total Opportunistic/Alternatives						\$1,046,050.3	5.34%	5.23%	5.00%
Real Estate			\$1,523,451.0			\$1,523,451.0	7.78%		
Timber			\$338,166.4			\$338,166.4	1.73%		
Agriculture			\$238,062.5			\$238,062.5	1.22%		
Infrastructure			\$487,684.2			\$487,684.2	2.49%		
Total Real Assets						\$2,587,364.1	13.22%	12.92%	15.00%
Total Private Equity				\$2,910,061.9		\$2,910,061.9	14.87%	12.00%	12.00%
Total Cash					\$47,080.5	\$47,080.5	0.24%	0.00%	0.00%
Total Fund	\$10,200,589.5	\$2,784,141.4	\$2,587,364.1	\$3,956,112.2	\$47,080.5	\$19,575,287.7	100.00%	100.00%	100.00%

*Note: The market values for the Real Assets and Private Equity investments shown above are lagged one quarter and adjusted for the current quarter's cash flows.

Market values and allocation percentages may not add to the total due to rounding.

Real Estate Asset Allocation

Asset Allocation as of 10/31/2023				Values in \$1,000			
	Real Estate	Percent of Real Estate	Percent of Total Fund		Real Estate	Percent of Real Estate	Percent of Total Fund
Almanac Realty Securities Fund V	\$71.9	0.00%	0.00%	LaSalle Income & Growth Fund VI	\$3,337.7	0.22%	0.02%
Almanac Realty Securities Fund VI	\$3,738.7	0.25%	0.02%	LaSalle Income & Growth Fund VII	\$8,530.9	0.56%	0.04%
Almanac Realty Securities Fund VII	\$16,709.0	1.10%	0.09%	LaSalle Income & Growth Fund VIII	\$33,358.2	2.19%	0.17%
Almanac Realty Securities Fund VIII	\$19,791.1	1.30%	0.10%	LaSalle US Value Partners IX	-\$1,094.6	-0.07%	-0.01%
Almanac Realty Securities Fund IX	\$6,939.9	0.46%	0.04%	LBA Logistics Value Fund	\$24,429.7	1.60%	0.12%
American Center	\$26,631.4	1.75%	0.14%	Lone Star Real Estate Fund IV	\$6,292.8	0.41%	0.03%
AR Insurance	\$2,368.4	0.16%	0.01%	Lone Star Real Estate Fund VII	-\$168.6	-0.01%	0.00%
AR Teachers Retirement Building	\$4,791.3	0.31%	0.02%	Long Wharf Real Estate Partners V	\$17,752.0	1.17%	0.09%
Blackstone Real Estate Partners VII	\$8,671.4	0.57%	0.04%	Long Wharf Real Estate Partners VI	\$33,732.4	2.21%	0.17%
Blackstone RE Europe VI	\$35,169.1	2.31%	0.18%	Mesa West Income Fund V	\$12,164.9	0.80%	0.06%
Blackston RE X	\$3,069.8	0.20%	0.02%	Metropolitan RE Co-Investments	\$8,818.1	0.58%	0.05%
Carlyle Realty Partners VII	\$7,366.8	0.48%	0.04%	Met Life Commercial Mtg Inc Fund	\$44,864.5	2.94%	0.23%
Carlyle Realty VIII	\$13,211.1	0.87%	0.07%	Morgan Stanley Prime Property Fund	\$62,173.6	4.08%	0.32%
Carlyle Realty IX	\$7,564.2	0.50%	0.04%	New Boston Fund VII	\$12,649.5	0.83%	0.06%
CBREI SP U.S. Opportunity V	\$296.8	0.02%	0.00%	O'Connor NAPP II	\$4,438.7	0.29%	0.02%
CBREI SP VIII	\$17,616.7	1.16%	0.09%	PRISA	\$307,412.2	20.18%	1.57%
CBREI SP IX	\$27,407.5	1.80%	0.14%	Recoveries Land	\$65.0	0.00%	0.00%
Cerberus Institutional RE Partners III	\$9,465.5	0.62%	0.05%	Rockwood Capital RE Partners IX	\$4,721.4	0.31%	0.02%
Calmwater	\$10,998.5	0.72%	0.06%	Rockwood Capital RE XI	\$29,915.8	1.96%	0.15%
Fletcher Properties	\$1,064.6	0.07%	0.01%	Rose Law Firm	\$4,096.4	0.27%	0.02%
FPA Core Plus IV	\$35,420.2	2.33%	0.18%	RREEF Core Plus Industrial Fund	\$55,159.2	3.62%	0.28%
GCP GLP IV	\$37,885.2	2.49%	0.19%	Texarkana DHS	\$0.0	0.00%	0.00%
Harbert European Real Estate	\$3,871.5	0.25%	0.02%	Torchlight Debt Opportunity Fund IV	\$2,207.9	0.14%	0.01%
Heitman European Property IV	\$292.9	0.02%	0.00%	Torchlight Debt Opportunity Fund V	\$2,444.6	0.16%	0.01%
JP Morgan Strategic Property Fund	\$175,609.8	11.53%	0.90%	Torchlight Debt Opportunity Fund VI	\$18,595.5	1.22%	0.09%
Kayne Anderson V	\$20,636.4	1.35%	0.11%	Torchlight Debt Opportunity Fund VII	\$26,796.1	1.76%	0.14%
Kayne Anderson VI	\$27,792.9	1.82%	0.14%	UBS Trumbull Property Fund	\$128,574.8	8.44%	0.66%
Landmark Fund VI	\$117.4	0.01%	0.00%	UBS Trumbull Property Income Fund	\$54,493.7	3.58%	0.28%
Landmark Real Estate IX	-\$399.6	-0.03%	0.00%	Victory	\$32,702.1	2.15%	0.17%
Landmark Real Estate VIII	\$13,045.6	0.86%	0.07%	Walton Street Real Estate Debt II	\$15,937.7	1.05%	0.08%
LaSalle Asia Opportunity Fund IV	\$1,600.0	0.11%	0.01%	West Mphs. DHS	\$0.0	0.00%	0.00%
LaSalle Asia Opportunity Fund V	\$15,843.3	1.04%	0.08%	Westbrook IX	\$7,475.3	0.49%	0.04%
LaSalle Asia Opportunity Fund VI	-\$1,371.1	-0.09%	-0.01%	Westbrook Real Estate Fund X	\$8,285.3	0.54%	0.04%
				Total Real Estate	\$1,523,451.0	100.00%	7.78%

*Note: The market values for the Real Assets and Private Equity investments shown above are lagged one quarter and adjusted for the current quarter's cash flows. Market values and allocation percentages may not add to the total due to rounding.

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Private Equity Asset Allocation

Asset Allocation as of 10/31/2023				Values in \$1,000			
	Private Equity	Percent of Private Equity	Percent of Total Fund		Private Equity	Percent of Private Equity	Percent of Total Fund
Alpine VIII	\$22,648.2	0.78%	0.12%	JF Lehman III	\$24,841.3	0.85%	0.13%
Arlington Capital IV	\$32,835.8	1.13%	0.17%	JF Lehman IV	\$11,511.2	0.40%	0.06%
Arlington Capital V	\$38,133.3	1.31%	0.19%	JF Lehman V	\$38,058.6	1.31%	0.19%
Arlington Capital VI	\$10,273.8	0.35%	0.05%	JF Lehman VI	\$4,561.7	0.16%	0.02%
Advent GPE VI	\$3,194.8	0.11%	0.02%	KPS III	\$0.0	0.00%	0.00%
Altus Capital II	\$3,963.9	0.14%	0.02%	KPS IV	\$10,930.2	0.38%	0.06%
American Industrial Partners VI	\$35,036.9	1.20%	0.18%	KPS V	\$20,940.3	0.72%	0.11%
American Industrial Partners VII	\$34,568.8	1.19%	0.18%	KPS Mid-Cap	\$15,207.7	0.52%	0.08%
Altaris Constellation Partners	\$19,145.8	0.66%	0.10%	Levine Leichtman V	\$7,233.3	0.25%	0.04%
Altaris Health Partners IV	\$21,726.2	0.75%	0.11%	Lime Rock III	\$19,540.8	0.67%	0.10%
Atlas Capital II	\$12,416.2	0.43%	0.06%	LLR III	\$1,042.2	0.04%	0.01%
Audax Mezzanine III	\$1,359.8	0.05%	0.01%	LLR VI	\$23,949.4	0.82%	0.12%
Big River - Equity	\$1,770.4	0.06%	0.01%	Mason Wells III	\$40.3	0.00%	0.00%
Big River - Holdings Note 2023	\$0.0	0.00%	0.00%	NGP IX	\$93.8	0.00%	0.00%
Big River - Holdings Note 3/16/23	\$0.0	0.00%	0.00%	NGP X	\$3,002.5	0.10%	0.02%
Bison V	\$23,453.3	0.81%	0.12%	NGP XI	\$18,693.0	0.64%	0.10%
Bison VI	\$8,344.6	0.29%	0.04%	NGP XII	\$16,287.4	0.56%	0.08%
Boston Ventures VII	\$1,399.9	0.05%	0.01%	One Rock Capital Partners II	\$35,114.2	1.21%	0.18%
Boston Ventures IX	\$38,657.1	1.33%	0.20%	PineBridge	\$8,580.9	0.29%	0.04%
Boston Ventures X	\$31,971.6	1.10%	0.16%	Revelstoke	\$7,648.3	0.26%	0.04%
Boston Ventures XI	\$3,801.1	0.13%	0.02%	Post Road	\$15,511.8	0.53%	0.08%
BV VIII	\$15,937.3	0.55%	0.08%	Riverside Value Fund I	\$10,297.2	0.35%	0.05%
Castlelake II	\$8,323.3	0.29%	0.04%	Riverside V	\$23,061.9	0.79%	0.12%
Castlelake III	\$10,215.7	0.35%	0.05%	Riverside VI	\$30,179.5	1.04%	0.15%
Clearlake V	\$35,858.8	1.23%	0.18%	Siris III	\$20,491.0	0.70%	0.10%
Clearlake VI	\$44,593.6	1.53%	0.23%	Siris IV	\$35,831.8	1.23%	0.18%
Clearlake VII	\$17,940.3	0.62%	0.09%	SK Capital V	\$38,208.2	1.31%	0.20%
Court Square III	\$30,508.4	1.05%	0.16%	Sk Capital VI	\$14,499.8	0.50%	0.07%
CSFB-ATRS 2005-1 Series	\$16,172.8	0.56%	0.08%	Sycamore Partners II	\$14,567.2	0.50%	0.07%
CSFB-ATRS 2006-1 Series	\$30,605.2	1.05%	0.16%	Sycamore Partners III	\$21,369.5	0.73%	0.11%
Diamond State Ventures II	\$2,796.9	0.10%	0.01%	TA XI	\$6,960.0	0.24%	0.04%
DW Healthcare III	\$5,828.1	0.20%	0.03%	Tennenbaum VI	\$162.6	0.01%	0.00%
DW Healthcare IV	\$26,123.1	0.90%	0.13%	Thoma Bravo Discover	\$6,395.9	0.22%	0.03%
DW Healthcare V	\$29,202.3	1.00%	0.15%	Thoma Bravo Discover II	\$21,244.1	0.73%	0.11%
EnCap IX	\$7,571.8	0.26%	0.04%	Thoma Bravo Discover III	\$21,775.7	0.75%	0.11%
EnCap VIII	\$18,216.9	0.63%	0.09%	Thomas Bravo Discover IV	\$6,500.7	0.22%	0.03%
EnCap X	\$16,825.0	0.58%	0.09%	Thoma Bravo Explore I	\$23,139.7	0.80%	0.12%
EnCap XI	\$33,494.5	1.15%	0.17%	Thoma Bravo XI	\$23,711.6	0.81%	0.12%
Franklin Park Series	\$1,158,047.5	39.79%	5.92%	Thoma Bravo XII	\$32,445.2	1.11%	0.17%
Greenbriar V	\$34,056.4	1.17%	0.17%	Thoma Bravo XIII	\$47,855.8	1.64%	0.24%
Greenbriar VI	\$4,263.2	0.15%	0.02%	Thoma Bravo XIV	\$21,388.0	0.73%	0.11%
GCG IV	\$14,659.3	0.50%	0.07%	Thoma Bravo XV	\$10,049.0	0.35%	0.05%
GCG V	\$35,374.4	1.22%	0.18%	Vista Equity III	\$2,167.8	0.07%	0.01%
GCG VI	\$3,622.2	0.12%	0.02%	Vista Foundation II	\$7,175.7	0.25%	0.04%
GTLA Holdings	\$70,700.0	2.43%	0.36%	Vista Foundation III	\$30,550.6	1.05%	0.16%
Highland	\$82,775.0	2.84%	0.42%	Wellspring V	\$12,983.1	0.45%	0.07%
Hybar LLC	\$166.2	0.01%	0.00%	Wicks IV	\$8,307.1	0.29%	0.04%
Insight Equity II	\$6,619.2	0.23%	0.03%	WNG II	\$28,838.9	0.99%	0.15%
Insight Mezzanine I	\$1,916.8	0.07%	0.01%				
Total Private Equity					\$2,910,061.9	100.00%	14.87%

*Note: The market values for the Real Assets and Private Equity investments shown above are lagged one quarter and adjusted for the current quarter's cash flows.
Market values and allocation percentages may not add to the total due to rounding.

Arkansas Teacher Retirement System

Description of Benchmarks

Total Fund - The Performance Benchmark for the Total Fund reflects a weighted average of the underlying asset class benchmarks, weighted as follows: Opportunistic/Alternatives and Real Assets at the weight of the previous month's ending market values, Fixed Income and Private Equity at their long-term Policy Targets of 15% and 12%, respectively, and Total Equity at its long-term Policy Target of 50% plus the balance of the unfunded or uncommitted assets of the Opportunistic/Alternatives and Real Assets categories. These targets can be found on page 14 of the this report. From October 2007 to July 2013, the Performance Benchmark was the performance of the asset class benchmarks as a weighted average of the previous month's ending market values. The historical components of the benchmark are shown in the table below. Returns prior to September 30, 1996, consist of the actual allocations to the seven different asset classes included in the Arkansas Teacher Retirement System over time. The historical benchmarks used for each asset class are noted below.

Date	DJ Total Stock Market Index	Russell 3000 Index	MSCI ACW ex-U.S. Index	MSCI All Country World Index	BC Universal Bond Index	BC Aggregate Bond Index	Alternative Policy*
03/2004-9/2007	40.0%	--	17.5%	--	25.0%	--	17.5%
06/2003-02/2004	40.0	--	17.5	--	--	25.0%	17.5
10/2001-07/2003	--	40.0%	17.5	--	--	25.0	17.5
08/1998-09/2001	--	40.0	17.0	--	--	28.0	15.0
10/1996-07/1998	--	40.0	20.0	--	--	28.0	12.0

*Historically, the Alternative Policy was comprised of the weighted averages of the Private Equity, Real Estate, and Alternatives policy benchmarks. Prior to July 31, 2003 the alternative benchmark consisted of 57.0% of the Russell 3000 + a 2% Premium per year, 8.5% of the NCREIF Southeast Timberland Index, 28.5% of the Real Estate Index, 6% of the EnnisKnupp STIF Index.

Arkansas Teacher Retirement System

Total Equity - A weighted average of the Dow Jones U.S. Total Stock Market Index and the MSCI All Country World IMI Index based on weights of the underlying investment manager allocations. As of October 1, 2023, the Total Equity Performance Benchmark was comprised of 34.5% DJ U.S. Total Stock Market Index and 65.5% MSCI ACWI IMI.

Fixed Income - The Barclays Capital Universal Bond Index as of March 1, 2004.

Opportunistic/Alternatives - A custom benchmark consisting of 25% DJ/CS Event-Driven Index, 25% HFR Macro Index, and 50% South Timberland NCREIF Index until June 30, 2013; 60% HFRI Macro Index and 40% DJ/CS Event-Driven Index until July 31, 2015; 56% HFRI Macro Index, 38% DJ/CS Event-Driven Index, and 6% Russell 2000 Index until March 31, 2016; 45% HFRI Macro Index, 30% DJ/CS Event-Driven Index, 5% Russell 2000 Index, and 20% FTSE 3 Month T-bill until May 31, 2016; 37% HFRI Macro Index, 25% DJ/CS Event-Driven Index, 5% Russell 2000 Index, and 33% FTSE 3 Month T-bill until May 31, 2017; 28% HFRI Macro Index, 20% DJ/CS Event-Driven Index, 4% Russell 2000 Index, 25% FTSE 3 Month T-bill, and 23% Parametric Performance Benchmark until May 31, 2018. 22% HFRI Macro Index, 18% DJ/CS Event-Driven Index, 3% Russell 2000 Index, 27% FTSE 3 Month T-bill, 18.50% Parametric Performance Benchmark, and 11.5% SG Multi-Alternative Risk Premia until June 30, 2018. 20% HFRI Macro Index, 15% DJ/CS Event-Driven Index, 3.5% Russell 2000 Index, 25% FTSE 3 Month T-bill, 16.5% Parametric Performance Benchmark, and 20% SG Multi-Alternative Risk Premia until August 31, 2018. 17% HFRI Macro Index, 15% DJ/CS Event-Driven Index, 3.5% Russell 2000 Index, 28% FTSE 3 Month T-bill, 16.5% Parametric Performance Benchmark, and 20% SG Multi-Alternative Risk Premia until November 30, 2018. 15% HFRI Macro Index, 15% DJ/CS Event-Driven Index, 3.5% Russell 2000 Index, 30% FTSE 3 Month T-bill, 16.5% Parametric Performance Benchmark, and 20% SG Multi-Alternative Risk Premia thereafter.

Real Assets - A custom benchmark consisting of a weighted average of the net asset values at previous month's end of the sub-categories' benchmarks, defined as Real Estate Benchmark, Timber Benchmark, Agriculture Benchmark and Infrastructure Benchmark.

Real Estate-The NCREIF Index.

Timberland Property Benchmark - NCREIF Timberland Property Index (NTPI) weighted according to ATRS' regional exposure based on net asset value.

Agriculture Benchmark - NCREIF Farmland Index (NFI) weighted according to ATRS' regional and crop type exposure based on net asset value.

Infrastructure Benchmark - Consumer Price Index (CPI) plus 500 basis points annually.

Private Equity - The Dow Jones U.S. Total Stock Market Index + a 2% premium per year.

Cash Equivalents - The Citigroup 90 day T-bill.

Arkansas Teacher Retirement System

Description of Benchmarks

FTSE 90 day T-bill Index - Treasury bill rates of return, as reported by Citigroup (Salomon Smith Barney), for bills with a maximum time remaining to maturity of 90 days.

Bloomberg Barclays Aggregate Bond Index - A market-value weighted index consisting of the Barclays Capital Corporate, Government and Mortgage-Backed Securities Indices. The Index also includes credit card-, auto- and home equity loan-backed securities, and is the broadest available measure of the aggregate U.S. fixed income market.

Bloomberg Barclays Universal Bond Index - A market-value weighted index consisting of the components of the Barclays Capital Bond Index, plus EuroDollar bonds, emerging markets bonds, 144A fixed income securities, and U.S. credit high yield securities.

Bloomberg Barclays Mortgage Index - A market value-weighted index consisting of the mortgage pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC).

MSCI All Country World ex-U.S. Index - A capitalization-weighted index consisting of 22 developed and 23 emerging countries, but excluding the U.S. Covers approximately 85% of global equity opportunity set outside of the U.S.

MSCI All Country World Index - A capitalization-weighted index of stocks representing 46 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America.

MSCI All Country World IMI Index - A capitalization-weighted index representing large and small cap stock from 46 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America.

FTSE Europe - A tradable index, designed to represent the performance of the 100 most highly capitalized blue chip companies in Europe.

MSCI Europe, Australasia, Far East (EAFE) Non-U.S. Stock Index - A capitalization-weighted index of stocks representing 21 developed and emerging country markets in Europe, Australia, Asia and the Far East.

NCREIF Index - The National Council of Real Estate Investment Fiduciaries (NCREIF) Net Property Index is an unlevered, market-value weighted Index consisting of \$128 billion in domestic institutional real estate assets. The Index is representative of the national real estate market, across all property types and regions.

Voya U.S. Convertibles Performance Benchmark - On January 1, 2005, the benchmark for the portfolio was changed to the Merrill Lynch Convertible Bond (All Quality) Index. Prior to January 1, 2005, the performance benchmark for the Voya U.S. Convertibles portfolio was the CSFB Convertible Securities Index. Prior to May 1, 2004, the performance benchmark consisted of 90% CSFB Convertible Securities Index and 10% Salomon High Yield Index.

Wellington Global Performance Benchmark- As of July 1, 2012 the benchmark was changed to MSCI All Country World Small Cap Index. Prior to July 1, 2012, the benchmark was MSCI All Country World Small/Mid Cap Index.

BlackRock Performance Benchmark - The Barclays Capital Universal Bond Index as of March 1, 2004.

Voya Absolute Return Performance Benchmark - As of December 1, 2015 the benchmark was changed to MSCI All Country World Index. Prior to December 1, 2015, the benchmark was the S&P 500 Stock Index.

LIBOR Index - London Interbank Offered Rate. A filtered average of the world's most creditworthy banks' interbank deposit rates with maturities between overnight and one full year.

Russell 3000 Index - An index that measures the performance of the 3000 stocks that make up the Russell 1000 and Russell 2000 Indices.

Russell 1000 Index - An index that measures the performance of the largest 1,000 stocks contained in the Russell 3000 Index.

Russell 1000 Value Index - An index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

Russell 2000 Index - An index that measures the performance of the smallest 2000 companies contained in the Russell 3000 Index.

Russell 2000 Growth Index - An index that measures the performance of those Russell 2000 companies with greater price-to-book ratios and greater I/B/E/S growth forecasts.

Russell 2000 Value Index - An index that measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

Russell Mid Cap Value Index - An index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Stock Index - A capitalization-weighted stock index consisting of the 500 largest publicly traded U.S. stocks.

HFR Macro Index - Macro: Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Primary investment thesis is predicated on predicted or future movements in the underlying instruments.

HFR Distressed/Restructuring Index - Distressed Restructuring Strategies employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings. Distressed Strategies employ primarily debt (greater than 60%) but also may maintain related equity exposure.

Parametric Performance Benchmark - 50% MSCI All Country World Index and 50% Citigroup 90 day T-Bill Index as of June 1, 2017.

SG Multi Alternative Risk Premia Index - An equally weighted index composed of risk premia managers who employ investment programs diversified across multiple asset classes while utilizing multiple risk premia factors.

Arkansas Teacher Retirement System

Historical U.S. Equity and Global Equity composite returns

As of June 30, 2015	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
U.S. Equity	6.7	18.1	16.4	9.4	10.5	04/01/1986
Dow Jones U.S. Total Stock Market Index	7.2	17.6	17.5	8.3	-	
Global Equity	1.8	14.6	12.1	-	2.5	11/01/2007
MSCI AC World Index (Net)	0.7	13.0	11.9	6.4	2.1	

In June 2015, the ATRS Board approved the combination of the U.S. and Global equity asset classes to a single Total Equity asset class. Total Equity performance reporting began in July 2015. In the table above, we show the historical returns for the U.S. Equity and Global Equity asset classes since inception through June 2015. Performance for the Total Equity asset class prior to July 2015 represents a weighted average of the U.S. Equity and Global Equity historical performance.

Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.

All information presented in this report should be considered preliminary. Finalized data will be available on next Quarterly Investment Report after the close of the quarter.

Disclaimer

Past performance is not necessarily indicative of future results.

Unless otherwise noted, performance returns presented reflect the respective fund's performance as indicated. Returns may be presented on a before-fees basis (gross) or after-fees basis (net). After-fee performance is net of each respective sub-advisors' investment management fees and include the reinvestment of dividends and interest as indicated on the notes page within this report or on the asset allocation and performance summary pages. Actual returns may be reduced by Aon Investments' investment advisory fees or other trust payable expenses you may incur as a client. Aon Investments' advisory fees are described in Form ADV Part 2A. Portfolio performance, characteristics and volatility also may differ from the benchmark(s) shown.

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Refer to Hedge Fund Research, Inc. www.hedgefundresearch.com for information on HFR indices.

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200 East Randolph Street
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Arkansas Teachers Retirement System Second Quarter 2023 Real Assets Performance Review

PROPRIETARY & CONFIDENTIAL

December 2023

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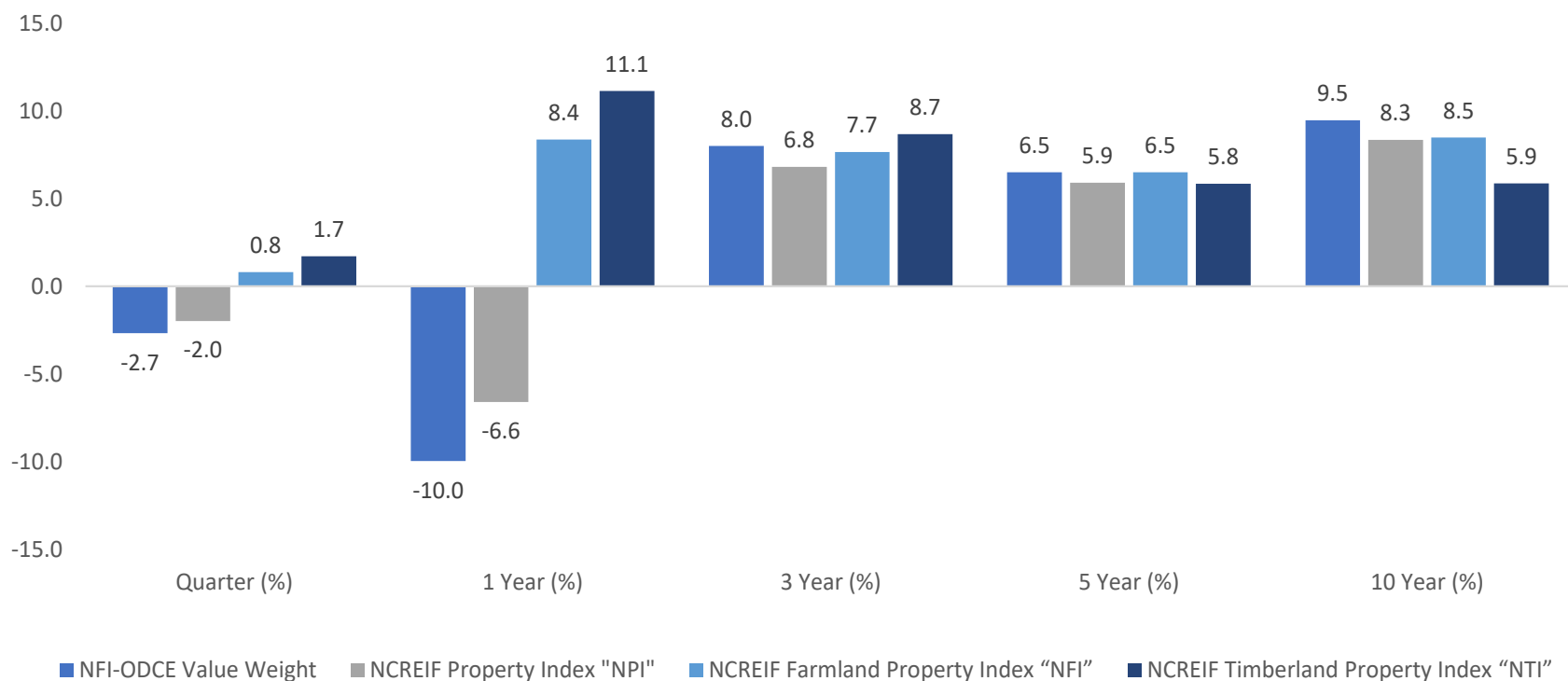
Agenda

Section 1	Executive Summary
Section 2	Market Overview
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Real Assets Markets Performance and Overview

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
NFI-ODCE Value Weight	-2.7	-2.9	-10.0	-10.7	8.0	7.0	6.5	5.6	8.7	7.8
NCREIF Property Index "NPI"	-2.0		-6.6		6.8		5.9		7.8	
NCREIF Farmland Property Index "NFI"	0.8		8.4		7.7		6.5		8.4	
NCREIF Timberland Property Index "NTI"	1.7		11.1		8.7		5.8		5.9	



Portfolio Funding Status and Composition

As of June 30, 2023	ATRS' Portfolio \$ in Millions
Number of Investments	86
Total Commitments	4,652.8
Unfunded Commitments	902.4
Total Paid-In Capital	4,044.5
Total Distributions	3,604.0
Net Asset Value	2,566.4
Gross Asset Value	3,731.5
DPI	0.9x
TVPI	1.5x
Since Inception IRR	7.2%
<i>*Active and Liquidated</i>	

PORTFOLIO COMPOSITION TO TARGETS (As of 6/30/2023)		
	Target	Actual Funded
Target Real Asset Allocation	15%	12.4%
Portfolio Style Composition		
Real Estate	10%	7.2%
Core*	50%-70%	60.4%
Non-Core	30%-50%	39.6%
Value-Added**	N/A	0.6%
Opportunistic**	N/A	14.2%
Agriculture	1%	1.1%
Timber	2%	1.6%
Infrastructure	2%	2.4%
Leverage	50%	31.2%

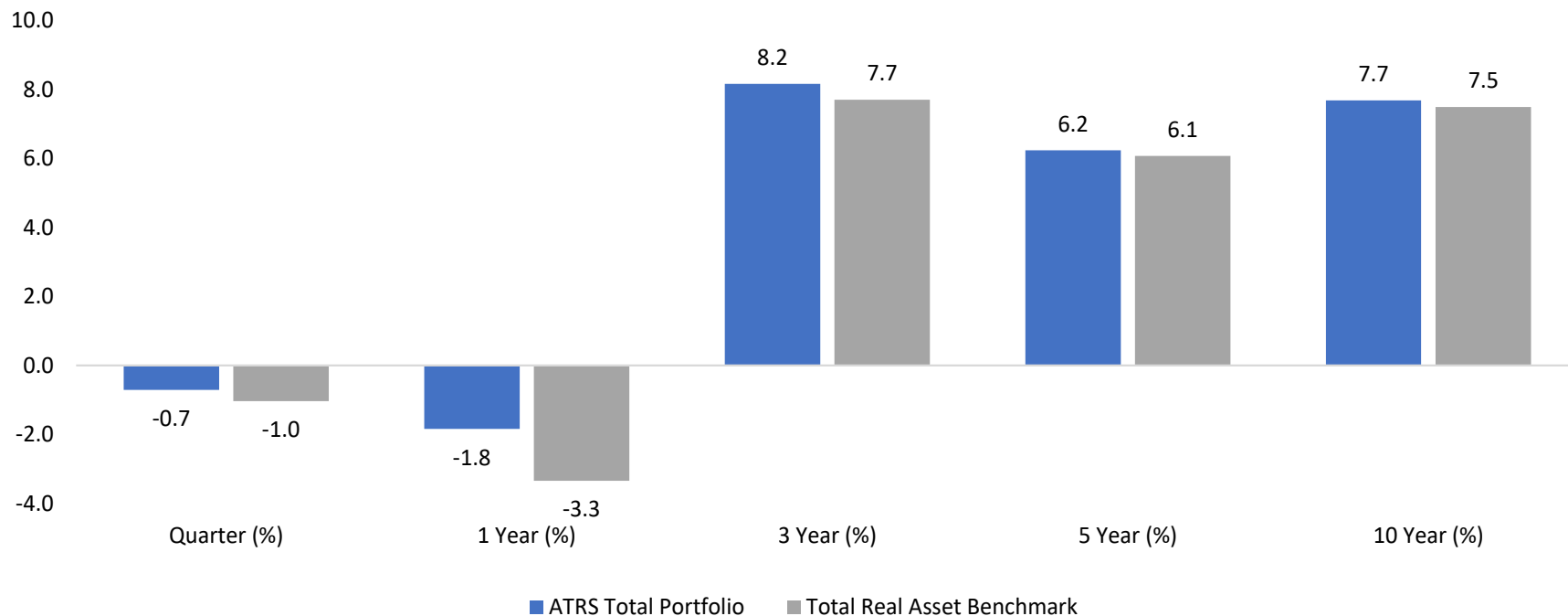
* Includes Arkansas Investments

** No stated targets

- In general, the portfolio is in compliance with its Statement of Investment Policy. There are a few exceptions:
 - Timber geographic concentration to “Other” remains out of compliance largely due in part to the BTG OEF’s Ohio investments
 - Timber geographic concentration to “Lake States” remains out of compliance. Townsend is actively monitoring this relatively small concentration of the benchmark

ATRS' Real Assets Performance

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
ATRS Total Portfolio	-0.4	-0.7	-0.6	-1.8	9.9	8.2	7.7	6.2	9.2	7.7	7.2	1.5
Total Real Assets Benchmark		-1.0		-3.3		7.7		6.1		7.5		



ATRS' Real Asset Performance Summary

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
Real Estate	-1.2	-1.5	-6.6	-7.6	7.8	6.1	5.8	4.4	9.0	7.5	7.5	1.5
NFI-ODCE Value Weight	-2.7	-2.9	-10.0	-10.7	8.0	7.0	6.5	5.6	8.7	7.8		

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
Timberland	-1.8	-2.0	3.2	2.3	9.1	8.1	7.8	6.8	6.2	5.3	5.4	2.0
Timberland Property Benchmark*	1.7		11.1		8.7		5.9		5.5			

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
Agriculture	1.2	0.9	8.5	7.3	10.7	9.4	7.8	6.7	6.7	5.6	6.3	1.5
Agriculture Benchmark*	0.8		8.4		7.7		6.4		6.4			

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
Infrastructure	2.5	1.9	15.3	12.3	18.8	15.7	16.2	13.5	N/A	N/A	13.4	1.5
Infrastructure Benchmark*	1.8		6.0		8.0		7.5		N/A			

ATRS' Real Assets Portfolio Highlights

- Commitment activity update
 - ATRS made the following commitment during the quarter or subsequent to quarter end
 - Blackstone Real Estate Partners Europe VII: \$50 million
 - EnCap Energy Transmission Fund II: \$50 million
 - ATRS is in the queue with a partial redemption of UBS TPF
 - As of June 30, 2023, the TPF redemption queue is \$6.3 billion and expect full repayment by YE25

Significant Events

- Subsequent to quarter end, Mike Kelly of J.P. Morgan announced he will be retiring from his role as head of Real Estate Americas in early 2024.

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Agenda

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United States Real Estate Market Update (2Q23)

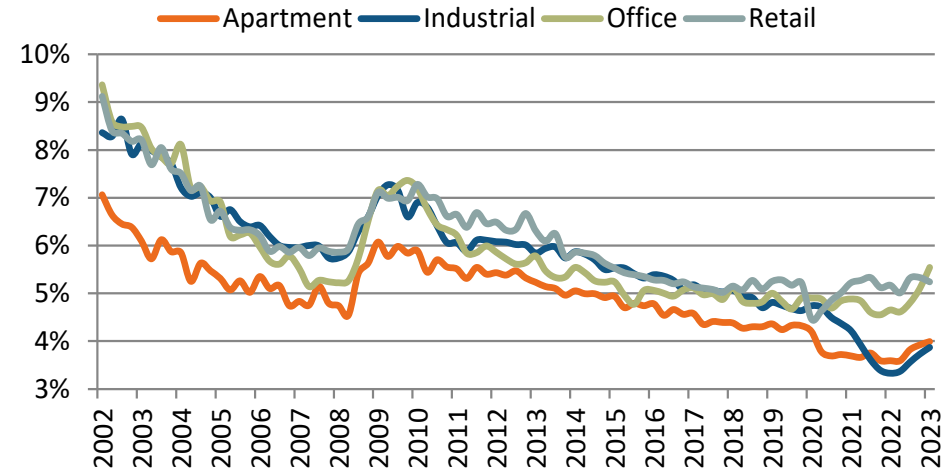
General

- The economy continues to face headwinds stemming from an increasingly aggressive federal funds rate, continuous inflation, and geopolitical events. The S&P 500 has returned a positive quarter coming in at 10.5% continuing the positive returns from the start of 2023. The MSCI US REIT index held a steady pace in the second quarter, posting a gross return of 2.7%.
- During the first quarter, GDP increased at an annualized rate of 2.4%. This positive growth was primarily due to government spending, consumer spending, and strong job market growth. As a result of geopolitical events such as the atrocities of the Russia-Ukraine war, Saudi-Iranian oil concerns, and increased protectionist measures, commodity pricing has remained elevated in tandem with persistent inflation, which may persist throughout 2023. Federal reserve officials remain committed to taming inflation and reducing the central bank's balance sheet for the foreseeable future, approving seven interest rate hikes throughout 2022, and four in the first half of 2023 totaling an increase of 525 basis points since March 2022..

Commercial Real Estate

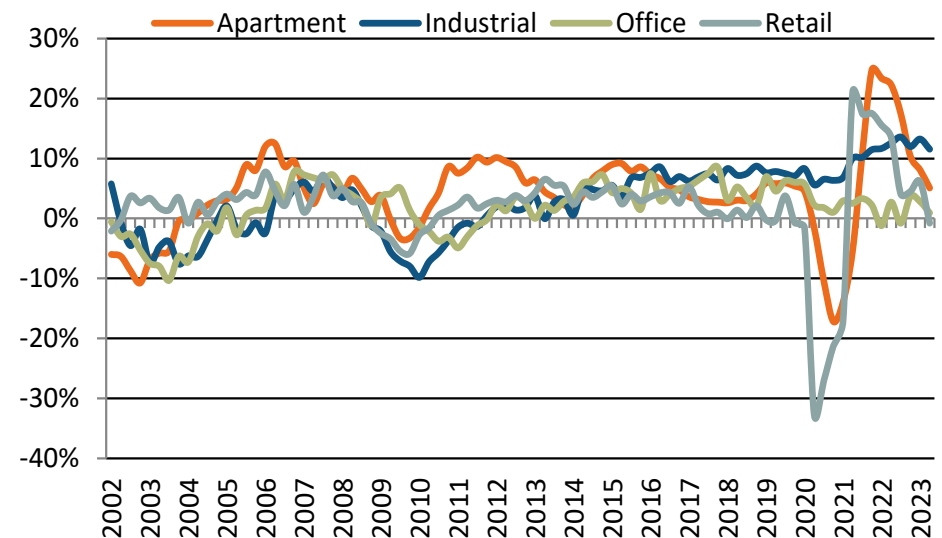
- After surpassing the first half of 2023, total CRE transaction activity for the quarter decreased by -63% YoY, with the first half of 2023 transaction activity down -58% YoY. The office sector transaction volumes in the U.S. have notably not recovered to pre-pandemic levels. Although the office sector has seen minor improvements, transaction volumes for the office sector in the U.S. have continued to fall due to the increase in the cost of debt and loose return to office requirements
- Transaction cap rates (5.4%) contracted, moving in 24 bps during the quarter. This decrease comes after cap rates have risen sharply since 4Q21. Current valuation cap rates expanded for all major property sectors, led by office (+46 bps), and followed by industrial (+10 bps), apartment (+10 bps) and retail (-13 bps).
- NOI growth has continued to diverge between property sectors. Apartment sector fundamentals continue to show strength. With the cost of debt for homes continuing to become more expensive, Apartment NOI expanded (+5%) YoY. Industrial NOI expanded (+11%) YoY on the back of companies' investments in direct-to-customer distribution.
- 10-year treasury bond yields increased, ending the quarter at 3.8%. As economists expected, rates moved significantly higher throughout the first half of 2023, with the potential to climb further.

Current Value Cap Rates by Property Type



Source: NCREIF

4 Qtr Rolling NOI Growth



Source: NCREIF

United States Property Matrix (2Q23)



INDUSTRIAL

- In 2Q23, industrial properties returned -0.75% and outperformed the NPI by 123 bps.
- Transaction volumes decreased to \$22 billion in the second quarter of the year, resulting in an 47% decrease year-over-year. Individual asset sales decreased 46% year-over-year, while portfolio purchases turned in a year-over-year volume decrease of 64%. At \$22 billion, the industrial sector slightly increased by \$2 billion quarter-over-quarter.
- The industrial sector turned in NOI growth of 11.6% over the past year. NOI continues to reach all time highs for the sector.
- Vacancy increased by 34 bps year-over-year to 1.8%. Vacancy in the sector increased 18 bps year over year, reaching all-time historic lows. E-commerce continues to drive demand across the sector.
- Industrial cap rates expanded approximately 54 bps from a year ago, to 3.87%. Industrial overall fundamentals still top all property sectors.

MULTIFAMILY

- The apartment sector delivered a -1.04% return during the quarter, outperforming the NPI by 94 bps.
- Transaction volume in the second quarter of 2023 slightly increased to \$28 billion, resulting in a decrease of 72% year-over-year. Transaction volume for the sector slightly increased from the first quarter by nearly 3%. This volume continues to make multifamily the most actively traded sector for the twenty first straight quarter.
- Cap rates remained steady at 4.0% quarter-over-quarter, increasing 40 bps year-over-year. Multifamily cap rates remain at low levels relative to prior years, driven by continued increases in valuation.
- The multifamily sector saw increasing vacancy rates throughout the entirety of 2020 due to the global pandemic. Throughout 2021 and 2022, the sector appeared to have shaken that trend although vacancy rates remained steady. Vacancy rates increased during fourth quarter of 2022 but have decreased by 20 bps through the second quarter. The aging millennials have begun shifting their desires to suburban living, but continued home price appreciation has deterred the full effect of this migratory trend.

OFFICE

- The office sector returned -5.79% in 2Q23, 381 bps below the NPI return over the period.
- Transaction volumes decreased by 58% year-over-year in the second quarter. Transaction volume equated to \$12 billion for the quarter, remaining flat quarter-over-quarter. Office transaction levels have regressed since 4Q21 and are now at levels seen during the COVID-19 pandemic.
- Office sector vacancy rates have expanded since the beginning of the pandemic due to work from home orders and uncertainty revolving around the future of office space. Office continues to be the highest vacancy property type at 13.07%, increasing by 40 bps from last quarter.
- NOI growth in the office sector increased quarter-over-quarter by 50 bps to 1.97% and appears to be in the midst of its recovery to pre-pandemic levels.
- Office cap rates expanded from a year ago, sitting at approximately 5.5%. Office-using job growth was stunted significantly through out 2020 due to work from home orders. Though we are observing a slow but steady flow back to in-office work, there is still uncertainty in the sector as many companies remain hesitant.

RETAIL

- As of 2Q23, the retail sector delivered a quarterly return of -0.17%, outperforming 181 bps compared to the NPI.
- Transaction volumes totaled \$10 billion in the second quarter, decreasing 66% year-over-year. Single asset transactions accounted for just over 95% of all sales volume for the quarter.
- Cap rates have remained fairly steady within the sector over the last year at 5.2%. Current valuation cap rates compressed quarter-over-quarter by 9 bps due to valuation adjustments made across the sector in general.
- NOI growth decreased from the prior quarter to -2.55% as of the second quarter. Retail has begun its slow recovery as a large portion of stores nationally have opened and operate safely but has continued to experience volatility due to the current market environment.
- Retail vacancy rates remained steady over the quarter at 7.58%, down 114 bps over the past year. Many big box stores have closed as the need for retail space shrinks, translating to a negative outlook for rent growth. Paired with the global economic crisis, which has had a significant negative impact on this sector.

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Global Real Estate Market Update (2Q23)

- The challenges correlated to increasing interest rates, elevated inflation, sparse availability of debt, and pricing uncertainty have resulted in a continued decline in global transaction volume in the second quarter. Year over year, deal volumes have contracted by 47% with capital markets activity hampered by uncertainty. This marks the third consecutive quarter of deal volumes regressing 50% or more. This stagnation is extensive, as not one of the top 10 largest markets and none of the major sectors recorded an increase in investment activity versus the same period 12 months ago.

Global Total Commercial Real Estate Volume - 2022 - 2023

\$ US Billions	Q2 2023	Q2 2022	% Change		% Change	
			Q2 23 - Q2 22	H1 2023	H1 2022	H1 23- H2 22
Americas	76	201	-62%	159	388	-59%
EMEA	36	85	-57%	78	194	-60%
Asia Pacific	156	223	-30%	256	370	-31%
Total	269	509	-47%	492	953	-48%

Source: Real Capital Analytics, Inc., Q2' 23

- US markets endured the largest lapse relative to other regions, with a 62% decrease in deal volume being its lowest since the onset of the pandemic. Apartments experienced the largest shortfall in investment capital, as deal volumes fell by \$66B from the previous year to just \$28B.
- Global office vacancy rose to a new record high of 15.6% in the second quarter, with the US experiencing the largest amount of distress, followed by Asia Pacific. The sector currently is plagued by compounding issues of the cyclical slowdown and the shift to hybrid/remote work. Acquisitions in the second quarter have dropped to their lowest since 2009, as tenants and investors alike are seeking to offload their office portfolios. An uptick in return-to-office mandates, upcoming lease expirations and lower renewal rates will provide additional incentive to provide for new, amenity rich, high-quality space.
- There is reason for cautious optimism for major retail markets globally with a resilient labor market, rising earnings, along with consumer spending proving more resilient than anticipated. This boost in sentiment is also linked with the rise in international tourism, motivating retailers to secure locations in tourist saturated areas and pronounced shopping centers. Focuses have shifted towards to neighborhood centers and offering necessity goods as consumers have become more discerning with discretionary purchases.
- In the second quarter, leasing activity for logistics and industrial in the US and Europe moderated with slower economic growth and limited vacant stock. A new wave of supply has elevated absorption levels in the Asia Pacific region. Record amounts of new inventory are expected by year end, especially in the U.S. and Asia Pacific, causing vacancy rates to expand going forward. With continued healthy fundamentals, rents continue to increase globally but this will be marginal relative to their post-pandemic highs: rents in Q2 climbed by 18.4% year-over-year in the U.S., by 10.8% in Europe and by 6.4% across Asia Pacific.
- Investment in U.S. multifamily declined 69% since Q2 2022, despite record levels of dry power indicating latent demand pending an interest rate decrease. The global housing market continue to experience a fundamental undersupply of new homes to meet ever-increasing demand. This coupled with rising construction costs and limited financing have added to the shortfall. Across Europe, the depth and variety present in the housing market has lent itself to attracting capital with an 18% increase in transaction volume since the previous quarter. Asia Pacific investors are following suit, expanding multifamily investment to markets such as Australia and China to offset the continued slowdown in Japan.

Global Outlook - GDP (Real) Growth % pa, 2023-2025

	2023	2024	2025
Global	2.6	2.7	3.2
Asia Pacific	4.4	4.2	4.2
Australia	1.7	1.6	2.4
China	5.5	4.9	4.7
India	7.0	6.0	6.3
Japan	1.0	1.1	1.1
North America	1.1	0.8	2.0
US	1.1	0.8	2.0
Middle East	2.9	3.5	-
European Union	0.7	1.4	1.9
France	0.6	1.0	1.5
Germany	0.0	1.1	1.6
UK	0.2	0.9	1.7

Source: Bloomberg

Farmland – Second Quarter 2023 Market Update

FARMLAND MARKETS

- Crop prices continued to moderate through the first half of 2023 after reaching record levels in 2022 as the global agricultural sector faced headwinds from persistent inflation, rising interest rates, supply chain disruptions, and ongoing geopolitical tensions. (Fig. 1)
- However, U.S. farmland markets remained resilient as overall fundamentals remained favorable through the quarter while farmers maintained strong financial footing driven by continued high prices and favorable weather conditions.
- Prices for most major ag commodities remained above their five-year averages as low stockpiles in exporting countries are yet to be replenished, while the impact of crop price declines have been softened by an improvement in in the farm input situation as prices for most fertilizers have declined significantly over the past 12-months. (Fig. 2)
- Row crops continued to benefit from strong grain commodity demand due to global shortages, while permanent crops were mixed, with almonds continuing to face soft export markets and high carry-over supplies while the pistachio market continues to perform well driven by continued growth in global demand.

FIG 1: Major Commodities Price Change Year-to-Date

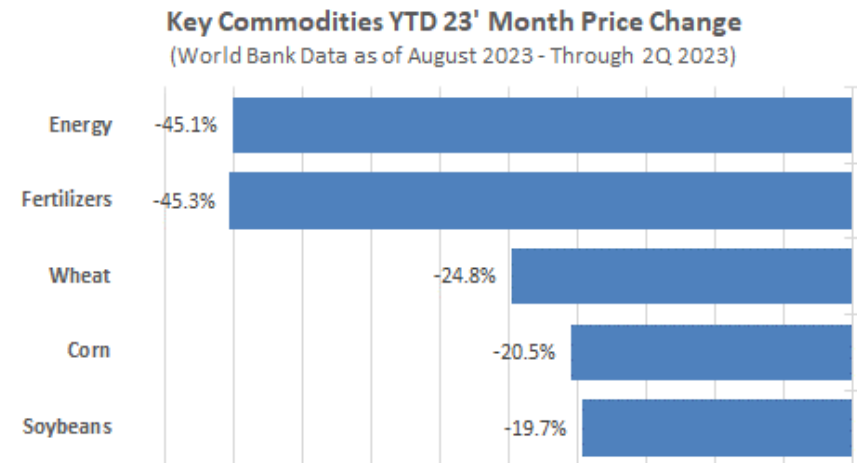
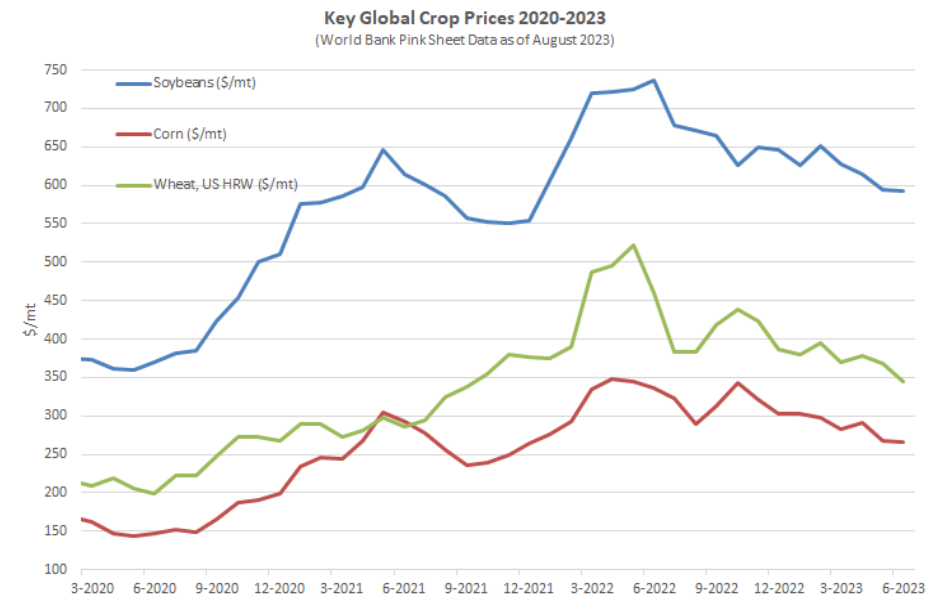


FIG 2: Key Global Crop Prices.S. Cropland Values



Farmland – Second Quarter 2023 Market Update

FARMLAND MARKETS

- U.S. Farmland values remained strong throughout the year and despite a slowdown in growth experienced last quarter due to rising rates, improved by over 8% year-over-year at quarter end. **(Fig. 3)**
- The increase has been driven by the record crop price levels reached in the previous years, driving higher farming value for the land in row-crop heavy regions of the U.S., while the general state of declining arable land in the U.S. driven by things like new conservation programs or competing land-use interests (eg, suburban development) has underpinned the decline for many years.
- Australian agriculture is projected to have the 3rd highest annual gross value on record in 2023/24 (ABARES) driven by very favorable weather conditions, which should translate into another strong year for producers.
- Farmland performance as measured by the ANREV Australian Farmland Index, bounced back from last quarter’s slightly negative return and generated a 1.7% return for 2Q23 and 2.0% over the trailing 12-month period. Performance was driven by strong row crop performance from high production levels over the past 18 months coupled with high grain and oilseed prices. **(Fig. 4)**

FIG 3: U.S. Cropland Values

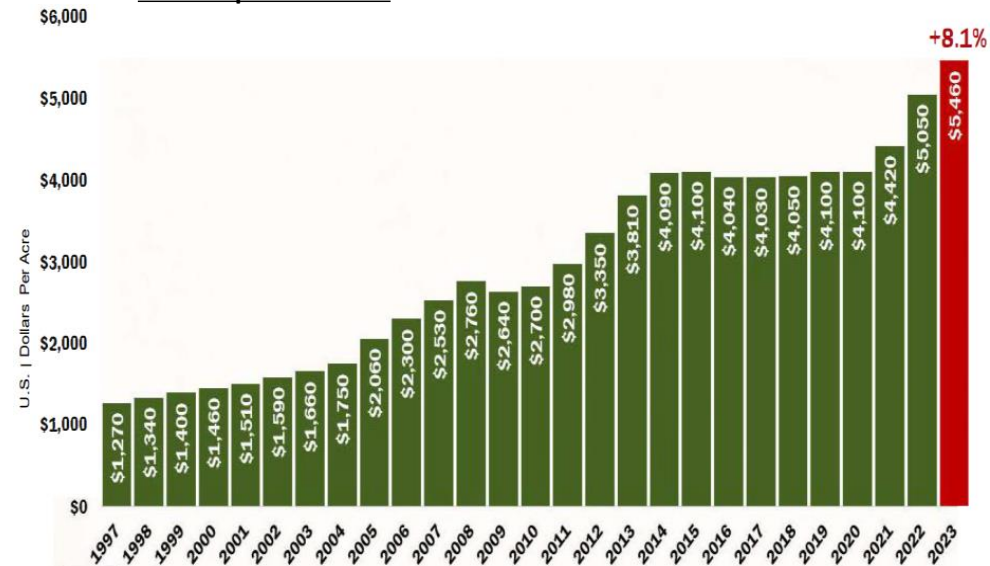
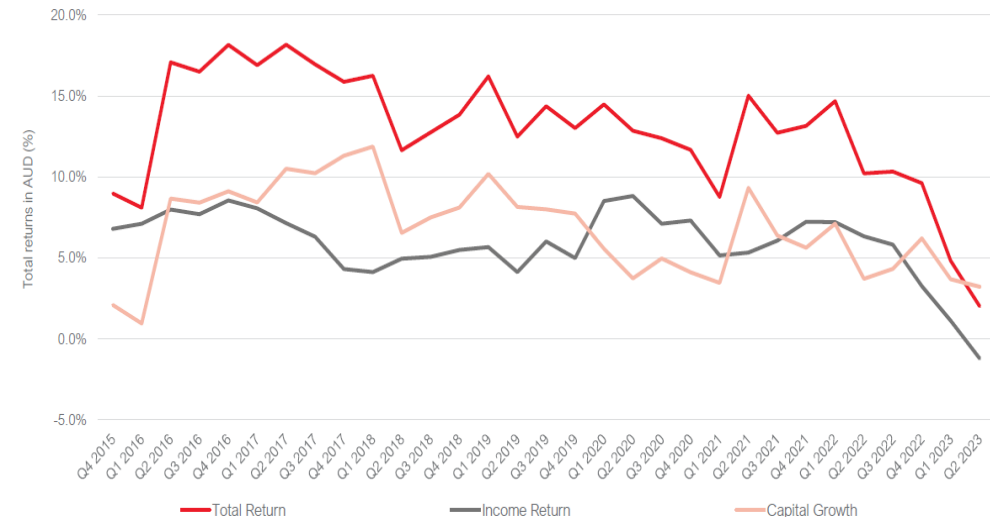


FIG 4: ANREV Australian Farmland Total Return Index 2Q 2023

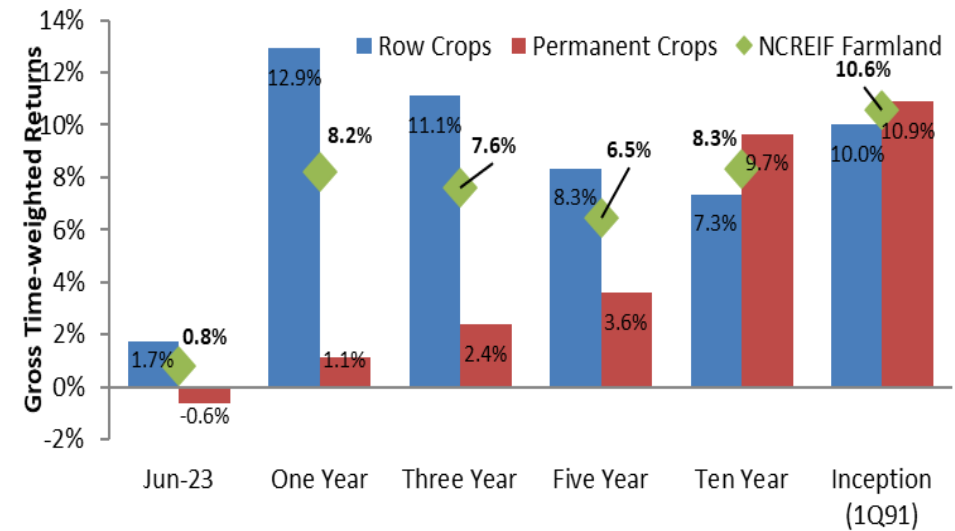


Farmland – Second Quarter 2023 Performance Update

NCREIF FARMLAND INDEX 2Q23

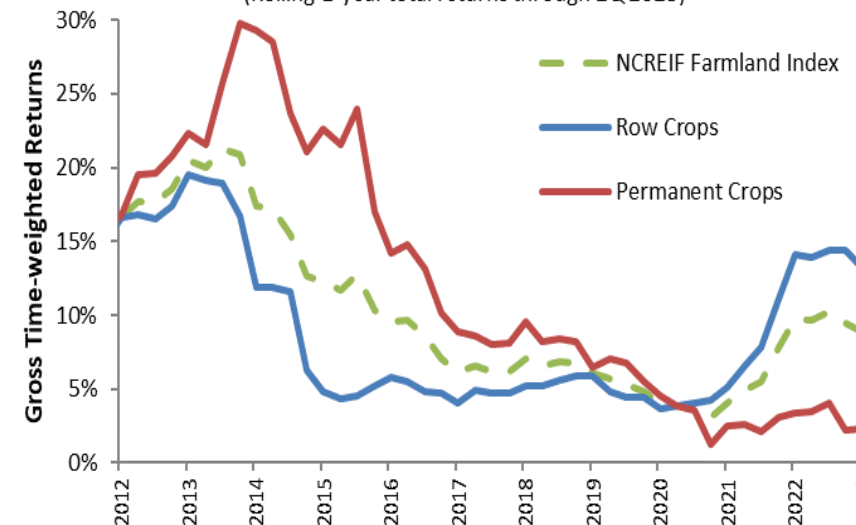
- The NCREIF Farmland Index (“NFI”) returned 0.8% in 2Q23, a 130-basis point decrease over last quarter’s 2.1% return. The return comprised 0.5% income and 0.3% appreciation.
- The NFI returned 8.2% over a 12-month period, with an appreciation return of 4.8% and income of 3.3%.
- Row crops continued to outperform during the quarter and over the year.
- During the quarter, Row crops returned 1.7% made up of 1.0% appreciation and 0.7% income. Permanent crops returned -0.6% made up of -0.9% appreciation and 0.2% income – wine grapes, almonds, pistachios, and citrus were all negative.
- For the trailing 12 months, row crops returned 12.9% versus perm crops 1.1% total return. Commodity crops (37% of the NFI) led with 15.1% for the year.
- Apples outperformed all other permanent crops with a 1.8% total return for the quarter, and 7.8% for the trailing 12 months, while wine grapes (the largest permanent crop 36% by MV) returned -0.2% for the quarter, and 1.8% for the year.
- Almonds, the 2nd largest permanent crop, returned -2.6% for the quarter and -4.3% over 1 year.

NCREIF Farmland Index Farm Type Returns June 2023



NCREIF Farm Type Performance

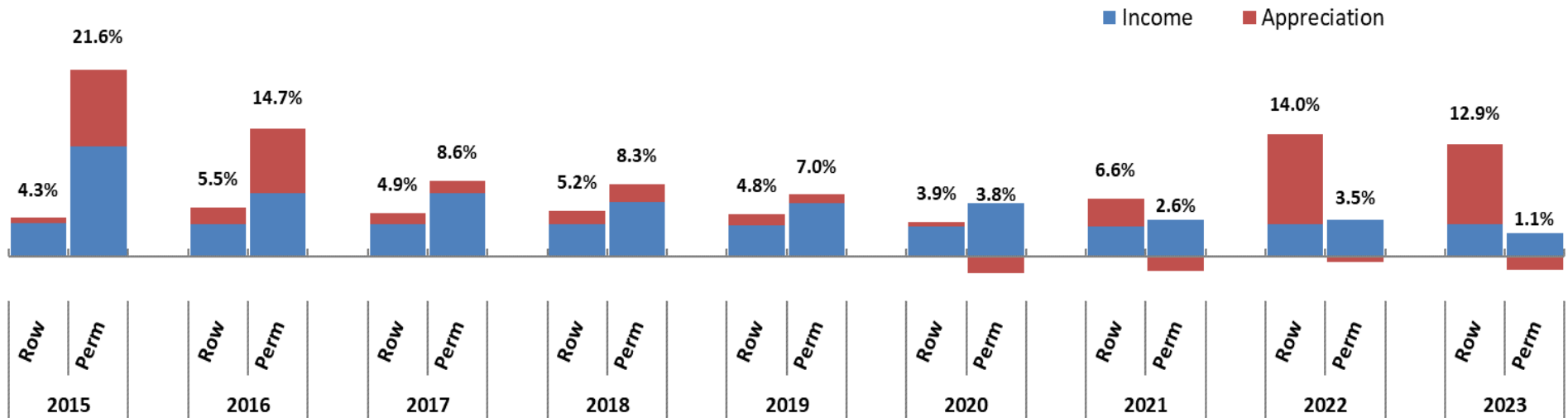
(Rolling 1-year total returns through 2Q 2023)



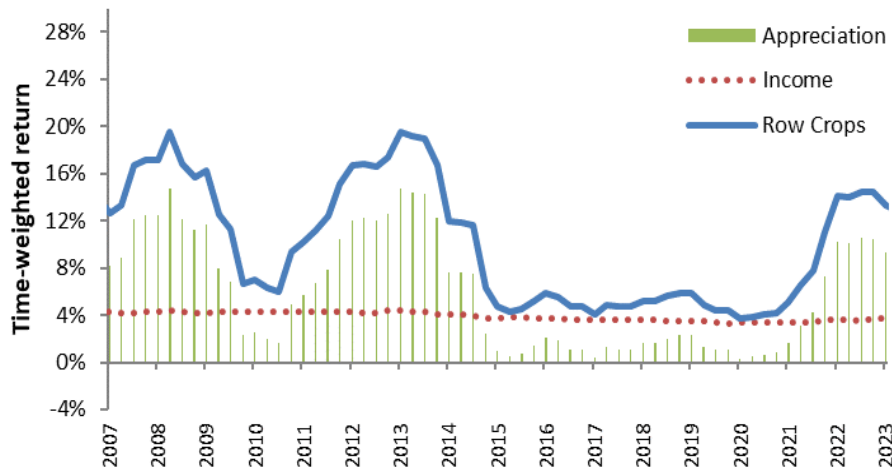
Farmland – Second Quarter 2023 Performance Update

NCREIF FARMLAND INDEX 2Q23

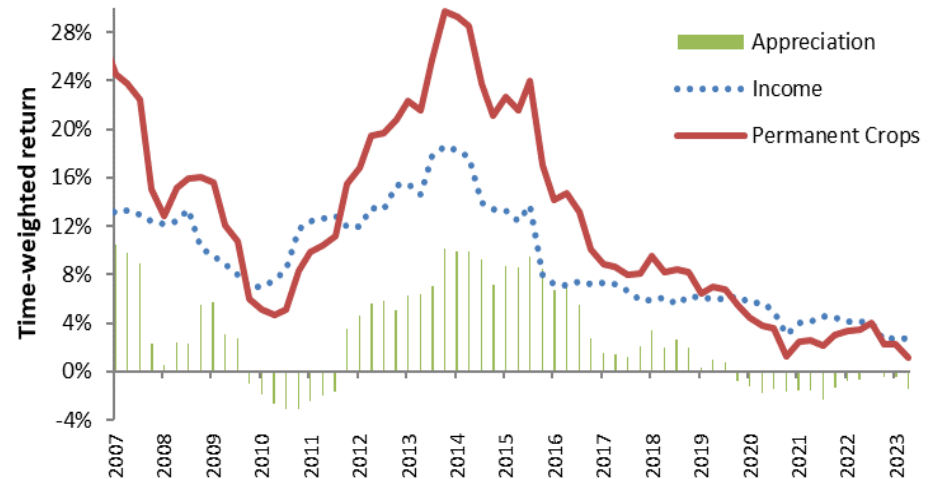
NCREIF Farm Type Performance Attribution June '15 - June '23
Trailing-twelve Month Returns as of 2Q 2023



NCREIF Row Crop Performance
(Rolling 1-year total returns through 2Q 2023)



NCREIF Permanent Crop Performance
(Rolling 1-year total returns through 2Q 2023)



Infrastructure – Second Quarter 2023 Market Update

General

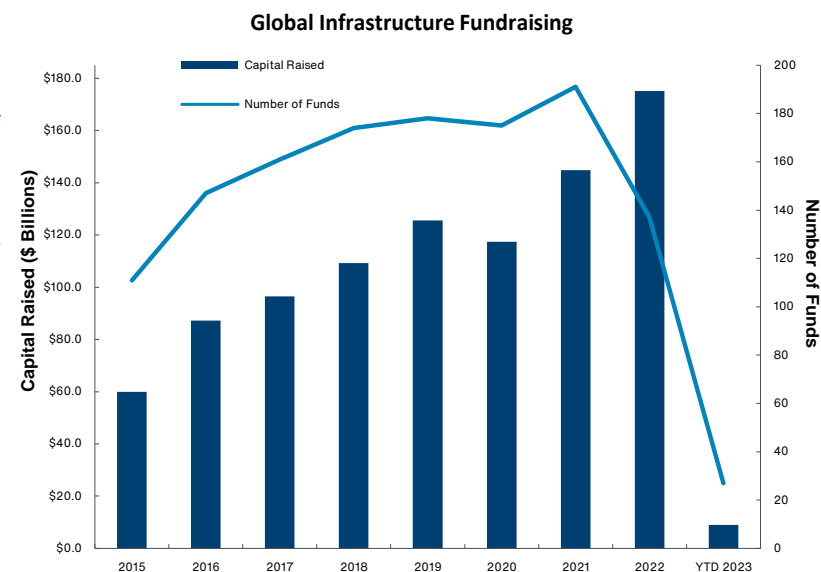
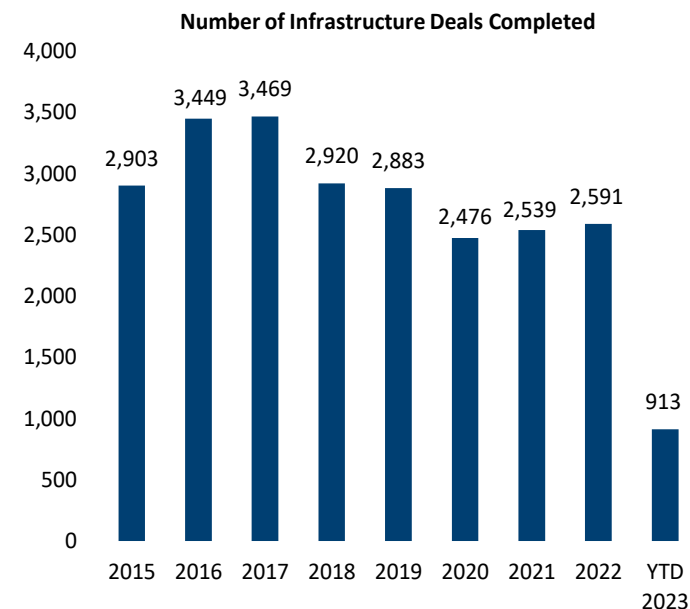
- Infrastructure managers completed 443 deals for an aggregate deal value of \$49.5 billion in the second quarter compared to 470 deals totaling \$72.0 billion in Q1 2023. By region, Europe saw the largest number of deals, with 45.0% of deals being completed in the region, followed by North America at 27.0%. Asia amassed 15.2% of activity through the end of Q2 2023.

Opportunity

- Mid-market core+ and value-add infrastructure as well as a platform investing approach continue to offer the best relative value.
- Assess funds with pre-specified assets with caution due to possible lag in and uncertainty around valuation impact.
- Blind-pool funds may be better positioned to take advantage of the market dislocation in certain sub-sectors, however careful review of such strategies is required.
- Build-to-core greenfield strategies particularly in the social / PPP infrastructure space offer a premium for investors willing to take on construction / development risk.

Fundraising

- \$4.5 billion of capital was raised by 11 funds in Q2 2023 equal to the \$4.5 billion of capital raised by 16 partnerships in Q1 2023. This was a significant decrease from the \$55.8 billion raised by 40 funds in Q2 2022. This was a decline of 86.3% compared to the five-year quarterly average of \$32.8 billion.
 - GCI Senior Infrastructure Debt II was the largest fund raised during the quarter, closing on \$1.7 billion.
- As of the end of Q2 2023, there were an estimated 527 funds in the market seeking roughly \$489.7 billion.
 - The largest funds currently in market each have target fund sizes of \$25.0 billion, including Brookfield Infrastructure V and Global Infrastructure Partners V.
 - The ten largest funds are seeking an estimated 33% of the total capital being raised.
- Concerns surrounding the relative availability and pricing of assets remain. Fundraising continues to be very competitive given the number of funds and aggregate target level of funds in market. Investor appetite for the asset class persists despite the strong levels of dry powder and increased investment activity from strategic and corporate buyers as well as institutional investors.



Timberland – Second Quarter 2023 Market Update

GLOBAL TIMBERLAND MARKETS

- Timber markets remained largely soft during 2Q driven by inflationary pressures and the general backdrop of global economic uncertainty. While US housing was up slightly over the quarter (~4%) it remains 8% below last year's level driven by rising borrowing costs and inflated home prices. (Fig.1)
- Timber prices were mixed over the quarter; large log prices in the US South were flat to slightly higher from due to lower supplies from challenged weather, while lower value chip-n-saw along with pulpwood prices declined with continued weakness in paperboard and packaging end-markets. (Fig.2)
- Log prices in the Pacific NW remain below historical highs hit in 2022 due to ongoing challenges with Pacific Rim trade dynamics and decreased U.S. home construction demand. (Fig.3)
- Brazil's timber markets remained strong as pulp and sawtimber prices continued to rise. Prices have remained elevated partly due to supply reductions across Europe and Asia due to the ongoing Russia-Ukraine conflict. (Fig.4)

FIGURE 1: U.S. Housing & Mortgage Rates

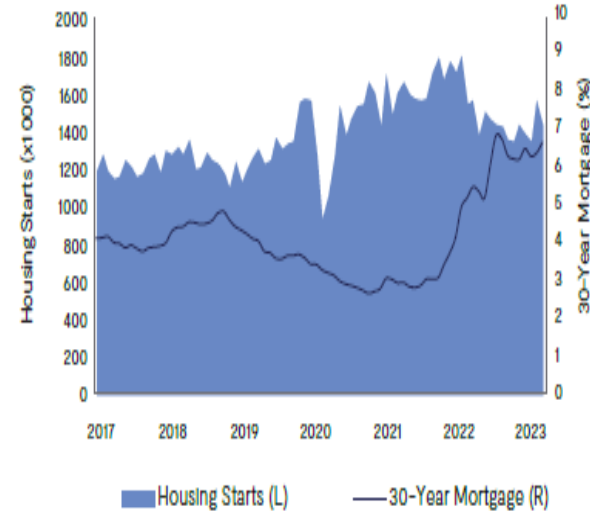


FIGURE 2: U.S. South Timber Prices

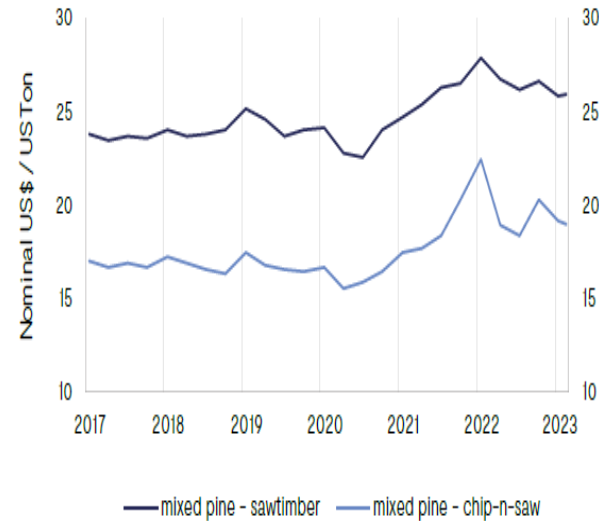


FIGURE 3: U.S. Pacific NW Timber Prices

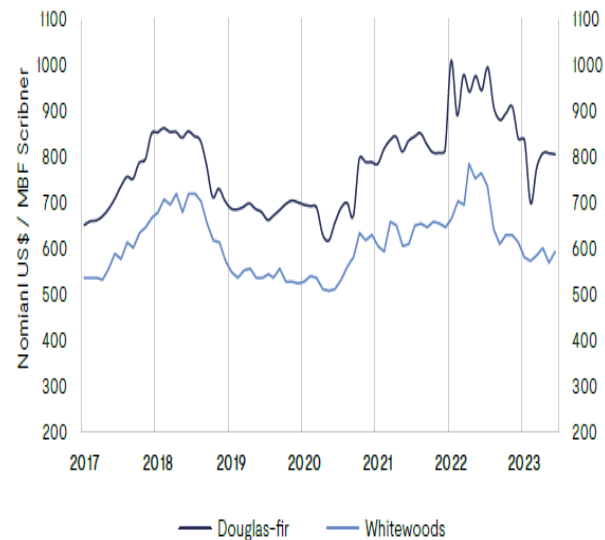
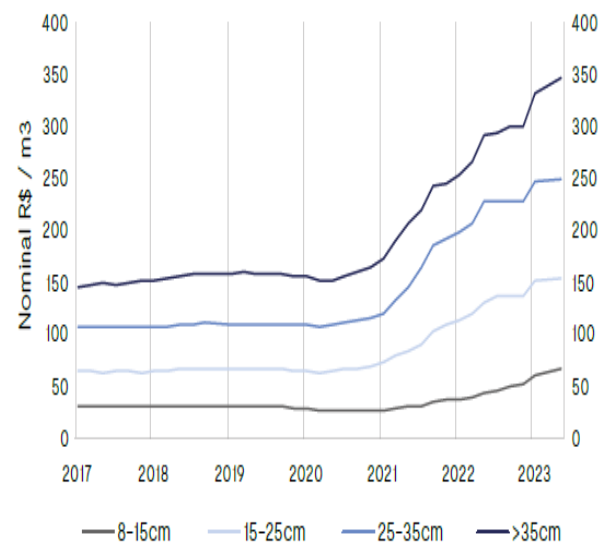


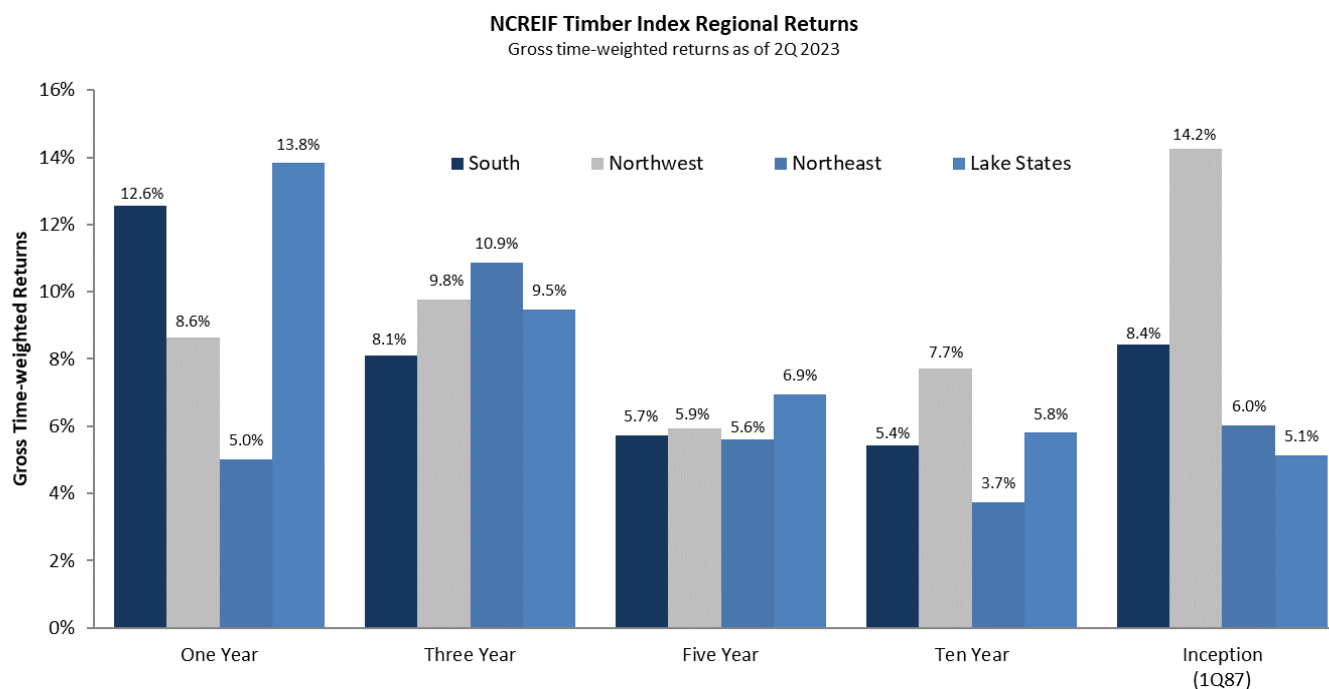
FIGURE 4: Brazil-Parana Pulp & Sawtimber Prices



Timberland – Second Quarter 2023 Performance Update

U.S. TIMBERLAND PERFORMANCE

- The NCREIF Timberland Index (“NTI”) returned 1.7% for the quarter, a flat return from last quarter’s 1.7% return; the return was comprised of 0.6% income and 1.1% appreciation. The NTI’s trailing twelve-month return of 11.1% was driven by a strong appreciation return of 8.2% and income of 2.7%.
- The U.S. South and Northwest, the NTI’s two largest regions by MV (c. 90%) – had quarterly returns of 1.7% and 1.9%, respectively, relative to last quarter’s corresponding returns of 1.8% and 1.8%. The South’s return was comprised of 0.8% income and 0.9% appreciation, and the Northwest was comprised of 0.3% income and 1.5% appreciation.
- Over the trailing 12-month period, Lake States was the top performing region delivering a 13.8% total return, which was driven predominantly by appreciation of 10.8%, with an income return of 2.8%. South returned 12.6% over the same time period, followed by the Northwest with an 8.6% return, and finally the Northeast generating a 5.0% return over the last 12-months.

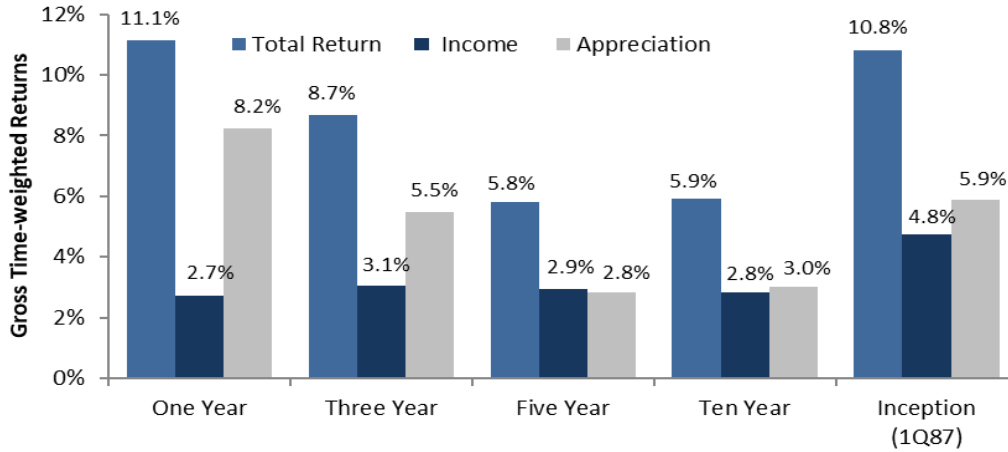


Timberland – Second Quarter 2023 Performance Update

TIMBERLAND PERFORMANCE

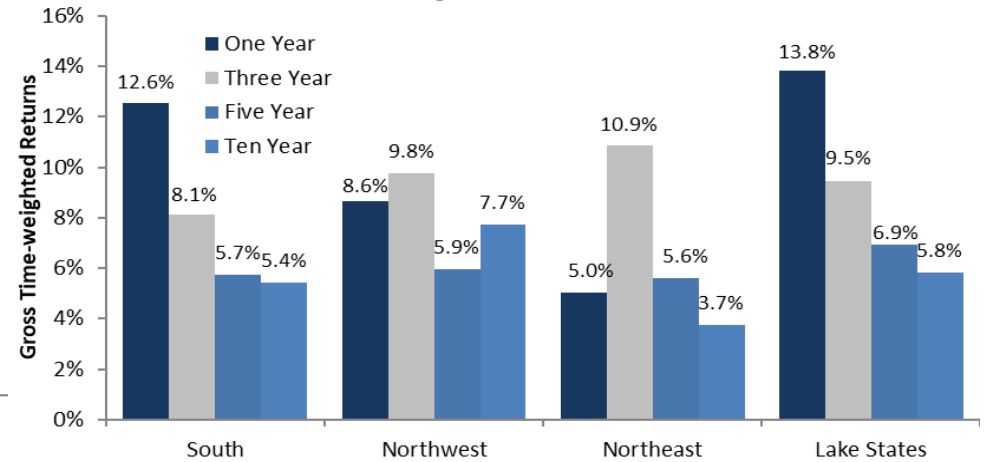
NCREIF Timber Index Returns

Gross time-weighted returns as of 2Q 2023



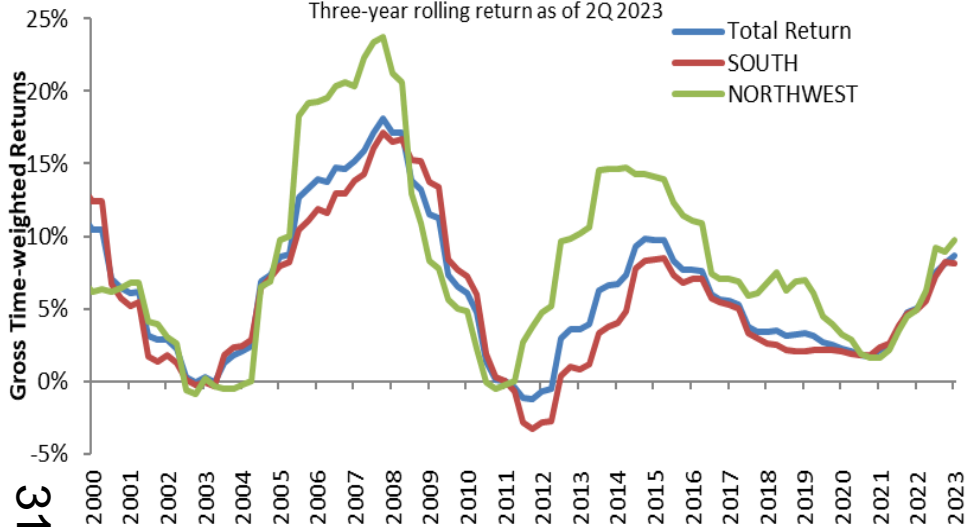
NCREIF Timber Index Regional Returns

Gross time-weighted returns as of 2Q 2023



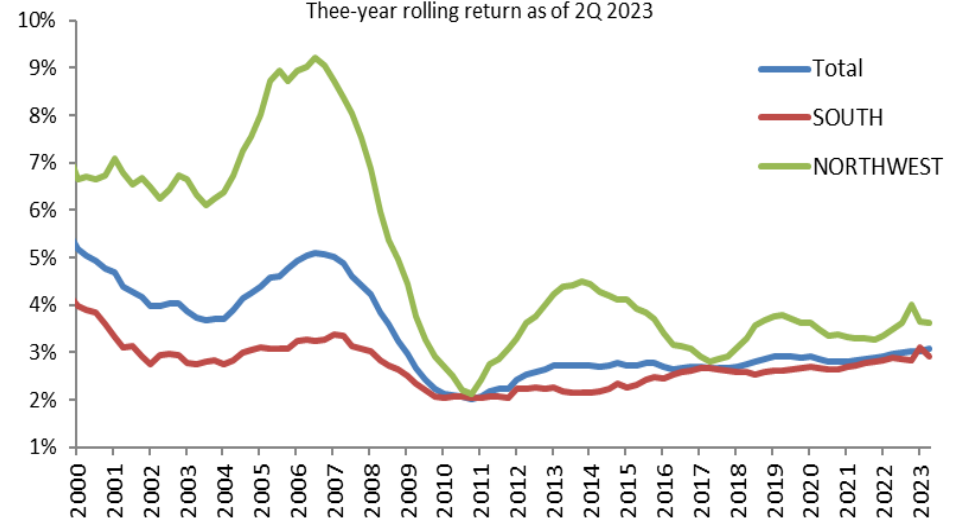
Total Returns by Region

Three-year rolling return as of 2Q 2023



EBITDA Returns by Region

Three-year rolling return as of 2Q 2023



Agenda

Section 1	Executive Summary
Section 2	Market Overview
Section 3	Real Assets Portfolio Update
Section 4	Glossary

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ATRS' Real Estate Performance: Core Portfolio

As of 06/30/2023

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Core								
Arkansas Investments	2007	142,694,200	144,624,546	0	206,658,713	72,119,283	2.8	2.1
JP Morgan Strategic Property Fund	2007	170,000,000	170,000,000	0	227,572,741	177,797,531	6.9	5.1
Metlife Commercial Mortgage Income Fund	2019	50,000,000	50,000,000	0	9,692,896	46,642,080	1.8	1.3
Prime Property Fund	2022	70,000,000	70,000,000	0	2,851,578	62,793,684	2.4	1.8
PRISA SA	2005	170,000,000	184,182,196	0	133,861,387	309,871,402	12.1	8.9
RREEF Core Plus Industrial Fund L.P.	2022	70,000,000	49,000,000	21,000,000	923,347	45,634,553	1.8	1.9
UBS Trumbull Property Fund	2006	170,000,000	190,587,980	0	219,264,760	134,416,760	5.2	3.9
UBS Trumbull Property Income Fund	2017	50,000,000	50,000,000	0	9,556,842	55,350,436	2.2	1.6
Core	2005	892,694,200	908,394,723	21,000,000	810,382,264	904,625,729	35.3	26.7

Returns (%)	Quarter				1 Year				3 Year				5 Year				10 Year				Inception		TWR Calculation Inception	Net Equity IRR Multiple	
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Core																									
Arkansas Investments	0.0	4.4	4.4	4.4	0.0	0.3	0.3	0.3	0.0	3.8	3.8	3.8	0.0	-0.5	-0.5	-0.5	0.0	6.2	6.2	6.2	6.8	6.8	1Q08	8.0	1.9
JP Morgan Strategic Property Fund	0.8	-2.3	-1.6	-1.8	3.0	-13.0	-10.4	-11.2	3.3	3.6	7.0	6.1	3.5	2.1	5.7	4.8	4.1	4.0	8.2	7.3	6.3	5.4	2Q07	6.7	2.4
Metlife Commercial Mortgage Income Fund	2.1	-1.5	0.6	0.4	7.6	-3.8	3.6	2.8	6.1	-1.8	4.3	3.4									4.1	3.3	3Q19	3.3	1.1
Prime Property Fund	0.9	-2.9	-2.0	-2.2	3.5	-9.4	-6.1	-7.1													-2.4	-3.5	2Q22	-6.0	0.9
PRISA SA	0.9	-2.8	-1.8	-2.0	3.5	-11.9	-8.7	-9.4	3.8	4.5	8.4	7.6	4.0	3.2	7.3	6.4	4.4	4.7	9.3	8.5	7.2	6.4	3Q05	6.5	2.4
RREEF Core Plus Industrial Fund L.P.	0.8	-0.3	0.4	0.3	2.7	-6.8	-4.2	-4.9													-4.2	-4.9	3Q22	-5.4	1.0
UBS Trumbull Property Fund	0.9	-4.3	-3.4	-3.5	3.5	-17.8	-14.8	-15.4	3.8	-1.1	2.6	1.9	4.1	-2.6	1.4	0.6	4.5	0.8	5.3	4.4	5.1	4.3	2Q06	5.1	1.9
UBS Trumbull Property Income Fund	1.0	-2.1	-1.1	-1.3	3.8	-8.6	-5.0	-5.8	3.8	2.1	6.0	5.1	3.8	1.6	5.5	4.6					5.7	4.9	3Q17	5.0	1.3
Core	0.9	-2.1	-1.3	-1.4	3.3	-11.2	-8.2	-8.9	3.5	2.9	6.4	5.6	3.6	1.1	4.7	4.0	3.8	3.7	7.7	6.9	7.6	6.9	3Q05	6.3	1.9

Note: Arkansas Investments are included in Core portfolio

ATRS' Real Estate Performance: Value-Add Portfolio

As of 06/30/2023

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Value Added								
Almanac Realty Securities IX, L.P.	2022	40,000,000	5,228,679	34,771,321	0	4,610,389	0.2	1.1
Almanac Realty Securities V, LP	2008	50,000,000	21,787,314	0	48,380,466	71,903	0.0	0.0
Almanac Realty Securities VI	2012	30,000,000	19,102,008	0	21,152,797	3,738,677	0.1	0.1
Almanac Realty Securities VII	2015	30,000,000	31,625,393	4,299,625	26,004,951	17,121,305	0.7	0.6
Almanac Realty Securities VIII	2018	30,000,000	18,492,643	13,070,929	3,944,683	18,565,444	0.7	0.9
Calmwater Real Estate Credit Fund III	2017	30,000,000	23,113,383	7,427,676	18,697,713	10,998,464	0.4	0.5
CBRE Strategic Partners U.S. Value 8	2017	25,000,000	23,972,058	1,027,942	10,377,578	17,336,172	0.7	0.5
CBRE Strategic Partners U.S. Value 9	2020	50,000,000	33,862,972	20,336,617	4,571,449	27,276,657	1.1	1.4
FPA Core Plus Fund IV	2018	30,000,000	30,000,000	0	4,142,830	35,760,520	1.4	1.0
GLP Capital Partners IV	2021	50,000,000	38,626,983	12,641,685	1,268,668	38,174,204	1.5	1.5
Harbert European Real Estate Fund IV	2016	25,011,918	23,920,550	1,659,953	19,288,852	3,871,457	0.2	0.2
LaSalle Income & Growth Fund VI	2013	20,000,000	19,047,619	0	22,379,425	3,337,712	0.1	0.1
LaSalle Income & Growth Fund VII	2017	20,000,000	20,307,423	39	13,425,555	8,530,889	0.3	0.2
LaSalle Income & Growth Fund VIII	2020	50,000,000	37,545,369	18,494,022	12,932,416	30,834,313	1.2	1.4
LaSalle Value Partners US IX		75,000,000	0	75,000,000	0	-1,094,598	0.0	2.1
LBA Logistics Value Fund IX	2022	55,000,000	20,448,718	34,551,282	0	18,788,629	0.7	1.5
Long Wharf Real Estate Partners V	2015	30,000,000	29,828,371	0	22,345,840	17,752,001	0.7	0.5
Long Wharf Real Estate Partners VI, L.P.	2020	50,000,000	49,364,004	594,648	25,668,979	34,525,266	1.3	1.0
Mesa West Real Estate Income Fund V	2021	40,000,000	12,119,720	27,895,748	476,630	12,305,075	0.5	1.2
PGIM Real Estate Capital VII (USD Feeder) SCSp	2021	40,000,000	15,107,770	29,104,475	4,671,499	11,968,791	0.5	1.2
Rockwood Capital Real Estate Partners Fund IX	2012	30,000,000	27,422,960	1,692,085	32,185,259	4,721,422	0.2	0.2
Rockwood Capital Real Estate Partners Fund XI	2019	40,000,000	28,328,433	12,664,915	1,623,581	28,319,312	1.1	1.2
Walton Street Real Estate Debt Fund II, L.P.	2019	40,000,000	25,978,451	25,924,038	11,913,805	15,887,664	0.6	1.2
Westbrook Real Estate Fund IX	2013	40,000,000	46,476,080	3,603,488	48,361,088	7,450,459	0.3	0.3
Westbrook Real Estate Fund X	2016	25,000,000	24,328,943	2,016,766	21,324,570	8,256,559	0.3	0.3
Value Added	2007	945,011,918	626,035,844	326,777,256	375,138,633	379,108,685	14.8	20.4



ATRS' Real Estate Performance: Value-Add Portfolio (Cont.)

Time Weighted Returns:

Returns (%)	Quarter				1 Year				3 Year				5 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Value Added																					
Almanac Realty Securities IX, L.P.	0.2	-2.1	-1.9	-4.3	-0.4	3.9	3.4	-7.9									13.9	76.6	2Q22	-13.0	0.9
Almanac Realty Securities V, LP	-2.6	0.5	-2.1	-2.1	-14.1	2.3	-12.1	-12.1	-22.5	4.5	-18.3	-18.5	-12.4	0.9	-11.0	-11.5	4.4	3.1	4Q09	11.9	2.2
Almanac Realty Securities VI	-0.1	-7.4	-7.5	-7.8	0.3	-2.5	-2.3	-3.3	-0.6	2.4	1.8	0.7	3.5	-9.6	-6.2	-7.1	4.3	2.9	1Q13	8.8	1.3
Almanac Realty Securities VII	1.7	-3.6	-1.9	-2.2	6.8	-7.2	-0.8	-1.9	7.1	0.2	7.3	6.1	7.7	1.5	9.3	8.1	12.8	10.3	3Q15	10.9	1.4
Almanac Realty Securities VIII	1.5	-0.7	0.7	0.5	5.8	-1.1	4.6	3.6	7.0	14.8	22.5	19.0					25.5	-31.5	1Q19	11.0	1.2
Calmwater Real Estate Credit Fund III	0.5	0.0	0.5	1.1	4.6	0.0	4.6	5.3	7.9	0.0	7.9	6.6	9.4	0.0	9.4	6.7	9.5	6.9	1Q18	7.0	1.3
CBRE Strategic Partners U.S. Value 8	0.9	-2.7	-1.8	-2.1	3.5	-33.4	-30.9	-29.5	6.2	-8.2	-2.5	-3.1	6.2	-4.1	1.9	1.3	4.8	3.6	2Q17	3.7	1.2
CBRE Strategic Partners U.S. Value 9	-0.6	-1.9	-2.5	-3.0	-3.0	-11.3	-14.1	-16.4									6.0	1.8	4Q20	-4.2	0.9
FPA Core Plus Fund IV	1.2	0.0	1.2	1.0	5.1	0.0	5.1	4.5	4.4	6.5	11.0	10.4					8.4	7.7	4Q18	8.6	1.3
GLP Capital Partners IV	-1.1	3.4	2.4	2.0	-0.1	-3.5	-3.5	-4.1									9.8	8.8	4Q21	1.6	1.0
Harbert European Real Estate Fund IV	11.4	-14.4	-3.1	-3.8	14.3	-66.1	-60.3	-61.2	12.7	-36.4	-27.3	-28.5	11.1	-26.3	-17.2	-17.3	-8.8	-10.0	3Q16	-0.8	1.0
LaSalle Income & Growth Fund VI	0.8	-10.6	-9.8	-9.8	2.9	-41.3	-39.4	-34.1	3.8	-22.4	-19.3	-15.9	3.5	-16.3	-13.3	-10.8	0.0	0.3	4Q13	8.4	1.4
LaSalle Income & Growth Fund VII	-0.7	-23.3	-24.1	-24.5	-4.1	-43.6	-46.2	-44.8	-0.8	-6.9	-7.8	-8.6	-0.4	-2.3	-2.9	-4.0	-0.2	-1.3	3Q17	2.4	1.1
LaSalle Income & Growth Fund VIII	-2.1	1.6	-0.5	0.5	-5.4	9.1	3.3	3.1	-2.0	33.2	30.7	22.4					26.6	18.5	2Q20	13.9	1.2
LaSalle Value Partners US IX																			3Q23	N/M	N/M
LBA Logistics Value Fund IX	-1.0	-0.7	-1.7	-2.6	-4.2	-0.8	-5.0	-9.8									-4.1	-9.8	2Q22	-10.5	0.9
Long Wharf Real Estate Partners V	0.2	-0.8	-0.6	-0.9	0.4	-4.9	-4.6	-4.0	1.3	6.3	7.7	6.3	1.3	6.7	8.1	6.8	9.5	6.8	1Q16	7.9	1.3
Long Wharf Real Estate Partners VI, L.P.	0.7	-0.1	0.6	0.2	2.5	6.7	9.4	5.7	3.0	45.6	49.7	35.1					42.9	28.7	2Q20	20.9	1.2
Mesa West Real Estate Income Fund V	-0.6	-1.7	-2.3	-2.7	10.0	-0.9	8.9	3.9									16.7	8.4	1Q22	4.9	1.1
PGIM Real Estate Capital VII (USD Feeder) SCSp	0.0	-0.1	-0.1	-0.1	-0.1	12.6	12.5	12.5									12.7	12.2	2Q21	10.8	1.1
Rockwood Capital Real Estate Partners Fund IX	-0.3	-6.5	-6.8	-7.4	1.0	-8.1	-7.2	-9.4	3.0	0.9	3.9	1.3	2.8	-5.8	-3.1	-5.8	7.6	4.7	4Q13	9.9	1.3
Rockwood Capital Real Estate Partners Fund XI	0.5	-6.6	-6.1	-6.6	1.6	-8.9	-7.4	-9.2	-1.9	-10.1	-14.9	2.0					-39.7	-1.4	1Q20	3.2	1.1
Walton Street Real Estate Debt Fund II, L.P.	3.4	-0.1	3.3	2.8	14.0	-9.3	4.0	2.1	12.2	-4.8	7.1	5.4					7.7	5.9	3Q19	5.7	1.1
Westbrook Real Estate Fund IX	0.0	-4.2	-4.2	-4.6	-0.2	-9.7	-9.8	-11.0	-0.5	-3.8	-4.3	-5.5	-0.6	-5.1	-5.7	-6.9	4.6	2.1	3Q13	6.7	1.2
Westbrook Real Estate Fund X	-0.2	-4.6	-4.8	-5.2	-0.2	-9.5	-9.7	-10.9	0.8	4.5	5.3	4.0	0.3	7.4	7.8	6.2	11.6	6.7	4Q16	8.6	1.2
Value Added	0.3	-2.0	-1.7	-2.0	1.9	-8.1	-6.3	-7.4	3.6	4.5	8.2	5.5	4.0	2.6	6.7	4.4	6.8	4.4	2Q07	6.1	1.2

ATRS' Real Estate Performance: Opportunistic Portfolio

As of 06/30/2023

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Opportunistic								
Blackstone Real Estate Partners Europe VI (EURO Vehicle)	2019	49,096,184	38,609,733	19,404,948	14,366,639	33,281,205	1.3	1.5
Blackstone Real Estate Partners VII	2012	50,000,000	65,016,069	5,427,665	99,530,036	8,778,115	0.3	0.4
Blackstone Real Estate Partners X	2023	75,000,000	3,198,920	72,201,080	0	2,788,527	0.1	2.2
Carlyle Realty Partners IX	2022	35,000,000	5,200,761	29,799,239	0	4,170,212	0.2	1.0
Carlyle Realty Partners VII	2014	30,000,000	28,964,109	14,406,050	37,077,899	7,010,457	0.3	0.6
Carlyle Realty Partners VIII	2018	25,000,000	21,343,354	16,033,323	19,237,472	13,817,749	0.5	0.9
CBRE Strategic Partners U.S. Opportunity 5	2008	50,000,000	48,619,365	1,380,660	67,686,544	296,835	0.0	0.0
Cerberus Institutional Real Estate Partners III	2013	30,000,000	37,777,980	7,307,395	51,298,577	9,592,570	0.4	0.5
Heitman European Property Partners IV	2008	44,089,700	34,546,944	0	26,841,177	292,856	0.0	0.0
Kayne Anderson Real Estate Partners V	2018	25,000,000	25,613,591	571,004	16,428,664	20,065,404	0.8	0.6
Kayne Anderson Real Estate Partners VI	2021	50,000,000	17,750,000	32,766,393	516,393	18,542,860	0.7	1.5
Landmark Real Estate Fund VI	2010	40,000,000	35,090,608	4,909,392	53,488,103	117,399	0.0	0.1
Landmark Real Estate Fund VIII	2017	25,000,000	17,475,064	11,246,093	10,724,337	13,552,290	0.5	0.7
Landmark Real Estate Fund IX, L.P.		50,000,000	0	50,000,000	0	-399,605	0.0	1.4
LaSalle Asia Opportunity Fund IV	2014	30,000,000	28,823,325	2,013,173	39,655,278	1,599,974	0.1	0.1
LaSalle Asia Opportunity V	2016	30,000,000	27,225,193	10,161,421	20,870,330	9,682,214	0.4	0.6
LaSalle Asia Opportunity VI	2023	50,000,000	1,455,028	48,544,972	0	-978,791	0.0	1.4
Lone Star Real Estate Fund IV	2015	24,260,817	19,445,848	4,814,970	19,779,413	6,292,806	0.2	0.3
Lone Star Real Estate Fund VII		50,000,000	0	50,000,000	0	-168,609	0.0	1.4
Metropolitan Real Estate Partners Co-Investments Fund, L.P.	2015	20,000,000	19,132,876	867,124	17,632,804	8,821,805	0.3	0.3
O'Connor North American Property Partners II, L.P.	2008	50,000,000	58,368,488	5,000,000	44,525,193	4,438,733	0.2	0.3
Torchlight Debt Fund VII, LP	2020	50,000,000	25,000,000	25,000,000	0	27,184,202	1.1	1.5
Torchlight Debt Opportunity Fund IV	2013	30,000,000	29,369,211	0	39,017,703	2,858,069	0.1	0.1
Torchlight Debt Opportunity Fund V	2015	25,000,000	20,001,024	5,000,000	23,787,472	2,444,589	0.1	0.2
Torchlight Debt Opportunity Fund VI	2018	25,000,000	22,479,558	2,500,000	10,439,738	18,595,518	0.7	0.6
Opportunistic	1998	962,446,701	630,507,049	419,354,902	612,903,772	212,677,384	8.3	18.2



ATRS' Real Estate Performance: Opportunistic Portfolio (Cont.)

Time Weighted Returns:

Returns (%)	Quarter				1 Year				3 Year				5 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Opportunistic																					
Blackstone Real Estate Partners Europe VI (EURO Vehicle)	-0.2	4.7	4.5	3.2	-0.3	8.1	7.8	4.5	0.1	25.7	25.8	16.8					16.2	8.3	1Q20	16.1	1.2
Blackstone Real Estate Partners VII	0.1	-8.0	-7.9	-6.3	0.3	-24.5	-24.3	-19.7	2.4	5.4	7.9	5.9	2.6	-1.0	1.6	0.9	13.8	9.8	2Q12	14.9	1.7
Blackstone Real Estate Partners X	-4.0	24.2	20.2	-10.7													20.2	-10.7	2Q23	-26.8	0.9
Carlyle Realty Partners IX	-7.5	15.3	7.8	2.9													-44.5	-67.0	4Q22	-42.7	0.8
Carlyle Realty Partners VII	-0.4	-2.9	-3.3	-3.1	2.3	-5.5	-3.2	-3.5	12.3	-2.6	9.6	8.9	17.6	-5.6	11.6	11.6	15.0	11.1	1Q15	14.0	1.5
Carlyle Realty Partners VIII	2.5	0.9	3.5	2.8	15.6	-10.0	4.5	5.0	27.4	19.0	49.9	38.5					37.9	25.3	4Q18	28.8	1.5
CBRE Strategic Partners U.S. Opportunity 5	-1.0	0.0	-1.0	-1.0	-3.1	-14.2	-16.9	-16.9	-2.3	11.4	8.8	8.8	-1.6	9.6	7.9	7.8	-7.9	-9.4	4Q08	5.4	1.4
Cerberus Institutional Real Estate Partners III	0.1	4.8	4.9	3.9	-0.1	15.8	15.6	12.6	-0.4	25.3	24.8	20.7	-0.3	19.8	19.4	15.4	18.7	14.1	4Q13	13.4	1.6
Heitman European Property Partners IV	0.0	3.3	3.3	3.3	-33.0	2.8	-30.9	-30.9	-13.8	-1.9	-15.2	-15.2	-6.2	-12.2	-17.4	-18.0	-7.0	-8.2	1Q11	-3.8	0.8
Kayne Anderson Real Estate Partners V	-0.8	0.2	-0.6	-0.8	-15.1	18.7	2.1	0.5	-4.1	24.0	19.9	13.5	-1.5	19.0	17.7	12.0	17.7	12.0	3Q18	12.8	1.4
Kayne Anderson Real Estate Partners VI	0.1	2.0	2.1	1.2	2.5	16.0	18.7	13.2									21.5	4.0	3Q21	7.2	1.1
Landmark Real Estate Fund VI	-0.7	0.0	-0.7	-0.7	-173.0	171.9	-8.5	-8.5	N/M	72.2	-22.2	-22.8	N/M	32.2	-18.3	-19.1	16.1	13.9	3Q10	18.5	1.5
Landmark Real Estate Fund VIII	6.3	-4.0	2.2	1.6	15.7	-9.1	5.5	3.4	20.2	5.4	26.1	20.6	18.4	-0.4	18.6	13.1	25.9	18.7	3Q17	16.3	1.4
Landmark Real Estate Fund IX, L.P.																			4Q23	N/M	N/M
LaSalle Asia Opportunity Fund IV	4.1	-0.5	3.7	3.5	-8.7	-0.1	-8.2	-8.8	-5.3	5.5	0.6	-0.1	-9.9	6.0	-1.8	-9.3	13.4	7.1	4Q14	31.9	1.4
LaSalle Asia Opportunity V	-2.7	-9.4	-12.0	-12.8	-10.6	3.8	-7.0	-9.9	-9.0	13.8	4.3	1.4	-6.7	16.6	9.7	5.5	10.0	4.5	4Q16	6.9	1.1
LaSalle Asia Opportunity VI																			3Q23	N/M	N/M
Lone Star Real Estate Fund IV	-0.1	-4.5	-4.6	-2.4	-3.5	-7.4	-10.5	-8.0	-2.5	2.5	0.0	1.1	3.3	-3.9	-0.4	-1.0	6.0	5.1	4Q15	10.4	1.3
Lone Star Real Estate Fund VII																			4Q23	N/M	N/M
Metropolitan Real Estate Partners Co-Investments Fund	-0.7	-6.8	-7.5	-6.9	9.9	-18.5	-9.5	-9.4	4.4	-2.0	2.7	1.6	2.9	1.1	4.3	3.1	6.6	4.8	1Q16	9.2	1.4
O'Connor North American Property Partners II, L.P.	0.0	0.0	0.0	-0.2	-0.1	-1.7	-1.8	-2.6	0.2	-4.4	-4.2	-4.9	0.0	-6.3	-6.3	-6.9	-4.8	-7.3	2Q08	-3.0	0.8
Torchlight Debt Fund VII, LP	1.5	-0.8	0.7	0.2	6.1	0.6	6.7	4.4									11.8	6.6	4Q20	5.0	1.1
Torchlight Debt Opportunity Fund IV	1.2	-0.2	0.9	0.4	3.7	-18.2	-15.1	-12.7	2.6	-5.9	-3.5	-2.0	3.7	-7.7	-4.3	-1.3	4.9	5.0	4Q13	9.3	1.4
Torchlight Debt Opportunity Fund V	2.5	-0.6	1.9	1.5	3.3	-15.9	-13.0	-4.8	3.7	0.9	4.6	4.9	5.4	-1.2	4.1	4.6	10.7	7.3	3Q15	10.1	1.3
Torchlight Debt Opportunity Fund VI	1.1	-1.2	0.0	0.8	4.8	-2.4	2.3	4.5	5.6	5.7	11.5	10.3	9.2	2.5	11.9	6.9	13.0	7.3	2Q18	8.1	1.3
Opportunistic	0.3	-0.3	0.1	-0.6	-0.2	1.0	0.8	-1.1	2.9	11.7	14.8	10.2	4.1	6.5	10.7	7.1	9.6	7.1	1Q98	10.2	1.4



ATRS' Timberland, Agriculture, and Infrastructure Performance

As of 06/30/2023

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Agriculture								
Agrivest Farmland Fund	2015	50,000,000	50,000,000	0	9,865,369	62,662,104	2.4	1.8
HFMS Farmland Separate Account	2011	125,000,000	173,189,470	19,105,587	87,664,318	175,728,784	6.8	5.6
Agriculture	2011	175,000,000	223,189,470	19,105,587	97,529,687	238,390,888	9.3	7.4
Timber								
BTG Pactual Open Ended Core U.S. Timberland Fund, LP	2019	182,930,629	182,930,628	0	12,449,182	237,317,162	9.2	6.8
BTG Timber Separate Account	1998	133,069,371	157,545,238	0	328,750,000	100,701,657	3.9	2.9
Timber	1998	316,000,000	340,475,867	0	341,199,182	338,018,819	13.2	9.8

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Infrastructure – Core								
AxInfra NA II LP	2021	50,000,000	51,443,005	0	3,742,366	57,372,181	2.2	1.7
DIF Infrastructure Fund VII	2023	53,140,610	10,343,053	44,059,381	0	9,910,251	0.4	1.6
DIF Infrastructure V	2018	47,762,784	39,731,972	9,799,824	6,004,762	46,099,391	1.8	1.6
IFM Global Infrastructure	2018	50,000,000	50,000,000	0	6,281,508	73,227,488	2.9	2.1
KKR Diversified Core Infrastructure Fund	2022	75,000,000	75,075,604	0	1,662,415	76,816,471	3.0	2.2
Macquarie Infrastructure Partners III	2013	50,000,000	51,182,248	5,418,501	53,166,179	61,872,001	2.4	1.9
Macquarie Infrastructure Partners V	2020	50,000,000	43,477,302	6,911,510	388,812	53,239,496	2.1	1.7
Infrastructure - Core	2015	375,903,394	321,253,184	66,189,216	71,246,041	378,537,278	14.8	12.8
Infrastructure - Non-Core								
Antin Infrastructure Partners Fund II	2014	47,696,920	35,953,565	1,909,021	65,524,367	5,659,408	0.2	0.2
Global Energy & Power Infrastructure Fund II	2014	50,000,000	55,325,626	1,491,773	54,178,257	16,436,115	0.6	0.5
Global Infrastructure Partners III	2016	50,000,000	51,329,991	5,427,140	24,191,715	51,988,705	2.0	1.7
ISQ Global Infrastructure Fund III	2021	50,000,000	14,211,328	35,788,672	0	14,816,996	0.6	1.5
KKR Global Infrastructure Investors II	2014	50,000,000	55,207,759	2,114,474	74,636,434	25,754,561	1.0	0.8
Infrastructure - Non-Core	2014	247,696,920	212,028,269	46,731,080	218,530,773	114,655,786	4.5	4.7
Infrastructure	2014	623,600,314	533,281,453	112,920,297	289,776,814	493,193,064	19.2	17.5

ATRS' Timberland, Agriculture, and Infrastructure Performance (Cont.)

Time Weighted Returns:

Returns (%)	Quarter				1 Year				3 Year				5 Year				10 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple	
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET				
Agriculture																										
Agrivest Farmland Fund	0.8	0.9	1.6	1.4	3.3	4.1	7.4	6.4	3.2	4.5	7.8	6.7	3.2	3.0	6.3	5.3					6.4	5.3	2Q15		5.2	1.5
HFMS Farmland Separate Account	1.2	-0.3	1.0	0.7	3.2	5.5	8.8	7.6	3.3	8.1	11.7	10.4	3.4	4.8	8.4	7.1	3.6	3.2	6.9	5.8	7.9	6.6	3Q11		6.6	1.5
Agriculture	1.1	0.1	1.2	0.9	3.2	5.1	8.5	7.3	3.3	7.2	10.7	9.4	3.4	4.4	7.8	6.7	3.6	3.0	6.7	5.6	7.7	6.4	3Q11		6.3	1.5
Agriculture Benchmark*			0.8				8.4				7.7				6.4				6.4		8.3		3Q11			
Timber																										
BTG Pactual Open Ended Core U.S. Timberland Fund, LP	-0.1	-0.3	-0.3	-0.6	0.6	9.0	9.7	8.6	3.9	7.0	11.5	10.4									10.7	9.6	1Q20		9.6	1.4
BTG Timber Separate Account	0.8	-6.0	-5.2	-5.4	1.5	-11.0	-9.5	-10.1	3.9	0.2	4.1	3.4	11.6	-13.0	3.7	3.0	7.0	-5.8	4.2	3.4	6.9	6.1	2Q98		5.1	2.7
Timber	0.2	-2.0	-1.8	-2.0	0.9	2.3	3.2	2.3	3.9	4.8	9.1	8.1	11.4	-9.2	7.8	6.8	6.9	-3.8	6.2	5.3	7.7	6.9	2Q98		5.4	2.0
Timberland Property Benchmark*			1.7				11.1				8.7				5.9				5.5		5.8		2Q98			

Returns (%)	Quarter				1 Year				3 Year				5 Year				10 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple	
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET				
Infrastructure – Core																										
AxInfra NA II LP	0.3	1.7	2.0	1.8	2.1	7.5	9.8	7.7													14.3	11.7	2Q21		9.1	1.2
DIF Infrastructure Fund VII																							3Q23		-4.3	1.0
DIF Infrastructure V	1.0	1.7	2.7	2.4	4.2	5.4	9.8	8.4	3.8	6.9	10.9	9.1	3.8	6.5	10.4	7.9					10.4	7.9	3Q18		8.1	1.3
IFM Global Infrastructure	0.5	2.5	3.0	2.5	2.2	9.2	11.5	9.6	3.4	10.9	14.5	12.3									12.8	10.7	4Q18		10.7	1.6
KKR Diversified Core Infrastructure Fund	0.9	1.3	2.2	2.1	4.9	3.1	8.1	7.6													7.1	6.7	2Q22		7.1	1.0
Macquarie Infrastructure Partners III	1.1	5.5	6.6	5.2	13.2	42.4	58.6	44.7	7.2	34.9	43.8	33.3	4.5	26.1	31.3	23.7					25.9	19.5	2Q15		18.5	2.2
Macquarie Infrastructure Partners V	0.1	2.1	2.2	1.9	0.7	8.7	9.4	7.8													18.6	15.6	1Q21		14.7	1.2
Infrastructure - Core	0.7	2.6	3.2	2.7	4.4	12.7	17.5	14.1	3.7	15.9	19.9	16.0	3.1	13.1	16.5	13.0					17.1	12.9	2Q15		13.4	1.4
Infrastructure - Non-Core																										
Antin Infrastructure Partners Fund II	0.0	-12.9	-12.9	-13.1	0.0	6.8	6.7	5.8	3.2	18.3	22.2	21.2	2.6	14.7	17.7	16.8					15.6	14.1	4Q14		13.2	2.0
Global Energy & Power Infrastructure Fund II	0.6	-3.0	-2.4	-2.5	2.1	-10.6	-8.6	-9.1	3.8	-8.3	-4.7	-6.0	7.0	-6.3	0.7	-1.2					12.2	4.7	1Q15		12.7	1.3
Global Infrastructure Partners III	1.5	-0.8	0.6	0.3	3.9	2.5	6.5	5.1	4.5	14.5	19.5	17.7	4.7	7.8	13.0	11.0					12.7	9.0	4Q16		10.0	1.5
ISQ Global Infrastructure Fund III	-0.7	3.7	3.0	1.5	-7.0	49.7	40.4	25.8													38.1	20.3	1Q22		6.1	1.0
KKR Global Infrastructure Investors II	0.9	1.2	2.0	1.6	19.4	2.1	21.8	20.3	16.3	0.8	18.4	17.2	17.7	-0.9	19.7	18.7					18.4	14.9	1Q15		17.0	1.8
Infrastructure - Non-Core	0.9	-0.9	0.0	-0.4	6.2	2.6	8.9	7.1	7.4	7.8	15.7	13.9	9.0	4.8	14.5	12.8					15.2	11.8	4Q14		13.4	1.6
Infrastructure	0.7	1.7	2.5	1.9	4.9	10.0	15.3	12.3	5.1	13.2	18.8	15.7	6.1	9.7	16.2	13.5					15.9	11.9	4Q14		13.4	1.5
Infrastructure Benchmark*			1.8				6.0				8.0				7.5						6.8		4Q14			

3Q25

*The Timberland Property Benchmark was comprised of the NCREIF Timberland returns weighted according to ATRS' regional exposure based on Net Asset Value prior to 3Q20, gross of fees. The Agriculture Benchmark was comprised of the NCREIF Farmland returns weighted according to ATRS' regional and crop type exposure based on Net Asset Value prior to 3Q20, gross of fees. As of 3Q20, the Timberland and Agriculture benchmarks going forward will no longer be weighted and are just the NCREIF Timberland and NCREIF Farmland returns, gross of fees. Additionally, the Infrastructure Benchmark of CPI plus 500 bps has been adjusted to CPI plus 300 bps as of 3Q20 and the new Infrastructure Benchmark will be a blend of the two going forward.



Portfolio Performance Detail: By Vintage Year

As of 06/30/2023

Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
1997	75,000,000	80,737,536	0	120,795,230	0	0.0	0.0
1998	233,069,371	270,407,887	0	476,689,777	100,701,657	3.9	2.9
1999	178,794,401	189,842,518	0	316,052,650	0	0.0	0.0
2000	209,242,960	228,396,220	0	289,418,462	355,396	0.0	0.0
2005	170,000,000	184,182,196	0	133,861,387	309,871,402	12.1	8.9
2006	170,000,000	190,587,980	0	219,264,760	134,416,760	5.2	3.9
2007	417,694,200	418,942,712	0	547,157,164	249,916,814	9.7	7.2
2008	264,089,700	229,766,888	9,604,568	277,338,343	5,100,328	0.2	0.3
2010	40,000,000	35,090,608	4,909,392	53,488,103	117,399	0.0	0.1
2011	125,000,000	173,189,470	19,105,587	87,664,318	175,728,784	6.8	5.6
2012	110,000,000	111,541,038	7,119,750	152,868,092	17,238,214	0.7	0.7
2013	170,000,000	183,853,139	16,329,384	214,222,972	85,110,810	3.3	2.9
2014	207,696,920	204,274,384	21,934,491	271,072,235	56,460,515	2.2	2.3
2015	179,260,817	170,033,511	14,981,719	119,415,848	115,094,610	4.5	3.8
2016	130,011,918	126,804,677	19,265,280	85,675,468	73,798,935	2.9	2.7
2017	150,000,000	134,867,928	19,701,751	62,782,025	105,768,251	4.1	3.6
2018	232,762,784	207,661,118	41,975,080	66,479,657	226,131,515	8.8	7.7
2019	362,026,813	325,847,245	57,993,901	50,046,102	361,447,423	14.1	12.1
2020	250,000,000	189,249,647	71,336,797	43,561,656	173,059,935	6.7	7.1
2021	280,000,000	149,258,805	138,196,973	10,675,556	153,180,107	6.0	8.4
2022	345,000,000	224,953,762	120,121,842	5,437,340	212,813,937	8.3	9.6
2023	353,140,610	14,997,001	339,805,434	0	10,057,174	0.4	10.1
Total Portfolio (Including Current & Historical Activity)							
	4,652,790,494	4,044,486,270	902,381,949	3,603,967,145	2,566,369,966	100	100

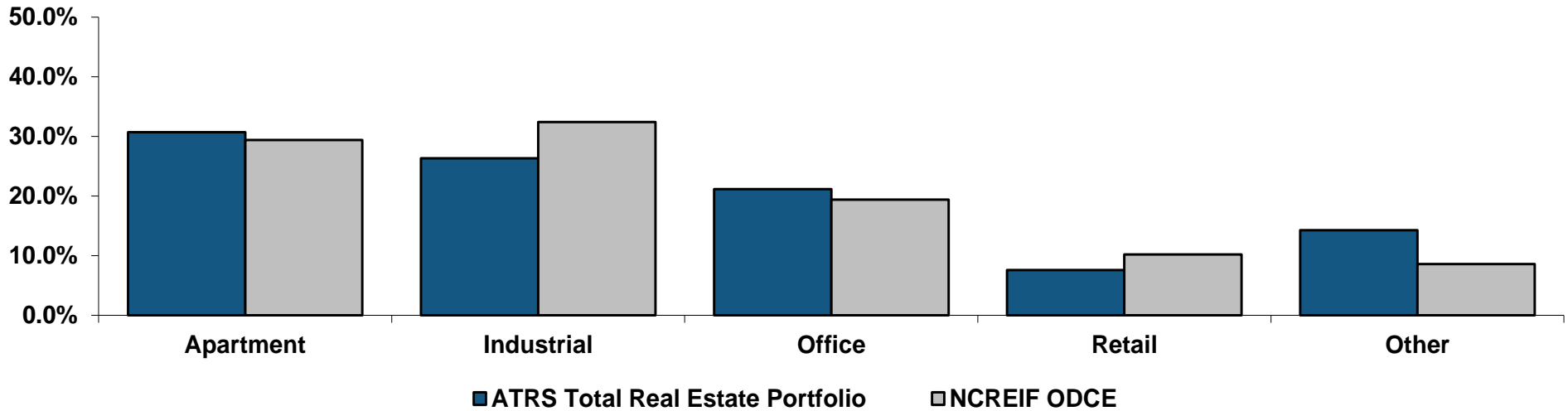
Portfolio Performance Detail: By Vintage Year (Cont.)

Time Weighted Returns:

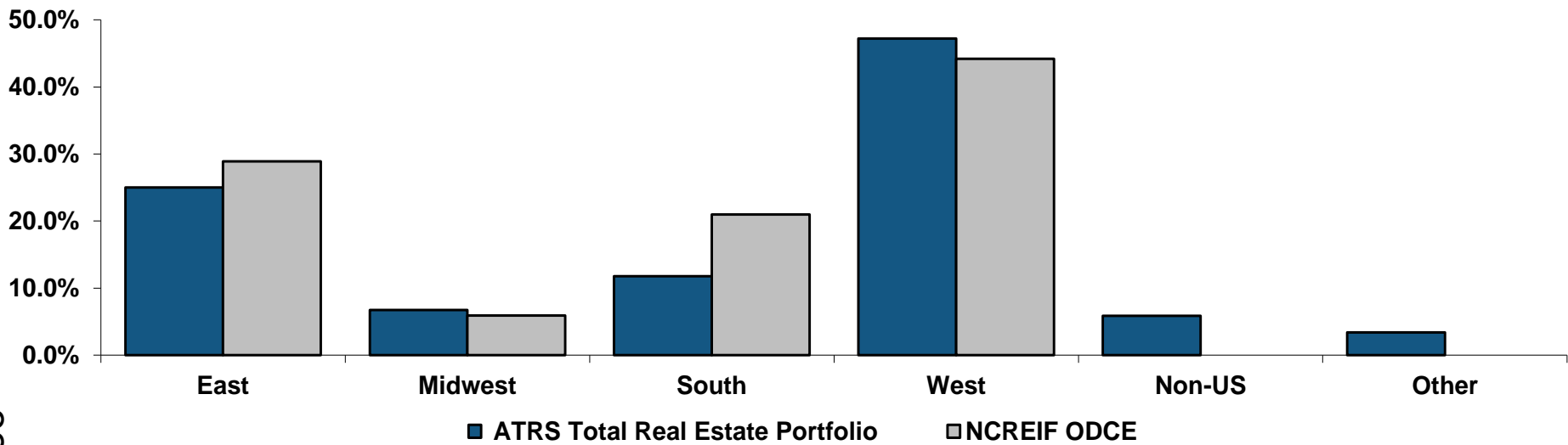
Investment Vintage Year	Quarter				1 Year				3 Year				5 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
1997																	3.7	3.2	1Q98	13.4	1.5
1998	0.8	-6.0	-5.2	-5.4	1.5	-11.0	-9.5	-10.1	3.9	0.2	4.1	3.4	11.6	-13.0	3.7	3.0	6.9	6.0	2Q98	5.5	2.1
1999																			4Q99	15.9	1.7
2000																			4Q00	8.5	1.3
2005	0.9	-2.8	-1.8	-2.0	3.5	-11.9	-8.7	-9.4	3.8	4.5	8.4	7.6	4.0	3.2	7.3	6.4	7.2	6.4	3Q05	6.5	2.4
2006	0.9	-4.3	-3.4	-3.5	3.5	-17.8	-14.8	-15.4	3.8	-1.1	2.6	1.9	4.1	-2.6	1.4	0.6	5.1	4.3	2Q06	5.1	1.9
2007	0.5	-0.4	0.1	0.0	2.1	-9.5	-7.5	-8.1	2.5	4.0	6.5	5.8	2.6	1.7	4.4	3.7	6.7	6.1	2Q07	6.1	1.9
2008	-0.1	0.2	0.1	-0.1	-3.0	-2.7	-5.6	-6.3	-1.6	0.0	-1.6	-2.2	-0.6	-2.1	-2.7	-3.3	-1.4	-3.9	2Q08	3.9	1.2
2010	-0.7		-0.7	-0.7	-173.0	171.9	-8.5	-8.5		72.2	-22.2	-22.8		32.2	-18.3	-19.1	16.1	13.9	3Q10	18.5	1.5
2011	1.2	-0.3	1.0	0.7	3.2	5.5	8.8	7.6	3.3	8.1	11.7	10.4	3.4	4.8	8.4	7.1	7.9	6.6	3Q11	6.6	1.5
2012	-0.1	-7.5	-7.5	-6.9	0.5	-16.3	-15.9	-14.0	2.2	5.5	7.7	5.2	2.9	-2.5	0.3	-1.1	12.4	8.6	2Q12	12.9	1.5
2013	0.9	3.6	4.5	3.3	9.0	23.6	33.6	25.4	4.8	22.6	28.2	21.5	3.3	15.7	19.3	14.6	17.9	13.0	3Q13	12.6	1.6
2014	0.6	-2.2	-1.5	-1.8	9.0	-2.5	6.3	5.4	9.8	1.4	11.6	10.4	11.5	0.9	12.9	11.5	16.2	12.9	4Q14	15.5	1.6
2015	0.7	-1.0	-0.3	-0.4	3.5	-2.2	1.2	1.0	3.2	3.7	7.0	5.9	3.8	2.9	6.8	5.7	8.8	6.9	2Q15	7.4	1.4
2016	1.2	-3.2	-2.0	-2.5	2.2	-7.4	-5.3	-6.8	3.3	5.6	9.1	7.3	3.8	3.6	7.6	6.0	8.9	5.8	3Q16	7.0	1.3
2017	1.4	-4.4	-3.0	-3.2	4.2	-16.8	-13.1	-13.1	5.7	-0.6	5.0	3.7	5.6	0.2	5.8	4.3	7.9	5.9	2Q17	5.5	1.2
2018	0.9	1.1	1.9	1.7	2.8	4.6	7.5	6.5	4.7	10.6	15.7	13.0	3.8	8.5	12.5	9.3	11.1	1.7	2Q18	10.8	1.4
2019	0.4	-0.6	-0.2	-0.5	2.1	5.0	7.2	5.9	4.2	6.4	11.0	9.3					9.5	7.9	3Q19	8.3	1.3
2020	-0.1	0.5	0.4	0.2	0.3	3.8	4.1	2.1	1.2	20.6	22.0	14.0					18.6	10.5	2Q20	10.6	1.1
2021	-0.2	1.9	1.7	1.2	1.7	6.5	8.2	5.6									13.6	8.9	2Q21	6.9	1.1
2022	0.6	-0.4	0.2	-0.2	2.5	-4.5	-2.1	-3.6									-0.3	-2.5	2Q22	-3.6	1.0
2023	-33.1	78.1	45.0	-13.2													45.0	-13.2	2Q23	-75.3	

Portfolio Diversification – Real Estate

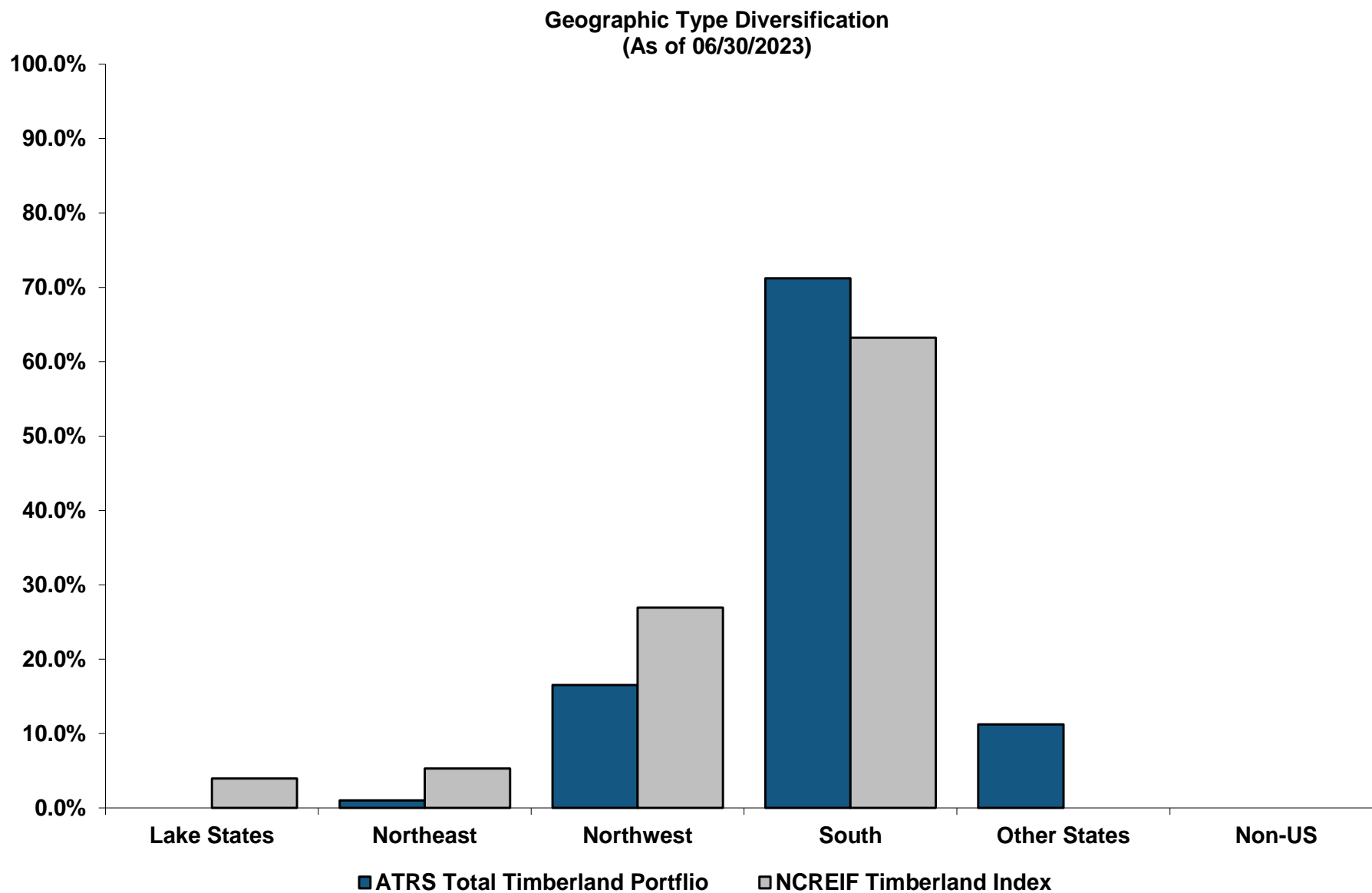
Property Type Diversification
(As of 06/30/2023)



Geographic Type Diversification
(As of 06/30/2023)

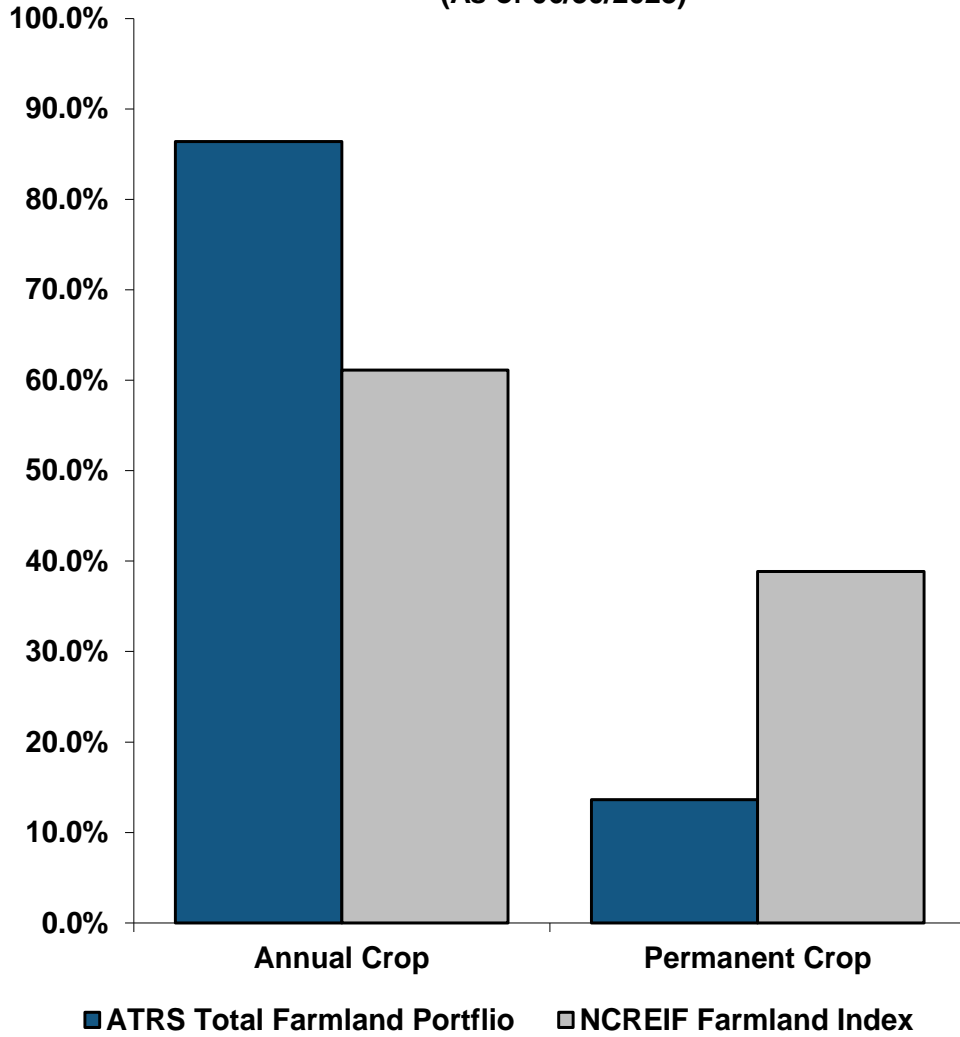


Portfolio Diversification – Timberland

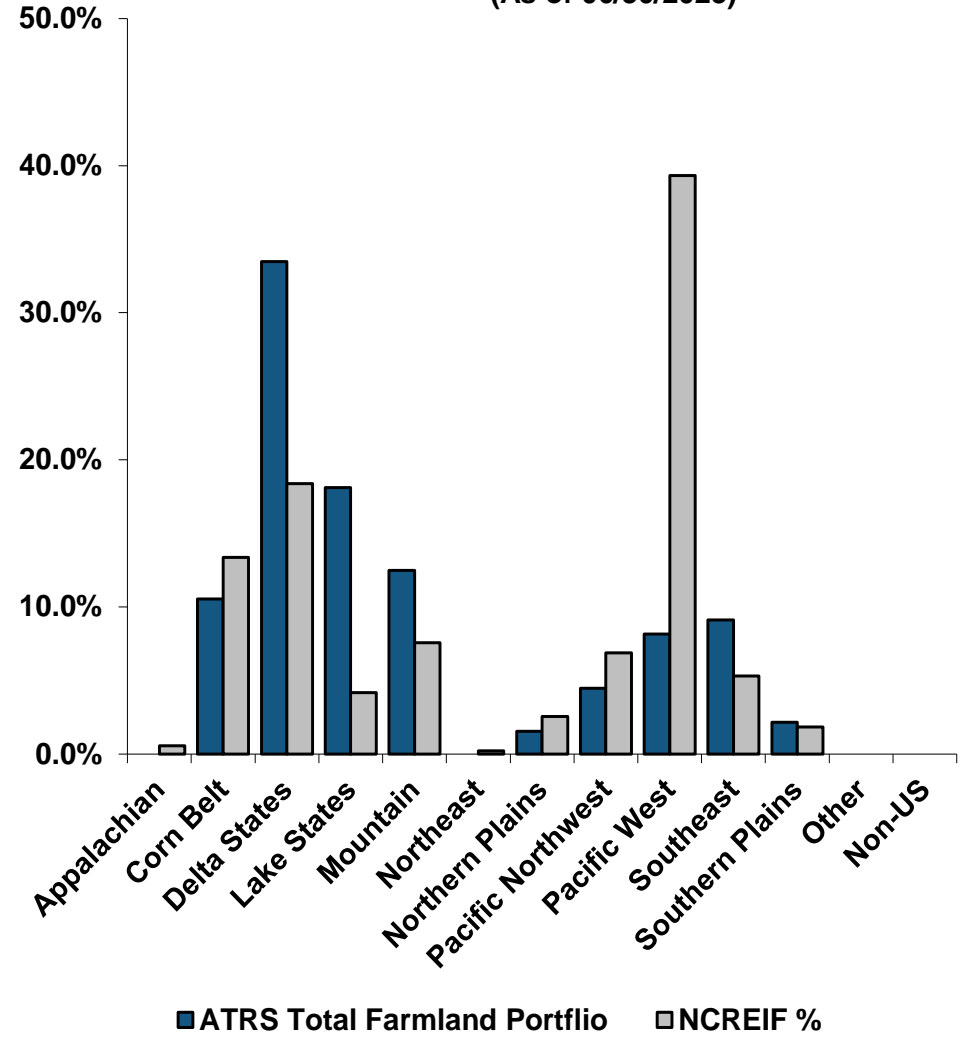


Portfolio Diversification – Agriculture

Crop Type Diversification
(As of 06/30/2023)

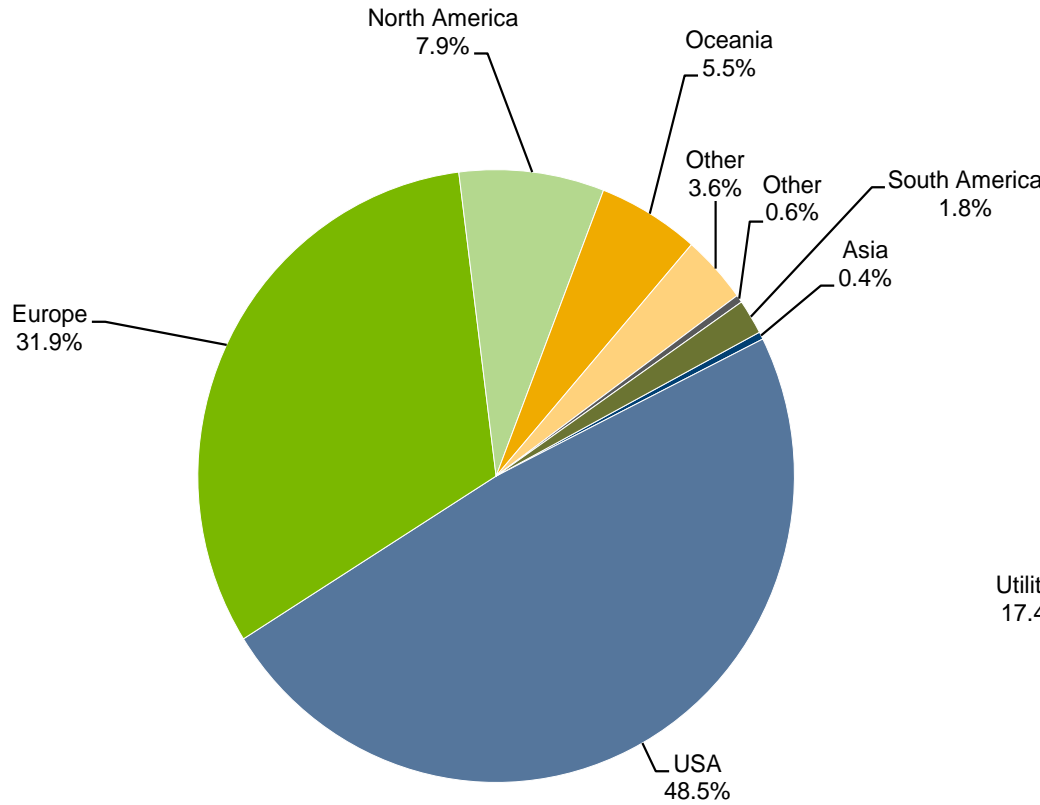


Geographic Type Diversification
(As of 06/30/2023)

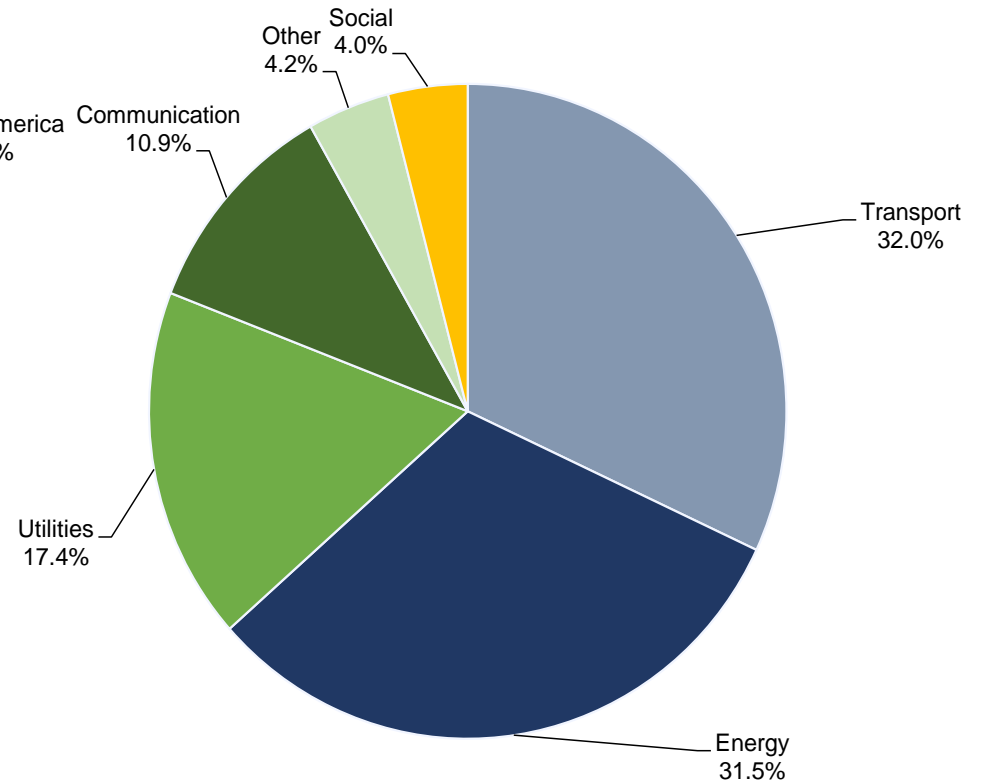


Portfolio Diversification – Infrastructure

**Geographic Diversification
as % of Portfolio Company Value**

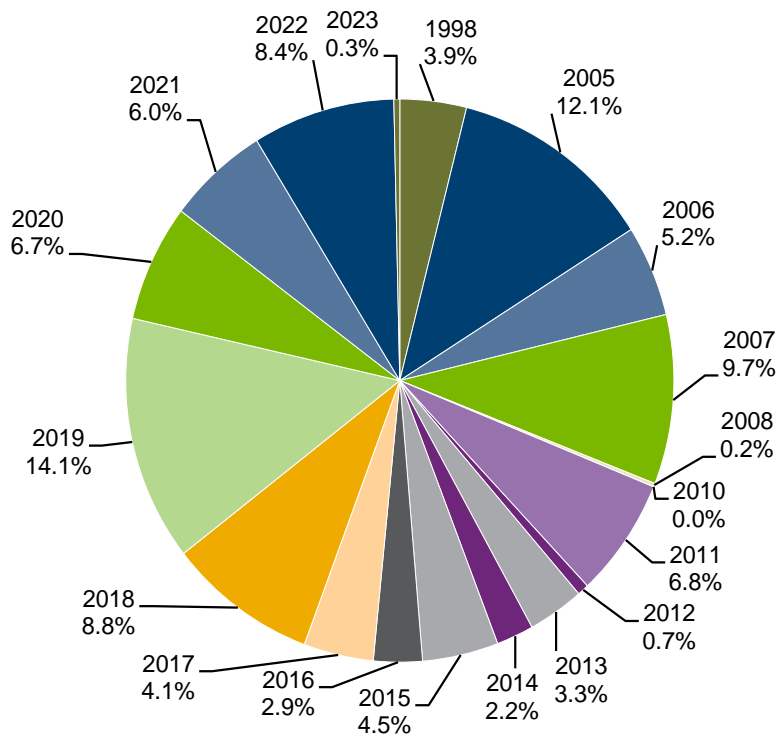


**Industry Diversification
as % of Portfolio Company Value**

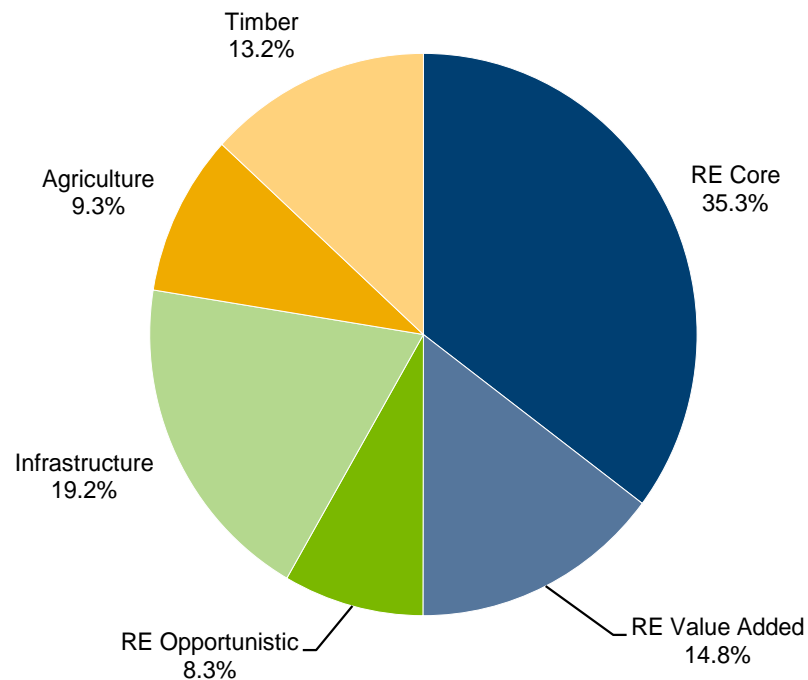


Portfolio Diversification (cont'd)

**Vintage Year Diversification by Net Asset Value
(As of 06/30/2023)**



**Style Diversification by Net Asset Value
(As of 06/30/2023)**



Note: Arkansas Investments are included in Core portfolio

Manager Diversification



*each manager represents less than 1% of NAV

Management Fees

Partnership Name	Current Quarter Management Fees	YTD Management Fees
Core		
Arkansas Investments	0	0
JP Morgan Strategic Property Fund	-384,572	-792,237
Metlife Commercial Mortgage Income Fund	-100,000	-200,000
Prime Property Fund	-136,267	-275,639
PRISA SA	-620,888	-1,255,410
RREEF Core Plus Industrial Fund L.P.	-81,090	-162,439
UBS Trumbull Property Fund	-258,223	-539,709
UBS Trumbull Property Income Fund	-113,231	-232,521
Core	-1,694,272	-3,457,955
Value Added		
Almanac Realty Securities IX, L.P.	-114,685	-228,110
Almanac Realty Securities V, LP	0	0
Almanac Realty Securities VI	-10,870	-21,621
Almanac Realty Securities VII	-50,097	-99,527
Almanac Realty Securities VIII	-48,814	-94,918
Calmwater Real Estate Credit Fund III	-48,625	-104,259
CBRE Strategic Partners U.S. Value 8	-46,846	-93,268
CBRE Strategic Partners U.S. Value 9	-156,249	-312,498
FPA Core Plus Fund IV	-53,503	-108,754
GLP Capital Partners IV	-126,401	-202,739
Harbert European Real Estate Fund IV	-29,309	-61,381
LaSalle Income & Growth Fund VI	0	0
LaSalle Income & Growth Fund VII	-47,071	-94,407
LaSalle Income & Growth Fund VIII	-124,658	-247,945
LaSalle Value Partners US IX	-205,685	-205,685
LBA Logistics Value Fund IX	-158,125	-316,250
Long Wharf Real Estate Partners V	-59,864	-120,043
Long Wharf Real Estate Partners VI, L.P.	-121,229	-280,722
Mesa West Real Estate Income Fund V	-134,630	-267,781
PGIM Real Estate Capital VII (USD Feeder) SCSp	0	-340
Rockwood Capital Real Estate Partners Fund IX	-30,471	-60,933
Rockwood Capital Real Estate Partners Fund XI	-131,271	-262,541
Walton Street Real Estate Debt Fund II, L.P.	-61,764	-120,595
Westbrook Real Estate Fund IX	-24,973	-49,672
Westbrook Real Estate Fund X	-28,389	-57,160
Value Added	-1,938,528	-3,661,149

Management Fees (cont'd)

Partnership Name	Current Quarter Management Fees	YTD Management Fees
Opportunistic		
Blackstone Real Estate Partners Europe VI (EURO Vehicle)	-179,993	-358,836
Blackstone Real Estate Partners VII	0	0
Blackstone Real Estate Partners X	-400,000	-400,000
Carlyle Realty Partners IX	-119,409	-238,842
Carlyle Realty Partners VII	-25,071	-50,142
Carlyle Realty Partners VIII	-55,603	-111,206
CBRE Strategic Partners U.S. Opportunity 5	0	0
Cerberus Institutional Real Estate Partners III	-5,417	-10,812
Heitman European Property Partners IV	0	0
Kayne Anderson Real Estate Partners V	-74,083	-149,358
Kayne Anderson Real Estate Partners VI	-156,250	-312,500
Landmark Real Estate Fund VI	0	0
Landmark Real Estate Fund VIII	-48,255	-94,405
Landmark Real Estate Partners IX, L.P.	-125,000	-250,000
LaSalle Asia Opportunity Fund IV	-2,634	-5,239
LaSalle Asia Opportunity V	-81,305	-162,693
LaSalle Asia Opportunity VI	-174,521	-347,124
Lone Star Real Estate Fund IV	-5,165	-10,330
Lone Star Real Estate Fund VII	-18,125	-18,125
Metropolitan Real Estate Partners Co-Investments Fund, L.P.	-23,535	-46,756
O'Connor North American Property Partners II, L.P.	-9,706	-19,412
Torchlight Debt Fund VII, LP	-137,500	-275,000
Torchlight Debt Opportunity Fund IV	-5,416	-10,764
Torchlight Debt Opportunity Fund V	-6,421	-15,546
Torchlight Debt Opportunity Fund VI	-46,203	-93,103
Opportunistic	-1,574,613	-2,730,192
Real Estate	-5,207,412	-9,849,297

Management Fees (cont'd)

Partnership Name	Current Quarter Management Fees	YTD Management Fees
Infrastructure - Core		
AxInfra NA II LP	-176,937	-351,913
DIF Infrastructure Fund VII	-204,538	-444,599
DIF Infrastructure V	-148,151	-292,049
IFM Global Infrastructure	-138,619	-272,850
KKR Diversified Core Infrastructure Fund	-91,749	-143,168
Macquarie Infrastructure Partners III	-106,140	-208,654
Macquarie Infrastructure Partners V	-172,806	-346,384
Infrastructure - Core	-1,038,939	-2,059,616
Infrastructure - Non-Core		
Antin Infrastructure Partners Fund II	-13,581	-27,275
Global Energy & Power Infrastructure Fund II	-89,463	-181,798
Global Infrastructure Partners III	-170,041	-338,940
ISQ Global Infrastructure Fund III	-195,099	-390,830
KKR Global Infrastructure Investors II	-59,984	-121,676
Infrastructure - Non-Core	-528,168	-1,060,519
Infrastructure	-1,567,107	-3,120,135
Agriculture		
Agrivest Farmland Fund	-157,360	-307,448
HFMS Farmland Separate Account	-472,094	-990,202
Agriculture	-629,454	-1,297,650
Timber		
BTG Pactual Open Ended Core U.S. Timberland Fund, LP	-564,959	-1,163,802
BTG Timber Separate Account	-147,537	-302,346
Timber	-712,496	-1,466,147
Total Real Assets	-2,909,057	-5,883,932
Total Portfolio		
Arkansas Teachers Retirement System	-8,116,470	-15,733,229

Compliance Matrix

RISK MANAGEMENT						
Property Type - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Office	19.40	NFI-ODCE +/- 50%	9.70	29.10	21.14	Yes
Retail	10.20	NFI-ODCE +/- 50%	5.10	15.30	7.59	Yes
Industrial	32.40	NFI-ODCE +/- 50%	16.20	48.60	26.33	Yes
Apartment	29.40	NFI-ODCE +/- 50%	14.70	44.10	30.69	Yes
Other	8.60	n/a	0.00	20.00	14.25	Yes
Geography - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
West	44.20	NFI-ODCE +/- 50%	22.10	66.30	47.21	Yes
East	28.90	NFI-ODCE +/- 50%	14.45	43.35	24.99	Yes
Midwest	5.90	NFI-ODCE +/- 50%	2.95	8.85	6.75	Yes
South	21.00	NFI-ODCE +/- 50%	10.50	31.50	11.76	Yes
Other	0.00	n/a	n/a	n/a	3.40	Yes
Non-U.S.	0.00	n/a	0.00	40.00	5.89	Yes
Geography – Timber	NCREIF Timberland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Lake States	3.95	NCREIF Timberland +/- 15%	0.59	4.55	0.00	No
Northeast	5.29	NCREIF Timberland +/- 15%	0.79	6.08	1.00	Yes
Northwest	26.92	NCREIF Timberland +/- 15%	4.04	30.96	16.54	Yes
South	63.22	NCREIF Timberland +/- 15%	9.48	72.71	71.22	Yes
Other	0.00	NCREIF Timberland +/- 15%	0.00	0.00	11.24	No

Compliance Matrix (cont'd)

RISK MANAGEMENT						
Geography - Agriculture	NCREIF Farmland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Appalachian	0.56		0.00	50.00	0.00	Yes
Corn Belt	13.36		0.00	50.00	10.52	Yes
Delta States	18.38		0.00	50.00	33.48	Yes
Lake States	4.17		0.00	50.00	18.10	Yes
Mountain	7.55		0.00	50.00	12.48	Yes
Northeast	0.22		0.00	50.00	0.00	Yes
Northern Plains	2.55		0.00	50.00	1.54	Yes
Pacific Northwest	6.87		0.00	50.00	4.46	Yes
Pacific West	39.33		0.00	50.00	8.15	Yes
Southeast	5.29		0.00	50.00	9.10	Yes
Southern Plains	1.83		0.00	50.00	2.16	Yes
Other	0.00		0.00	50.00	0.00	Yes
Non-U.S.	0.00		0.00	50.00	0.00	Yes
Geography - Infrastructure	Target/Constraint		Minimum	Maximum	Actual	Compliant?
U.S.			40.0	100.0	48.50	Yes
Non-U.S.			0.00	60.00	51.50	Yes
Asset Type - Infrastructure	Target/Constraint		Minimum	Maximum	Actual	Compliant?
Energy/Utilities			0.00	70.00	48.90	Yes
Transportation			0.00	70.00	32.00	Yes
Social			0.00	70.00	4.02	Yes
Communications			0.00	70.00	10.91	Yes
Other			0.00	70.00	4.17	Yes
Manager	Target/Constraint		Minimum	Maximum	Max	Compliant?
			0.00	30.00	13.17	Yes
Style - Real Estate	Target/Constraint		Minimum	Maximum	Actual	Compliant?
Core			50.00	70.00	60.44	Yes
Non-Core			30.00	50.00	14.76	Yes

Agenda

Section 1	Executive Summary
Section 2	Market Overview
Section 3	Real Assets Portfolio Update
Section 4	Glossary

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Glossary of Terms

- Catch-up - The provision that dictates how cash flows from the fund will be allocated between the investors and the manager in order for the manager to receive their performance fee. This allocation of cash flows occurs once the investors have collected their capital and preferred return
- Core - The most conservative institutional real estate investing style
- Core-Plus - A style whereby investments have a slightly higher level of risk and expected return than Core, primarily through use of leverage
- Development - The construction of buildings from breaking the ground through building completion. This may also include entitlement of the land and the pursuit of permits prior to construction
- DPI – Distributions to Paid In; the ratio of distributions from investments to total invested capital
- First Closing - The point at which a manager receives and executes the subscription documents and can begin drawing capital from investors
- Final Closing - The final date at which new investors can subscribe to a fund
- Internal Rate of Return (IRR) - A method of measuring the performance of a portfolio from inception through a particular point in time. This method weights returns according to the dollars invested at each point in time. Hence, this is known as dollar-weighted return. This is a better measure when the manager controls when dollars must be invested and is the most commonly used method of real estate performance evaluation; Gross IRR is gross of fee and Net IRR is net of fee
- NFI-ODCE – NCREIF Fund Index Open-end Diversified Core Equity Index is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy; underlying funds are leveraged with gross and net returns available
 - NCREIF changed the basis of diversification for the NFI ODCE from NREA to GRE effective 1Q20
- NPI – NCREIF Property Index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only; it is reported unlevered and gross of fee

Glossary of Terms (Cont'd)

- FTSE-NAREIT Equity REIT – An unmanaged capitalization-weighted index of all equity real estate investment trusts
- FTSE EPRA/NAREIT Global REIT – An unmanaged market-weighted total return index, which consists of many companies from Global markets whose floats are larger than \$100 million and derive more than half of their revenue from property-related activities
- Opportunistic - A style that is the riskiest form of real estate investing. The name derives from when such funds were formed after the early 1990s real estate market crash to take advantage of opportunities in unwanted properties. Such investments include ground-up development, highly-leveraged purchases, or transactions involving highly complicated legal or environmental situations
- Pre-Specified Deals – Investments that are purchased for a fund before its final close. The assets are typically warehoused on a line of credit
- Promote (Carried Interest) -The performance fee a manager receives once the investors have received their return of capital and the preferred return (return promised by the manager)
- RVPI – Residual Value to Paid In; the ratio of the residual value of an investment to total invested capital
- Time-Weighted Return - A method of measuring the performance of a portfolio over a particular period of time. Effectively, it is the return of one dollar invested in the portfolio at the beginning of the measurement period. This is a better return measure when the manager does not control when the dollars must be invested
- TVPI – Total value to paid-in ratio; the ratio of total value from an investment, including distributions, to total invested capital
- Value-Added - A style that represents moderate-risk real estate. A manager typically increases the future value of the investment by undertaking activities such as leasing, improving an existing building, or taking some risk through operating intensive assets, such as hotels or self-storage
- Vintage Year - The year in which a fund has its final closing. Typically coincides with the year a fund begins making investments

Glossary of Terms (Cont'd)

- NCREIF Timberland Index- The National Council of Real Estate Investment Fiduciaries (NCREIF) Timberland Index is a quarterly time series composite return measure of investment performance of a large pool of individual timber properties acquired in the private market for investment purposes only.
- NCREIF Farmland Index- The National Council of Real Estate Investment Fiduciaries (NCREIF) Farmland Index is a quarterly time series composite return measure of investment performance of a large pool of individual agricultural properties acquired in the private market for investment purposes only.

Disclosures

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There can be no assurance that any account will achieve results comparable to those presented. Past performance is not indicative of future results.

Memorandum

To: Arkansas Teacher Retirement System (“ATRS”)
From: Chae Hong, Jack Dowd, CFA
CC: PJ Kelly; Matthew Hooker
Date: December 4, 2023
Re: KKR Real Estate Partners Americas – \$50 million Commitment Recommendation

Background and Recommendation

Kohlberg Kravis Roberts & Co. L.P. (“KKR” or the “Sponsor”) has established KKR Real Estate Partners Americas IV SCSp (“REPA IV” or the “Fund”), the next vehicle within KKR’s series of U.S. real estate opportunity funds. The \$4 billion closed-end fund is targeting a 12-15% net, using up to 70% leverage over an 8-year term. The Fund’s strategy is to acquire cash-flowing transitional assets in primary U.S. growth metros through formation or acquisition of scalable real estate platforms or single assets in sectors of thematic interest. The approach focuses on sectors with long term secular demand driven by consumer behavior, demographic shifts, and corporate strategy. In this vintage, the expected focus is industrial, rental housing (including multi, SFR, student, and senior housing) and self-storage. The Fund may opportunistically pursue distressed cyclical sectors such as office, hotel, and retail.

Aon Investments, USA is satisfied with the strategy of the Fund and its appropriateness for ATRS. Additionally, we believe that the merits of this offering outweigh its risks. A Fund IV Investment Summary is attached as **Exhibit A**. We recommend that ATRS invest \$50 million in the Fund to fulfill ATRS’ 2023 real estate allocation, in accordance with the previously approved 2023 ATRS Real Asset Pacing Schedule. Additionally, Fund IV may provide investors with various investment vehicles. Townsend recommends ATRS consult with its tax and legal counsel to determine the most appropriate vehicle for the Plan.

Exhibit A



Investment Summary

KKR Real Estate Partners Americas IV

A U.S. Opportunistic Fund

August 2023

EXECUTIVE SUMMARY

OVERVIEW

Review Date	Rating	Prior Fund Rating
August 2023	Buy	Buy

Kohlberg Kravis Roberts & Co. L.P. (“KKR” or the “Sponsor”) has established KKR Real Estate Partners Americas IV SCSp (“REPA IV” or the “Fund”), the next vehicle within KKR’s series of U.S. real estate opportunity funds. The \$4 billion closed-end fund is targeting a 12-15% net, using up to 70% leverage over an 8-year term.

The Townsend Group, an Aon Company (“Townsend”) has reviewed and performed an in-depth analysis of the above categories which includes, but is not limited to:

- Retention of Limited Partners
- Institutional Investor Representation
- Management Company Ownership
- Consistency/ Volatility of Returns
- Write-offs
- Transaction Experience in Strategy
- Organization Expenses
- Management Fee
- Incentive Fees/ Waterfall Distribution
- Fund Size
- Sponsor Commitment
- Ability to Create Value in Deals
- Valuation Discipline
- Reporting Transparency
- Back-Office Resources
- Investment Period
- Fund Term
- Key Person Provision
- Turnover/Tenure
- GP Attribution Concentration
- Fault Provisions
- Advisory Board
- Priority of Distributions
- Alignment of Partner Interest
- Firm Leadership

In addition, Aon Investments, USA’s Operational Due Diligence team has reviewed the Firm from an operating perspective and has given KKR a pass rating.

RECOMMENDATION

Aon Investments, USA is satisfied with the strategy of the Fund and its appropriateness for ATRS. Additionally, we believe that the merits of this offering outweigh its risks. We recommend that ATRS invest \$50 million in the Fund to fulfill ATRS’ 2023 infrastructure allocation, in accordance with the previously approved 2023 ATRS Real Asset Pacing Schedule.

Sponsor:

HQ Location	New York, NY	Parent	N/A
Ownership	Public (NYSE: KKR)	Founded	1976 (Parent); 2011 (Real Estate)
Employees	2,500; 152 in Real Estate	AUM	\$510 billion

Organization

Global investment management firm with dedicated real estate group (KKR Real Estate, or the “Manager”) integrated amongst other groups investing in private equity, energy real assets, infrastructure, and private credit; supported by cross-functional teams, global research, and shared capital markets, accounting, legal, and compliance staff.

Portfolio Characteristics:

Vehicle Structure	Closed End Commingled Fund	Risk Segment	Opportunistic
Expected Fund Size	\$4 billion to \$5 billion	Sponsor Commitment	\$250 million minimum
Investment Period	4 years	Fund Term	8 years
Avg. Investment Size	\$150 million	Typical Business Plan	3-5 years
Fees:	1.5% on Committed then Invested <i>Discounts available for close timing, size, and client aggregation.</i>	Incentive Fee Waterfall	9% preferred return 60% GP Catch-up 80% LP / 20% GP thereafter

Status: The First Close is November 17, 2023, with legal comments due to KKR by October 27th. The Fund will have a Final Close within 18 months of the First Close.

Strategy: Acquire cash-flowing transitional assets in primary U.S. growth metros through formation or acquisition of scalable real estate platforms or single assets in sectors of thematic interest. The approach focuses on sectors with long term secular demand driven by consumer behavior, demographic shifts, and corporate strategy. In this vintage, the expected focus is industrial, rental housing (including multi, SFR, student, and senior housing) and self-storage. The Fund may opportunistically pursue distressed cyclical sectors such as office, hotel, and retail.

STRATEGY

OVERVIEW

The Fund will acquire a portfolio of assets primarily focused on secular growth themes through platform buildouts, portfolio acquisitions, acquisitions of asset-heavy real estate corporations including public or private, and acquisition and development of individual assets.

- Areas of interest in this vintage include:
 - Industrial with a focus on smaller infill assets
 - Multifamily in sunbelt and coastal markets (e.g. Phoenix, Dallas, Atlanta)
 - Single family rental, acquiring through individual acquisitions, portfolios, and selective build-to-rent opportunities
 - Student Housing focused on Tier-1 flagship public universities
 - Self-storage aggregation through vertically integrated national platform
 - As a secondary strategy, selective pursuit of office, lodging, and net lease assets
- Typical deal size at the property level will range depending on the sector; KKR's average fund equity commitment at the platform level was \$150 million.
- Assets are generally sourced in situations where there is some property level transition (e.g. lease-up of a recently developed asset). Increasingly KKR has sourced core or core-like transactions from motivated sellers with liquidity constraints willing to transact at discounts allowing levered returns at the low end of KKR's target range. KKR has also sourced deals through credit distress situations including CMBS defaults and foreclosure scenarios.
- Underlying assets are generally cash flowing in nature and business plans may involve lease-up, renovation, repositioning, or simply a levered hold in situations where assets can be acquired at an advantageous basis or contribute to construction of a portfolio to be sold at a premium. The expectation is for a minimal amount of property level business plans to include development.
- Generally targeting three-to-five-year hold periods for underlying assets with sale upon stabilization but may hold for longer or shorter periods to facilitate portfolio exits.

PIPELINE

REPA III is 66% committed and current deals in the pipeline will initially go toward finalizing the Fund III investment period. An overview of pipeline opportunities under review is included in.

LEVERAGE

Overall leverage is limited to 70% LTV (or LTC if greater); individual investments are capped at 80% LTV. In practice, Funds I and II generally pursued materially lower LTC in the 50% range, while REPA III LTC is roughly 68% at 1Q23.

- The Fund's subscription facility is excluded from the overall 70% cap but limited to 20% of commitments.
- Cross collateralization is prohibited excluding portfolio acquisitions and debt associated with assets in a common platform ("Permitted Cross Collateralized Portfolios"). Permitted cross collateralizations are limited to 20% of aggregate capital commitments in any one portfolio.
- The Manager utilizes non-recourse debt to finance its investments and typically does not provide repayment guarantees. The Fund is expected to have a small proportion of development, where such guarantees are more common.
- Debt has historically been capped floating rate.

INVESTMENT RESTRICTIONS

- No more than 20% in a single asset
- No more than 20% outside of North America
- No more than 10% outside of North America or Western Europe
- No more than 15% in open market purchases of public securities (unless a privately negotiated transaction)

PERFORMANCE*Track Record (as of 3/31/2023)*

Fund	Vintage	Fund Size (M)	Fair Market Value			Realizations
			Net IRR	Net Equity Multiple	Quartile Ranking* (Net IRR / Multiple)	% of Total Value Realized
KKR REPA	2013	\$1,520	11.3%	1.3x	2Q / 3Q	95%
KKR REPA II	2017	\$1,998	22.9%	1.5x	1Q / 2Q	79%
KKR REPA III	2021	\$4,339	-2.4%	1.0x	4Q / 3Q	8%

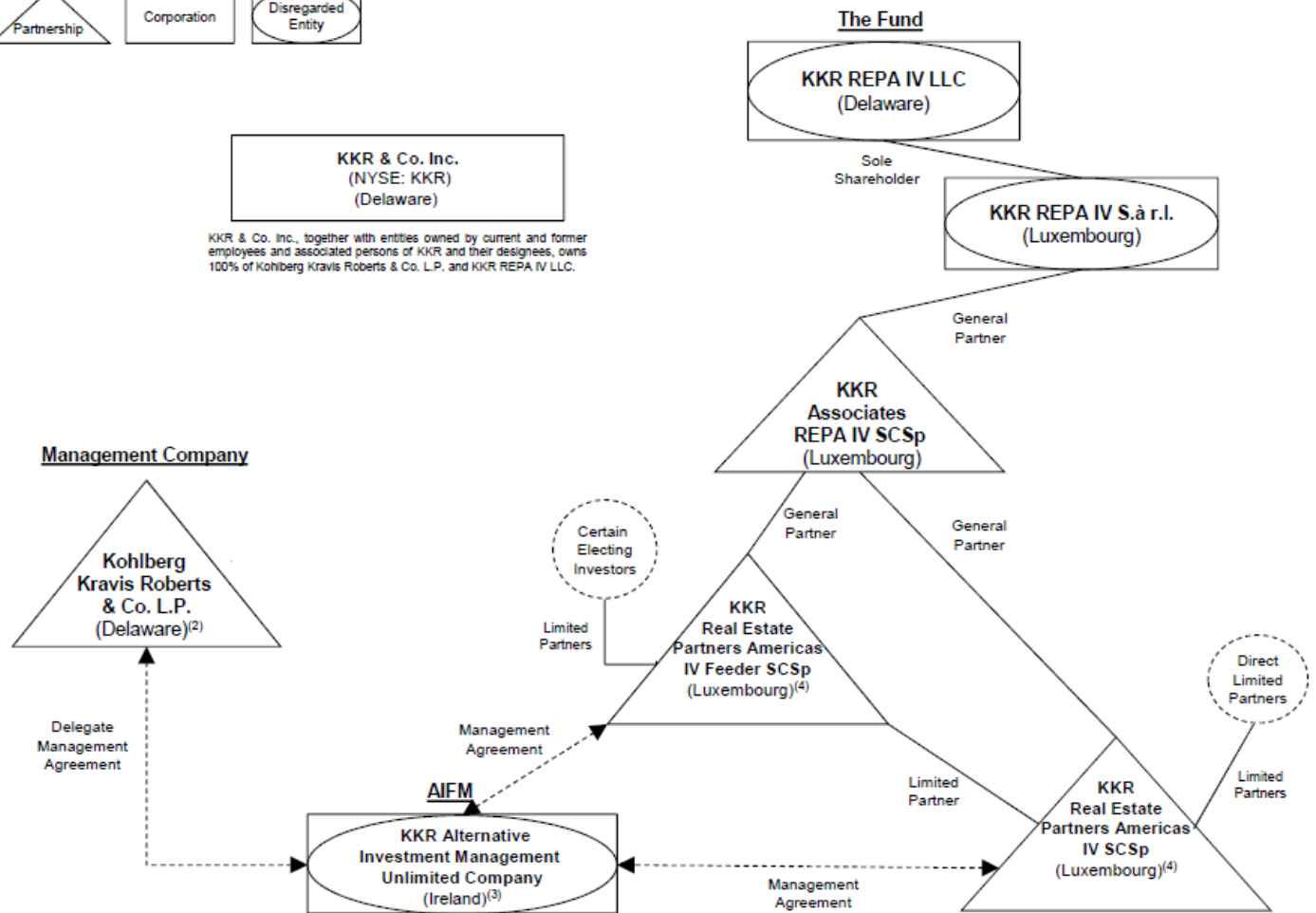
*Relative to 84 same vintage U.S. and global opportunity funds from Townsend and Preqin data.

Fund Structure:

Legend (classification for U.S. federal income tax purposes)



**KKR Real Estate Partners Americas IV SCSp
Simplified Structure⁽¹⁾**



ABOUT TOWNSEND GROUP – AN AON COMPANY

Founded in 1983, The Townsend Group, an Aon Company (“Townsend”) provides a core set of investment skills exclusively focused on global real estate and real asset classes. The firm offers these capabilities to institutional investors as an investment advisor and consultant.

Townsend has been advising and managing real estate portfolios for over three decades and across multiple market cycles. As of September 30, 2022, Townsend had assets under management of approximately \$23.9 billion. As of September 30, 2022, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding \$119.2 billion. We believe, through our global investment platform, fiduciary culture, asset class expertise and client capital scale, we are able to deliver clients unique information, while providing a sourcing and execution advantage.

Disclaimer

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**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201**

**RESOLUTION
No. 2023-45**

**Approving Investment in KKR Real Estate Partners Americas IV
SCSp**

WHEREAS, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

WHEREAS, the Board has reviewed the recommendation of its real assets investment consultant, Aon Hewitt Investment Consulting, Inc., along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **KKR Real Estate Partners Americas IV SCSp**, a closed end, opportunistic fund whose investments largely focus on industrial, residential rental and self-storage. The fund may also opportunistically pursue distressed cyclical sectors such as office, hotel and retail.

NOW, THEREFORE, BE IT RESOLVED, that the ATRS Board approves an investment of up to **\$50 million dollars (\$50,000,000.00)** in **KKR Real Estate Partners Americas IV SCSp**; The total investment amount is to be determined by the real assets consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

FURTHER, BE IT RESOLVED, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement this investment if acceptable terms are reached.

Adopted this 4th day of December, 2023.

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System



TOWNSEND[®]
GROUP

an Aon company

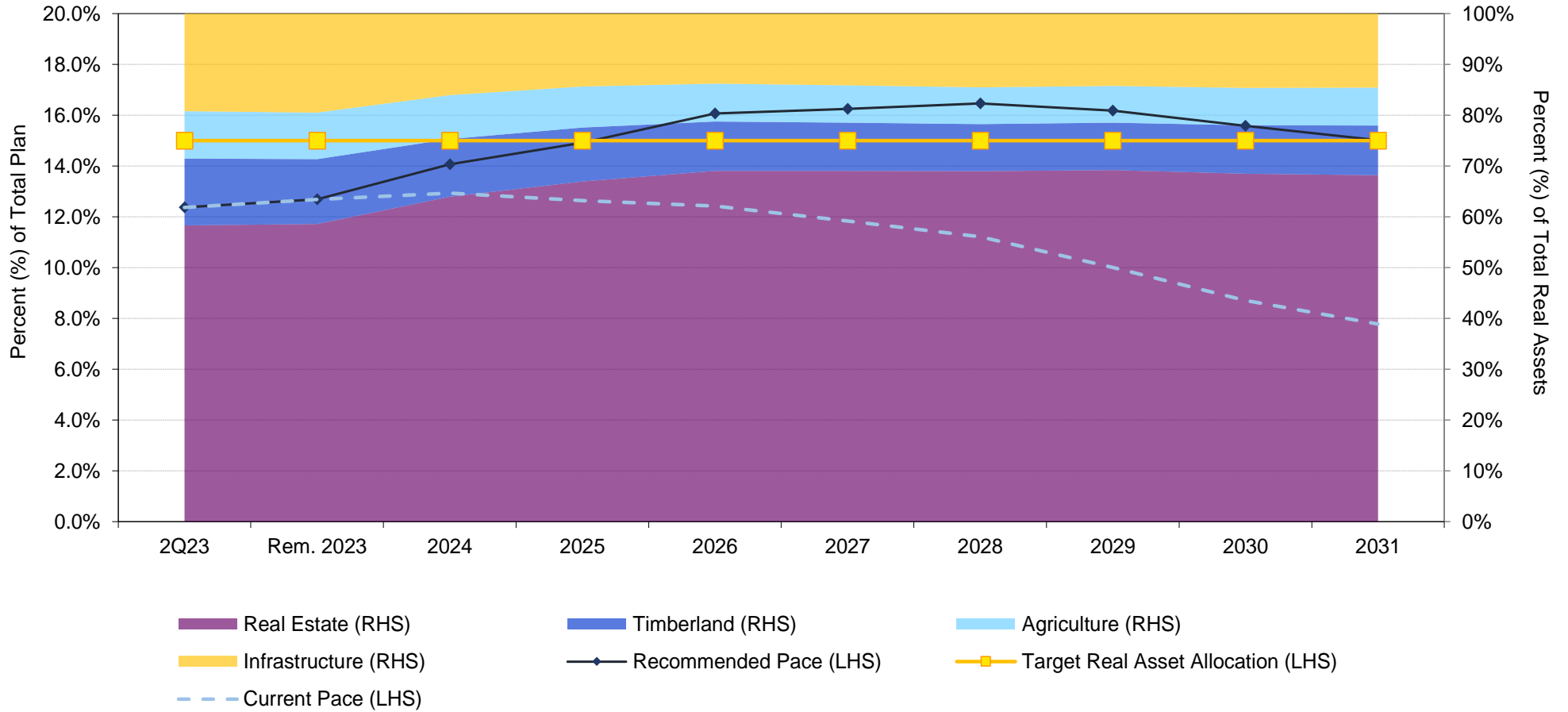
Arkansas Teacher's Retirement System 2024 Annual Planning

PROPRIETARY & CONFIDENTIAL

December 2023

Real Assets 2024 Pacing

ATRS Real Assets Pacing



Real Assets 2024 Pacing Commitment Overview

	2023	2024	2025	2026	2026 Forecasted Allocations	
	Recommended	Complete				
Non-Core (< 50%)	\$200	\$150	\$150	\$150	\$150	39%
Core (50-70%)	\$200	\$0	\$250	\$200	\$200	61%
Real Estate Total			<u>\$400</u>	<u>\$350</u>	<u>\$350</u>	<u>100%</u>
Infrastructure (2%)	\$50	\$50	\$50	\$50	\$50	2%
Agriculture (1%)	\$0	\$0	\$0	\$0	\$0	1%
Timberland (2%)	\$0	\$0	\$0	\$0	\$0	2%
Real Assets Total			<u>\$50</u>	<u>\$50</u>	<u>\$50</u>	

Risk/Reward of Profile ↑

30%-50% Target

50%-70% Target

2024 Investment Themes

- **KEY INVESTMENT THEMES FOR 2023 INCLUDE:**

- Strategically approach new commitments to Core Real Estate in accordance with Townsend's View of the World
 - Reduce allocation to COVID-19 impacted property types such as Retail and Office
 - Increase allocation to property types with secular tailwinds such as Apartments and Industrial
- Continue to commit capital to Non-Core real estate funds, new capital should look to capitalize on secular trends and potential distress as a result of the rising rate market environment
 - Commit capital to fund managers opportunistically investing with a higher risk and return profile
 - Search for real estate opportunities looking to capitalize on property types with secular tailwinds such as Residential and Industrial
 - As a result of a growing plan and Real Estate portfolio, increase commitments sizes within the range of \$50 million to \$100 million, leading to roughly two total commitments for ease of administration
- Continue to commit infrastructure capital to complementary strategies and move up the risk return spectrum to capitalize on potential distress from the rising rate market environment



Arkansas Teacher Retirement System
Private Equity Portfolio Review
Second Quarter 2023

Disclaimer

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Portfolio Overview

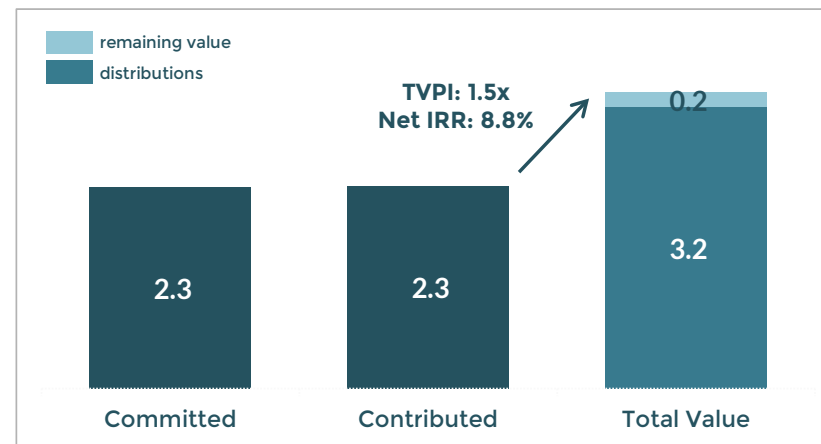
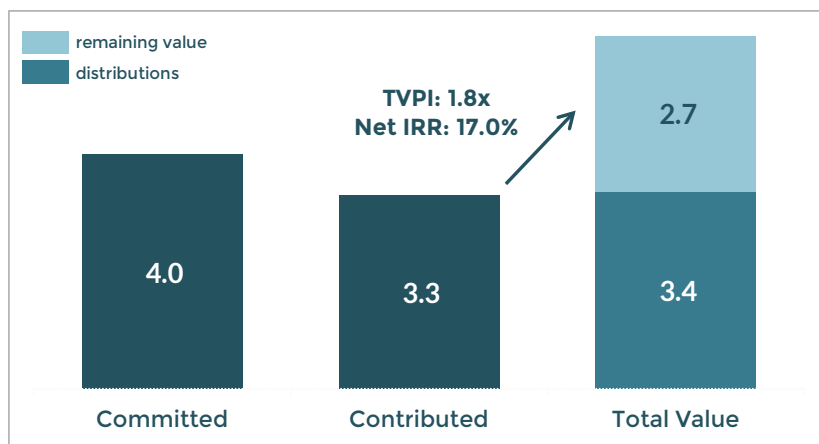
The Post 2006 Fund Portfolio has generated a net IRR of 17.0% as of June 30, 2023

Post 2006 Fund Portfolio

Inception	2007
Total Commitments	\$4.0 billion
Number of Funds	121
% Contributed/Committed	83%
% Distributed/Contributed	102%

Rest of Portfolio

Inception	1996
Total Commitments	\$2.3 billion
Number of Investments	27
% Contributed/Committed	101%
% Distributed/Contributed	139%



Notes:

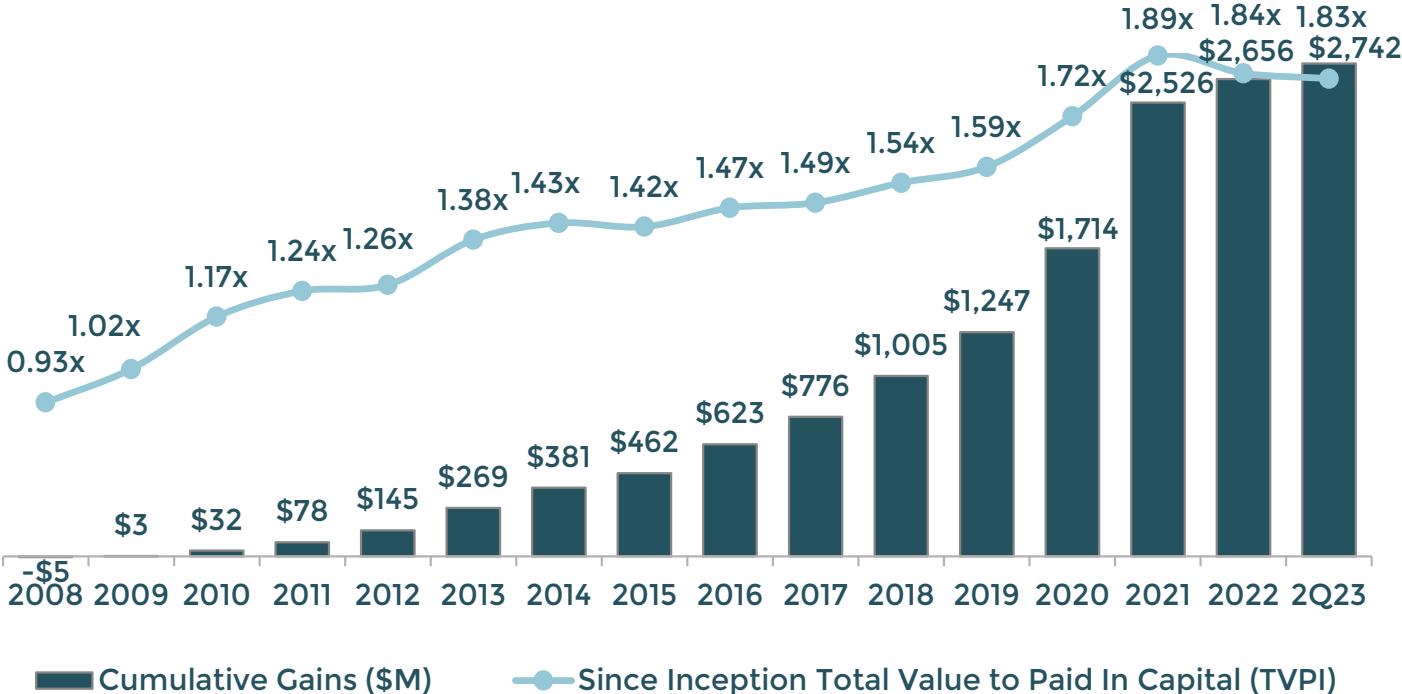
(1) Data as of June 30, 2023

(2) Performance information is net of portfolio funds' management fees, expenses and carried interest, but gross of fees and expenses paid to Franklin Park.

(3) TVPI = total value to paid-in multiple, or remaining value plus distributions divided by contributed capital.

Post 2006 Fund Portfolio Performance Summary

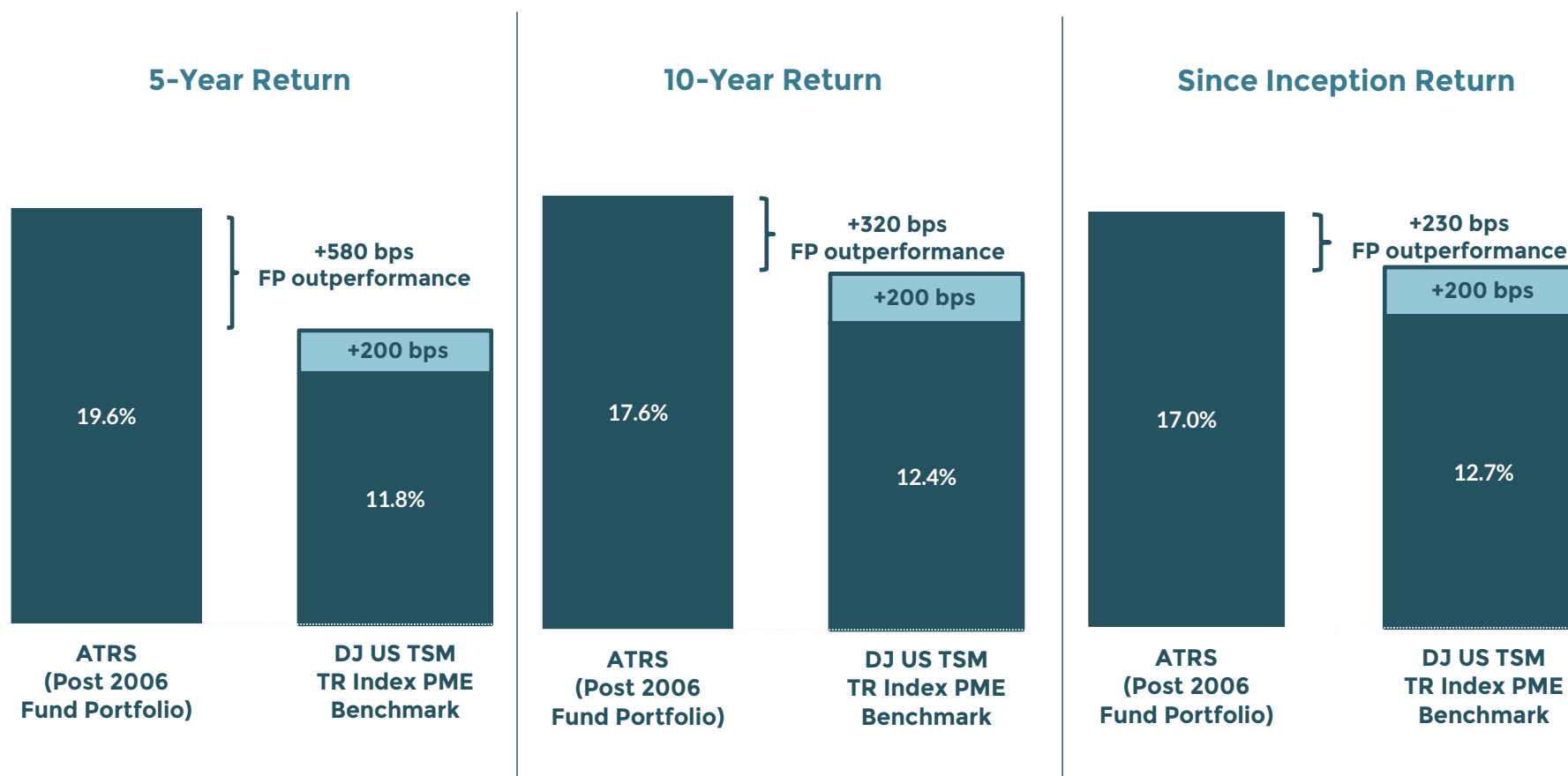
The portfolio since 2006 has generated cumulative gains of \$2.7 billion since inception



Notes:
 (1) Performance data is net of portfolio funds' management fees, expenses and carried interest, but gross of fees and expenses paid to Franklin Park.
 (2) Cumulative gains represent total distributions plus remaining value less total contributions

Post 2006 Fund Portfolio Benchmarking

The portfolio since 2006 has exceeded the benchmark in the 5-Year, 10-Year and Since Inception periods



Notes:

(1) Data as of June 30, 2023

(2) Performance data is net of portfolio funds' management fees, expenses and carried interest; but gross of fees and expenses paid to Franklin Park.

(3) The public market equivalent (PME) represents the performance of a public market index expressed in terms of an IRR, using the same cash flows and timing as the investor's investment activity in private equity; the PME serves as a proxy for the return ATRS could have achieved by investing in the public market. The PME return assumes cash flows are invested at the end of each day

Post 2006 Fund Portfolio Breakdown

ATRS makes commitments directly to funds as well as through specialized vehicles managed by Franklin Park

Strategy	Method of Access	% of Post-2006 Portfolio Exposure	ATRS Net IRR 6/30/23
U.S. corporate finance (core funds)	Direct Commitments	54.8%	16.4%
U.S. corporate finance (smaller funds)	Franklin Park Corporate Finance Access Funds	5.0%	24.1%
Corporate finance (co-investments)	Franklin Park Co-Investment Funds & ATRS/FP	16.5%	20.0%
Non-U.S. corporate finance	Franklin Park International Funds	8.8%	11.5%
Global Venture Capital (early stage)	Franklin Park Venture Capital Funds	13.4%	21.3%
Global Venture Capital (mid/late stage)	Franklin Park Venture Capital Opportunity Funds	1.5%	NMF
Total		100.0%	17.1%

Notes:

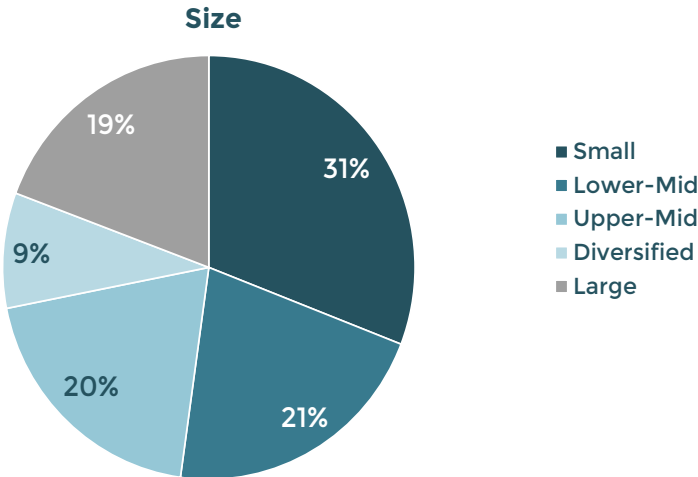
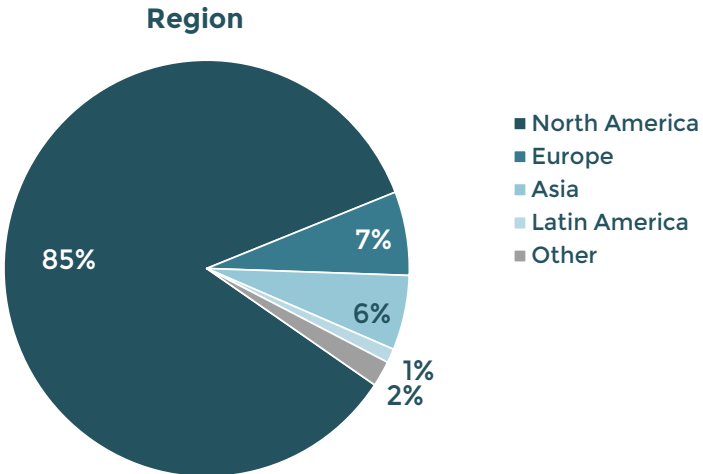
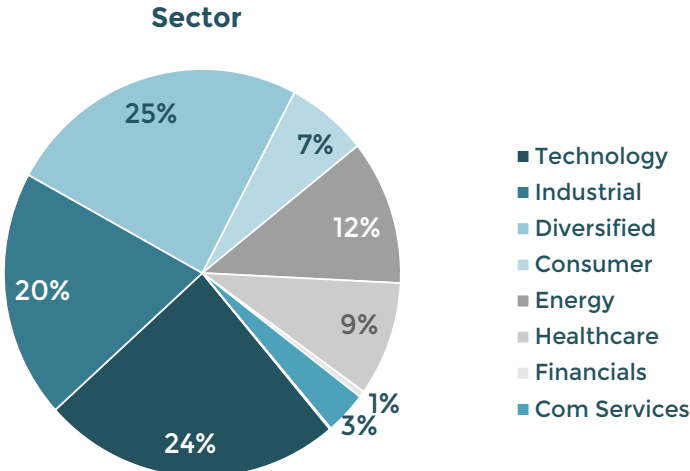
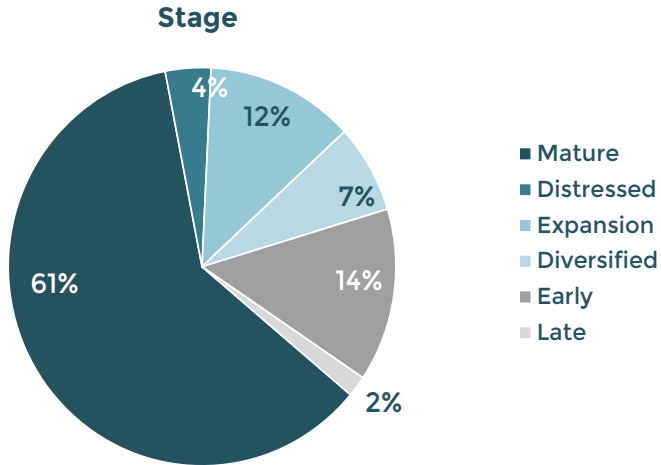
(1) Data as of June 30, 2023

(2) Performance data for all Franklin Park-managed funds are net of portfolio funds' management fees, expenses and carried interest, as well as fees and expenses paid to Franklin Park by the managed funds.

(3) Performance data for core funds (Direct Commitments) is net of portfolio funds' management fees, expenses and carried interest, but gross of fees and expenses paid to Franklin Park.

Portfolio Composition

The aggregate portfolio is diversified by stage, sector, region and size as expected



Note: Data is as of June 30, 2023 and based on unrealized value of holdings as reported by portfolio fund managers. Values are estimated based on the investor's percent interest in each fund's portfolio holdings. Values are converted to USD where applicable, as of June 30, 2023.

2023 Commitment Plan

Progress of commitment plan to date

Investment	Strategy	Region	ATRS Commitment	Board Approval
LLR VII	Small/Lower Mid Buyout/Growth	U.S.	\$30m	Feb 2023
Greyrock VI	Sponsored Mezzanine	U.S.	\$30m	Feb 2023
KPS Mid-Market II	Small/Lower Mid Turnaround	U.S.	\$30m	June 2023
Post Road III	Structured Debt	U.S.	\$30m	Sept 2023
Clearlake VIII	Buyout/Growth/Turnaround	U.S.	\$35m	Dec 2023*
Beekman V	Small/Lower Mid Buyout	U.S.	\$35m	Dec 2023*
FP International XI	Buyout/Growth/Turnaround	Non-U.S.	\$30m	Dec 2022
FP CF Access II	Buyout/Growth/Turnaround	U.S.	\$30m	Dec 2022
FP Venture Opps I	Late Stage VC	U.S./Non-U.S.	\$30m	Dec 2022
FP Co-Invest VI	Buyout/Growth/Turnaround	U.S./Non-U.S.	\$65m	Feb 2023
Total			\$345m	

Arkansas Teacher Retirement System Private Equity Portfolio Review

June 30, 2023

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Portfolio Overview

Portfolio Summary



Group	Num.	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	Remaining Value (%)	Exposure (\$)	DPI	TVPI	Net IRR
By Vehicle											
1996-2000: Legacy Portfolio	13	1,106,390,461	1,070,676,238	0	1,641,226,547	0	0.0%	0	1.5 x	1.5 x	9.2%
2005-2006: CSFB Portfolio	2	654,300,000	690,144,639	63,077,638	1,072,711,744	48,680,866	1.7%	111,758,504	1.6 x	1.6 x	8.9%
Post 2006 Fund Portfolio	121	3,993,323,718	3,304,043,561	1,355,174,791	3,359,827,267	2,686,037,078	94.2%	4,041,211,869	1.0 x	1.8 x	17.0%
Big River Steel	8	257,880,449	257,940,356	0	430,039,782	1,770,433	0.1%	1,770,433	1.7 x	1.7 x	14.4%
Blue Oak Arkansas	1	18,000,000	19,740,000	0	5,385,136	0	0.0%	0	0.3 x	0.3 x	-34.8%
Highland LLC	2	218,244,727	234,114,727	0	31,674,525	42,774,961	1.5%	42,774,961	0.1 x	0.3 x	
GTLA Holdings	1	20,700,000	20,700,000	0	0	70,700,000	2.5%	70,700,000	0.0 x	3.4 x	29.6%
Total	148	6,268,839,355	5,597,359,521	1,418,252,429	6,540,865,000	2,849,963,338	100.0%	4,268,215,767	1.2 x	1.7 x	11.4%
By Fund Type											
Co-Investment Fund	2	328,823,718	416,338,201	277,740,471	387,621,719	388,893,959	13.6%	666,634,430	0.9 x	1.9 x	19.9%
Fund-of-Funds	30	1,664,300,000	1,286,811,967	475,299,878	1,585,486,873	796,057,117	27.9%	1,271,356,995	1.2 x	1.9 x	11.7%
Operating Company	12	514,825,176	532,495,084	0	467,099,442	115,245,394	4.0%	115,245,394	0.9 x	1.1 x	3.0%
Primary Fund	104	3,760,890,461	3,361,714,270	665,212,080	4,100,656,966	1,549,766,868	54.4%	2,214,978,948	1.2 x	1.7 x	11.3%
Total	148	6,268,839,355	5,597,359,521	1,418,252,429	6,540,865,000	2,849,963,338	100.0%	4,268,215,767	1.2 x	1.7 x	11.4%

Portfolio Summary



Group	Num.	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	Remaining Value (%)	Exposure (\$)	DPI	TVPI	Net IRR
By Strategy											
Buyout	77	2,977,390,461	2,516,339,898	662,329,083	2,988,510,768	1,395,525,096	49.0%	2,057,854,179	1.2 x	1.7 x	11.8%
Distressed Debt	3	100,000,000	93,881,464	37,207,326	113,606,519	20,670,755	0.7%	57,878,081	1.2 x	1.4 x	6.6%
Growth Equity	3	120,000,000	111,304,590	11,557,033	250,931,132	31,970,353	1.1%	43,527,386	2.3 x	2.5 x	20.7%
Hard Assets	12	546,444,727	569,850,510	17,496,411	308,563,555	272,126,105	9.5%	289,622,516	0.5 x	1.0 x	0.6%
Infrastructure	8	270,880,449	272,676,670	0	427,199,627	1,770,433	0.1%	1,770,433	1.6 x	1.6 x	12.3%
Mezzanine	8	315,000,000	217,004,999	45,308,246	236,752,071	53,076,638	1.9%	98,384,884	1.1 x	1.3 x	10.3%
Multi-Strategy	7	1,039,123,718	1,173,470,874	341,301,109	1,494,835,110	439,482,319	15.4%	780,783,428	1.3 x	1.6 x	9.2%
Special Assets	1	30,000,000	26,866,077	4,187,442	1,178,625	26,053,887	0.9%	30,241,329	0.0 x	1.0 x	0.8%
Structured Capital	4	115,000,000	98,905,997	42,441,589	96,043,397	43,657,375	1.5%	86,098,964	1.0 x	1.4 x	12.0%
Turnaround	10	270,000,000	194,793,828	98,290,038	209,220,784	121,918,983	4.3%	220,209,021	1.1 x	1.7 x	16.4%
Venture Capital	15	485,000,000	322,264,614	158,134,151	414,023,412	443,711,394	15.6%	601,845,545	1.3 x	2.7 x	21.2%
Total	148	6,268,839,355	5,597,359,521	1,418,252,429	6,540,865,000	2,849,963,338	100.0%	4,268,215,767	1.2 x	1.7 x	11.4%
By Sub-Asset Class											
Corporate Finance	121	5,269,014,179	4,742,599,824	1,260,118,278	5,659,742,146	2,291,006,550	80.4%	3,551,124,828	1.2 x	1.7 x	11.2%
Direct Investments	12	514,825,176	532,495,084	0	467,099,442	115,245,394	4.0%	115,245,394	0.9 x	1.1 x	3.0%
Venture Capital	15	485,000,000	322,264,614	158,134,151	414,023,412	443,711,394	15.6%	601,845,545	1.3 x	2.7 x	21.2%
Total	148	6,268,839,355	5,597,359,521	1,418,252,429	6,540,865,000	2,849,963,338	100.0%	4,268,215,767	1.2 x	1.7 x	11.4%

- Remaining Value is defined as the investor's value as reported by the fund's manager.
- Exposure is defined as the sum of the investor's Remaining Value plus Unfunded Commitment.
- DPI is the ratio of Distributed Capital to Contributed Capital.
- TVPI is the ratio of Distributed Capital plus Remaining Value to Contributed Capital.
- Net IRR is defined as the annualized, compound rate of return using daily draws, distributions and Remaining Value as of the Report Date, net of fees and expenses, including late closing interest.
- Results include fully liquidated investments (if applicable).
- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date.

Performance Analysis

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
1996								
HMTF III *	Buyout	76,743,018	76,799,039	0	87,834,289	0	1.1 x	1.8%
Total 1996		76,743,018	76,799,039	0	87,834,289	0	1.1 x	1.8%
1997								
Doughty Hanson III *	Buyout	100,000,000	99,374,207	0	197,482,184	0	2.0 x	13.5%
Total 1997		100,000,000	99,374,207	0	197,482,184	0	2.0 x	13.5%
1998								
HMTF IV *	Buyout	100,000,000	98,010,015	0	67,130,479	0	0.7 x	-6.1%
Second Cinven *	Buyout	65,281,010	65,281,010	0	104,700,661	0	1.6 x	9.3%
Total 1998		165,281,010	163,291,025	0	171,831,140	0	1.1 x	0.9%
1999								
Blackstone Mezzanine I *	Mezzanine	100,000,000	73,353,517	0	96,729,026	0	1.3 x	10.2%
Cypress MBP II *	Buyout	50,000,000	52,304,562	0	50,840,220	0	1.0 x	-0.5%
Diamond State *	Multi-Strategy	2,000,000	2,000,000	0	3,097,200	0	1.5 x	5.5%
DLJ Investment II *	Mezzanine	80,000,000	43,611,022	0	60,468,989	0	1.4 x	10.4%
Oak Hill I *	Buyout	50,000,000	50,786,497	0	91,264,962	0	1.8 x	10.6%
Total 1999		282,000,000	222,055,598	0	302,400,397	0	1.4 x	7.7%
2000								
21st Century Group I *	Buyout	25,000,000	27,141,173	0	22,841,928	0	0.8 x	-3.8%
DH Tech I *	Multi-Strategy	50,000,000	61,471,034	0	21,987,447	0	0.4 x	N/A
DLJ MBP III *	Buyout	200,000,000	215,345,711	0	458,746,671	0	2.1 x	19.4%
HMTF V *	Buyout	207,366,433	205,198,451	0	378,102,491	0	1.8 x	17.6%
Total 2000		482,366,433	509,156,369	0	881,678,537	0	1.7 x	14.8%
2005								
CSFB-ATRS 2005-1 Series	Multi-Strategy	250,000,000	277,750,644	10,788,052	411,846,428	16,606,597	1.5 x	7.5%
Total 2005		250,000,000	277,750,644	10,788,052	411,846,428	16,606,597	1.5 x	7.5%

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2006								
Boston Ventures VII	Buyout	50,000,000	43,016,769	8,258,947	48,914,085	1,399,899	1.2 x	2.8%
CSFB-ATRS 2006-1 Series	Multi-Strategy	404,300,000	412,393,995	52,289,586	660,865,315	32,074,269	1.7 x	10.1%
Total 2006		454,300,000	455,410,764	60,548,533	709,779,400	33,474,168	1.6 x	9.5%
2007								
Diamond State II	Multi-Strategy	4,000,000	3,517,000	483,000	9,417,000	1,907,494	3.2 x	11.9%
NGP IX	Hard Assets	50,000,000	54,229,094	201,825	77,660,463	93,754	1.4 x	10.8%
Vista Equity III	Buyout	50,000,000	54,392,542	3,838,140	131,285,918	2,167,811	2.5 x	28.5%
Total 2007		104,000,000	112,138,636	4,522,965	218,363,381	4,169,059	2.0 x	20.4%
2008								
Advent GPE VI-A	Buyout	40,000,000	40,167,228	0	80,492,730	3,194,802	2.1 x	16.4%
FP Venture 2008	Venture Capital	30,000,000	30,000,000	256,244	76,453,330	21,015,106	3.2 x	18.1%
LLR III	Growth Equity	50,000,000	48,504,590	4,357,033	108,800,951	1,042,158	2.3 x	16.5%
Total 2008		120,000,000	118,671,818	4,613,277	265,747,011	25,252,066	2.5 x	17.0%
2009								
FP Venture 2009	Venture Capital	25,000,000	24,564,655	751,860	54,137,010	8,881,555	2.6 x	17.0%
Insight Equity II	Turnaround	30,000,000	31,028,312	884,343	42,854,623	6,619,199	1.6 x	8.4%
Insight Mezzanine I	Mezzanine	10,000,000	9,971,470	479,507	11,860,178	1,916,783	1.4 x	6.5%
KPS III Supplemental	Turnaround	40,000,000	37,785,704	0	80,540,979	0	2.1 x	22.8%
Riverside IV *	Buyout	40,000,000	31,433,665	0	74,838,992	0	2.4 x	21.3%
Total 2009		145,000,000	134,783,806	2,115,710	264,231,782	17,417,537	2.1 x	16.9%
2010								
Altus Capital II	Buyout	20,000,000	20,113,029	3,001,150	31,867,461	3,828,226	1.8 x	13.4%
EnCap VIII	Hard Assets	47,500,000	54,125,726	0	36,990,499	18,528,262	1.0 x	0.5%
FP Venture 2010	Venture Capital	25,000,000	16,062,500	1,650,129	24,270,509	28,445,265	3.3 x	16.7%
Mason Wells III	Buyout	30,000,000	28,553,580	1,446,420	85,999,422	40,323	3.0 x	20.6%
TA XI	Growth Equity	40,000,000	39,400,000	600,000	141,922,708	6,960,003	3.8 x	26.8%
Tennenbaum VI	Distressed Debt	40,000,000	38,075,687	32,716,981	53,999,291	162,551	1.4 x	7.3%
Total 2010		202,500,000	196,330,521	39,414,680	375,049,890	57,964,630	2.2 x	15.7%

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2011								
Audax Mezzanine III	Mezzanine	25,000,000	25,892,496	6,675,000	33,085,160	1,359,751	1.3 x	9.8%
Castlelake II	Distressed Debt	35,000,000	32,656,036	2,625,461	36,786,671	9,439,251	1.4 x	5.9%
FP Intl 2011	Buyout	25,000,000	23,027,778	2,439,078	28,864,687	10,654,573	1.7 x	9.7%
FP Venture 2011	Venture Capital	25,000,000	24,714,286	580,863	134,870,667	34,454,293	6.9 x	34.8%
JF Lehman III	Buyout	39,000,000	47,287,295	2,324,104	52,337,761	23,630,182	1.6 x	11.2%
Wellspring V	Buyout	40,000,000	46,276,462	13,988,691	65,674,196	13,707,940	1.7 x	16.2%
Wicks IV	Buyout	40,000,000	42,691,790	4,115,885	88,021,396	8,256,639	2.3 x	21.2%
Total 2011		229,000,000	242,546,142	32,749,082	439,640,538	101,502,629	2.2 x	17.2%
2012								
ATRS-FP PE	Multi-Strategy	263,823,718	411,238,201	217,840,471	387,621,719	383,793,959	1.9 x	20.0%
BV VIII	Buyout	30,000,000	27,423,873	2,857,313	42,916,261	22,297,900	2.4 x	46.1%
Court Square III	Buyout	40,000,000	44,692,600	1,529,794	66,198,088	31,798,401	2.2 x	20.4%
DW Healthcare III	Buyout	40,000,000	37,138,408	2,861,592	71,497,419	5,828,125	2.1 x	19.0%
FP Intl 2012	Buyout	25,000,000	17,607,143	7,680,261	17,571,415	7,607,581	1.4 x	8.0%
FP Venture 2012	Venture Capital	25,000,000	22,468,750	2,761,434	40,445,375	33,723,446	3.3 x	20.7%
NGP X	Hard Assets	35,000,000	36,543,895	149,835	32,519,525	3,661,048	1.0 x	-0.3%
Total 2012		458,823,718	597,112,870	235,680,700	658,769,802	488,710,460	1.9 x	18.8%
2013								
EnCap IX	Hard Assets	25,000,000	28,785,857	972,514	33,497,993	8,367,500	1.5 x	10.4%
FP Intl 2013	Buyout	20,000,000	14,226,804	5,963,731	6,061,849	16,792,604	1.6 x	8.2%
FP Venture 2013	Venture Capital	20,000,000	18,448,276	1,705,757	29,309,561	36,251,003	3.6 x	24.4%
Levine Leichtman V	Structured Capital	20,000,000	28,004,788	2,968,199	47,350,788	7,269,673	2.0 x	17.4%
Riverside V	Buyout	35,000,000	37,460,691	1,516,696	45,981,555	23,061,903	1.8 x	12.7%
Vista Foundation II	Buyout	15,000,000	16,096,663	7,037,973	25,852,828	7,129,455	2.0 x	15.1%
Total 2013		135,000,000	143,023,079	20,164,870	188,054,574	98,872,138	2.0 x	15.2%

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2014								
Atlas Capital II	Turnaround	15,000,000	21,564,807	4,972,453	25,458,461	13,316,932	1.8 x	19.9%
Big River - Equity	Infrastructure	151,090,000	151,090,000	0	296,427,836	1,770,433	2.0 x	15.0%
Big River - Mezzanine *	Mezzanine	5,000,000	5,003,686	0	8,225,290	0	1.6 x	17.3%
Blue Oak Arkansas *	Infrastructure	18,000,000	19,740,000	0	5,385,136	0	0.3 x	-34.8%
Castlelake III	Distressed Debt	25,000,000	23,149,741	1,864,884	22,820,557	11,068,953	1.5 x	6.6%
FP Intl 2014	Buyout	25,000,000	18,144,330	7,050,222	14,997,735	16,858,524	1.8 x	14.3%
FP Venture 2014	Venture Capital	25,000,000	23,951,613	1,223,379	26,535,547	48,735,476	3.1 x	20.6%
KPS IV	Turnaround	25,000,000	22,162,384	3,806,871	35,175,993	10,976,806	2.1 x	24.2%
Lime Rock Resources III	Hard Assets	25,000,000	25,771,907	124,713	10,204,732	22,337,756	1.3 x	3.3%
NGP XI	Hard Assets	30,000,000	30,597,387	1,258,097	26,408,877	22,263,750	1.6 x	10.7%
Sycamore Partners II	Turnaround	25,000,000	22,690,639	3,436,103	13,705,544	13,559,390	1.2 x	4.7%
Thoma Bravo XI	Buyout	20,000,000	20,785,558	2,135,646	49,229,109	23,711,580	3.5 x	27.0%
Total 2014		389,090,000	384,652,052	25,872,368	534,574,816	184,599,600	1.9 x	13.4%
2015								
Big River - Sr Secured Debt *	Infrastructure	26,910,000	26,966,221	0	35,699,565	0	1.3 x	14.7%
EnCap X	Hard Assets	30,000,000	31,097,272	1,330,816	36,427,751	21,710,640	1.9 x	15.5%
FP Intl 2015	Buyout	25,000,000	20,951,327	4,200,719	9,961,037	22,351,074	1.5 x	11.5%
FP Venture 2015	Venture Capital	25,000,000	23,893,805	1,266,005	10,206,999	35,510,242	1.9 x	13.4%
Siris III	Buyout	25,000,000	32,719,124	2,391,377	24,624,269	20,573,565	1.4 x	11.0%
Total 2015		131,910,000	135,627,750	9,188,917	116,919,621	100,145,521	1.6 x	13.4%
2016								
American Industrial VI	Buyout	20,000,000	25,083,422	3,099,340	31,636,620	35,618,848	2.7 x	26.3%
Arlington IV	Buyout	23,000,000	24,935,565	845,465	24,979,906	32,835,750	2.3 x	24.3%
DW Healthcare IV	Buyout	30,000,000	30,628,235	900,731	28,157,299	26,123,109	1.8 x	20.4%
FP Intl 2016	Buyout	25,000,000	20,257,732	4,923,349	5,128,545	22,671,828	1.4 x	8.4%
FP Venture 2016	Venture Capital	25,000,000	22,454,268	2,738,392	9,402,018	40,977,662	2.2 x	21.7%
Highland Equity	Hard Assets	66,000,000	81,870,000	0	16,674,525	-124,487,080	-1.3 x	N/A
JF Lehman IV	Buyout	30,000,000	29,459,481	540,519	68,072,378	11,260,391	2.7 x	35.5%
PineBridge Structured III	Structured Capital	30,000,000	28,660,718	9,179,048	16,481,493	8,947,371	0.9 x	-4.3%
Thoma Bravo Discover	Buyout	10,000,000	11,350,409	1,767,370	29,239,213	6,395,861	3.1 x	36.1%
Thoma Bravo XII	Buyout	30,000,000	32,733,395	7,380,854	33,981,416	32,445,169	2.0 x	16.3%
Vista Foundation III	Buyout	30,000,000	33,974,660	7,465,973	35,340,972	29,950,520	1.9 x	22.8%
Total 2016		319,000,000	341,407,885	38,841,041	299,094,384	122,739,429	1.2 x	6.6%

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2017								
Altaris Constellation	Buyout	20,000,000	16,329,789	5,543,214	25,996,773	19,145,849	2.8 x	24.8%
Big River - Funding *	Infrastructure	3,750,000	3,750,000	0	3,812,795	0	1.0 x	4.3%
Big River - Holdings Note *	Infrastructure	12,000,000	12,000,000	0	13,343,726	0	1.1 x	11.0%
Big River - Preferred Equity *	Infrastructure	41,980,449	41,980,449	0	51,702,368	0	1.2 x	12.5%
Bison V	Structured Capital	35,000,000	38,052,430	4,482,403	32,204,096	22,398,026	1.4 x	14.5%
BV IX	Buyout	30,000,000	29,256,024	6,678,476	27,049,889	37,674,914	2.2 x	32.0%
EnCap XI	Hard Assets	35,000,000	31,642,599	5,700,657	11,414,596	36,887,157	1.5 x	18.8%
FP Intl 2017	Buyout	25,000,000	22,959,184	2,229,844	8,335,526	30,015,411	1.7 x	18.6%
FP Venture 2017	Venture Capital	25,000,000	17,588,496	7,535,035	3,816,201	28,664,709	1.8 x	21.4%
Greyrock IV	Mezzanine	30,000,000	28,384,306	2,751,680	25,192,866	15,736,571	1.4 x	12.1%
NGP XII	Hard Assets	30,000,000	22,242,046	7,757,954	11,764,595	24,801,278	1.6 x	15.4%
One Rock II	Buyout	30,000,000	27,039,778	7,229,110	5,758,490	40,574,549	1.7 x	14.0%
Total 2017		317,730,449	291,225,100	49,908,373	220,391,921	255,898,464	1.6 x	18.0%
2018								
Altaris IV	Buyout	24,000,000	23,510,290	2,160,929	24,006,953	21,726,231	1.9 x	28.8%
Big River - Holdings Note 2023 *	Infrastructure	12,000,000	12,000,000	0	14,582,469	0	1.2 x	5.6%
Big River - Holdings Note 2023-2 *	Infrastructure	5,150,000	5,150,000	0	6,245,733	0	1.2 x	6.5%
Clearlake V	Buyout	30,000,000	42,852,109	6,049,587	54,272,368	37,541,886	2.1 x	41.5%
FP Intl 2018	Buyout	25,000,000	23,282,443	1,975,508	2,664,423	29,118,750	1.4 x	12.3%
FP Venture 2018	Venture Capital	25,000,000	22,670,807	2,515,607	2,968,238	37,177,077	1.8 x	22.3%
GTLA Holdings	Hard Assets	20,700,000	20,700,000	0	0	70,700,000	3.4 x	29.6%
Highland Contingent Note	Hard Assets	152,244,727	152,244,727	0	15,000,000	167,262,041	1.2 x	6.3%
SK Capital V	Buyout	30,000,000	31,855,694	1,896,728	3,992,629	37,343,032	1.3 x	11.9%
Sycamore Partners III	Turnaround	25,000,000	19,004,952	12,951,675	6,956,627	21,265,847	1.5 x	19.4%
Thoma Bravo Discover II	Buyout	17,000,000	17,689,209	4,815,530	8,731,672	23,983,792	1.8 x	24.3%
Total 2018		366,094,727	370,960,231	32,365,564	139,421,111	446,118,656	1.6 x	17.6%

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2019								
American Industrial VII	Buyout	30,000,000	28,180,684	7,843,601	6,017,392	35,473,951	1.5 x	25.0%
Arlington V	Buyout	25,000,000	22,949,078	2,050,916	891,984	38,065,110	1.7 x	34.4%
DW Healthcare V	Buyout	30,000,000	23,139,929	6,860,071	0	27,581,494	1.2 x	8.7%
FP Intl 2019	Buyout	30,000,000	20,723,404	9,578,673	4,080,428	31,351,503	1.7 x	32.7%
FP Venture 2019	Venture Capital	30,000,000	18,894,410	11,281,217	1,280,655	28,998,779	1.6 x	20.7%
KPS Mid-Market I	Turnaround	20,000,000	12,444,394	7,216,862	1,824,023	17,027,407	1.5 x	22.9%
Riverside VI	Buyout	30,000,000	22,919,520	7,080,480	320,231	30,179,463	1.3 x	12.8%
Siris IV	Buyout	30,000,000	25,533,808	6,813,957	3,725,622	34,373,772	1.5 x	15.5%
Thoma Bravo XIII	Buyout	30,000,000	36,599,355	2,495,077	18,056,239	47,855,775	1.8 x	29.4%
WNG II	Special Assets	30,000,000	26,866,077	4,187,442	1,178,625	26,053,887	1.0 x	0.8%
Total 2019		285,000,000	238,250,659	65,408,296	37,375,199	316,961,141	1.5 x	20.5%
2020								
BV X	Buyout	30,000,000	23,323,740	12,676,259	7,568,151	30,015,229	1.6 x	49.9%
Clearlake VI	Buyout	30,000,000	30,356,218	837,608	2,512,913	45,897,335	1.6 x	26.2%
FP CF Access	Buyout	90,000,000	57,891,125	33,115,242	1,015,434	78,562,183	1.4 x	24.7%
FP Venture XIII	Venture Capital	60,000,000	35,586,944	24,674,759	205,577	41,041,442	1.2 x	9.5%
Greyrock V	Mezzanine	35,000,000	29,128,604	7,061,958	1,190,562	32,618,225	1.2 x	12.0%
JF Lehman V	Buyout	30,000,000	27,744,894	2,255,106	0	38,058,569	1.4 x	19.3%
KPS V	Turnaround	30,000,000	16,915,112	12,915,146	2,704,535	23,849,142	1.6 x	26.3%
Thoma Bravo Explore I	Buyout	20,000,000	15,718,505	5,357,766	1,076,271	21,196,669	1.4 x	24.5%
Total 2020		325,000,000	236,665,143	98,893,844	16,273,442	311,238,794	1.4 x	22.7%
2021								
Alpine Investors VIII	Buyout	30,000,000	16,235,817	13,764,183	0	21,420,329	1.3 x	43.9%
FP Intl X	Buyout	60,000,000	21,712,230	38,442,878	0	23,734,631	1.1 x	7.8%
Greenbriar V	Buyout	30,000,000	29,581,608	1,542,431	1,126,683	33,778,614	1.2 x	18.5%
LLR VI	Growth Equity	30,000,000	23,400,000	6,600,000	207,473	23,968,192	1.0 x	2.7%
Revelstoke III	Buyout	30,000,000	16,559,229	15,892,781	2,566,359	15,498,964	1.1 x	10.9%
Riverside Value Fund I	Turnaround	30,000,000	11,197,524	22,106,585	0	15,304,260	1.4 x	N/A
Thoma Bravo Discover III	Buyout	20,000,000	19,679,588	320,412	0	21,775,686	1.1 x	6.4%
Thoma Bravo XIV	Buyout	20,000,000	19,701,244	298,756	5	21,387,959	1.1 x	4.7%
Total 2021		250,000,000	158,067,240	98,968,026	3,900,520	176,868,635	1.1 x	12.3%

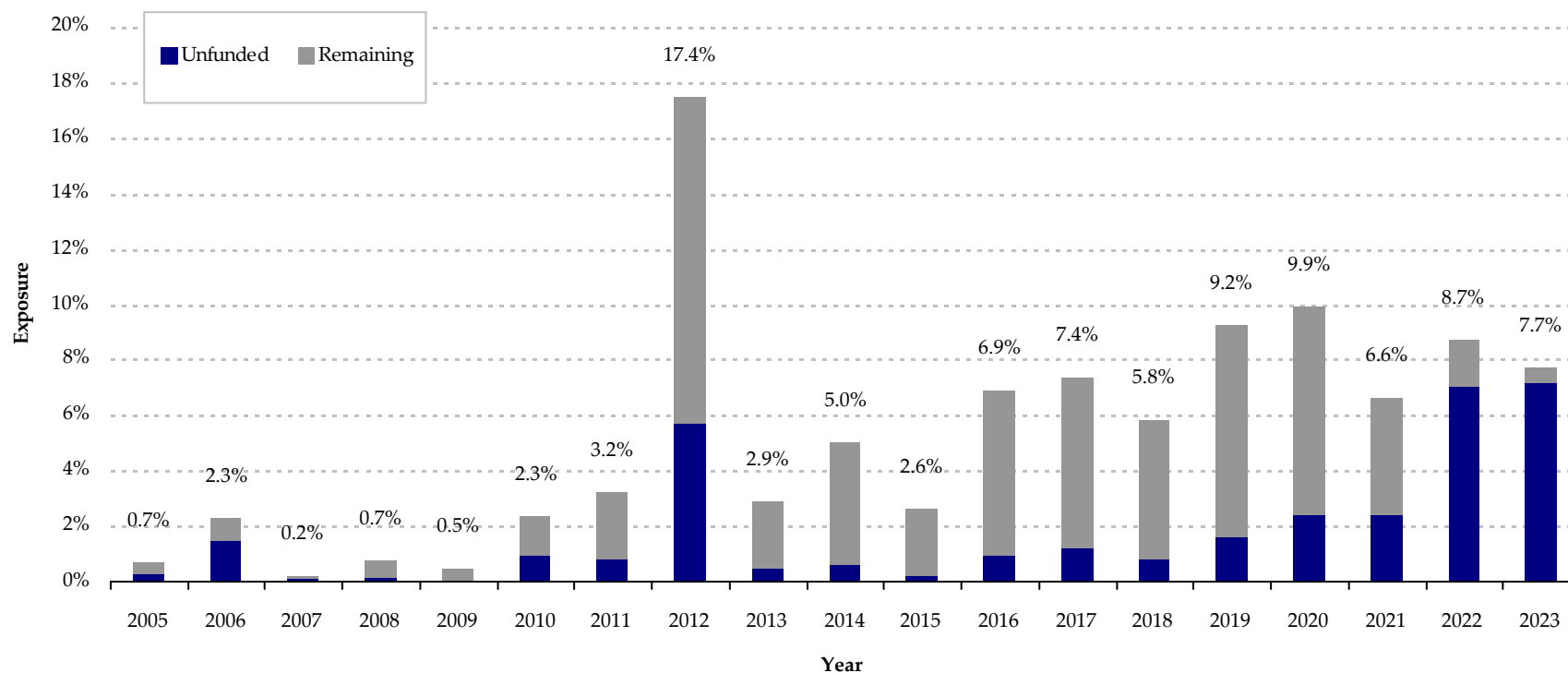
Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2022								
Bison VI	Structured Capital	30,000,000	4,188,061	25,811,939	7,020	5,042,305	1.2 x	NMF
Clearlake VII	Buyout	30,000,000	15,412,033	14,587,967	730	16,077,286	1.0 x	NMF
FP CF Access II	Buyout	90,000,000	10,722,174	79,277,826	69,462	11,537,325	1.1 x	NMF
FP Intl XI	Buyout	60,000,000	2,897,040	57,210,758	1,176	2,408,870	0.8 x	NMF
FP Venture Opp	Venture Capital	60,000,000	15,937,500	44,137,803	0	15,584,803	1.0 x	NMF
FP Venture XIV	Venture Capital	60,000,000	5,028,304	55,055,667	121,725	4,250,536	0.9 x	NMF
Thoma Bravo Discover IV	Buyout	15,000,000	4,987,763	10,012,237	0	5,212,154	1.0 x	NMF
Thoma Bravo XV	Buyout	15,000,000	10,185,180	4,814,820	3,250	10,048,969	1.0 x	NMF
Total 2022		360,000,000	69,358,056	290,909,017	203,363	70,162,248	1.0 x	NMF
2023								
Alpine Investors IX	Buyout	30,000,000	0	30,000,000	0	0	N/A	NMF
Arlington VI	Buyout	30,000,000	3,896,498	26,103,502	0	4,233,696	1.1 x	NMF
BV XI	Buyout	30,000,000	0	30,000,000	0	-581,038	N/A	NMF
FP Co-Invest VI	Multi-Strategy	65,000,000	5,100,000	59,900,000	0	5,100,000	1.0 x	NMF
Greenbriar VI	Buyout	30,000,000	0	30,000,000	0	-92,398	N/A	NMF
Greyrock VI	Mezzanine	30,000,000	1,659,899	28,340,101	0	1,445,308	0.9 x	NMF
JF Lehman VI	Buyout	30,000,000	0	30,000,000	0	-155,246	N/A	NMF
KPS Mid Cap II	Turnaround	30,000,000	0	30,000,000	0	0	N/A	NMF
SK Capital VI	Buyout	30,000,000	12,044,490	17,955,510	1,269	11,311,243	0.9 x	NMF
Thoma Bravo Explore II	Buyout	15,000,000	0	15,000,000	0	0	N/A	NMF
Total 2023		320,000,000	22,700,887	297,299,113	1,269	21,261,565	0.9 x	NMF
Total Portfolio		6,268,839,355	5,597,359,521	1,418,252,429	6,540,865,000	2,849,963,338	1.7 x	11.4%

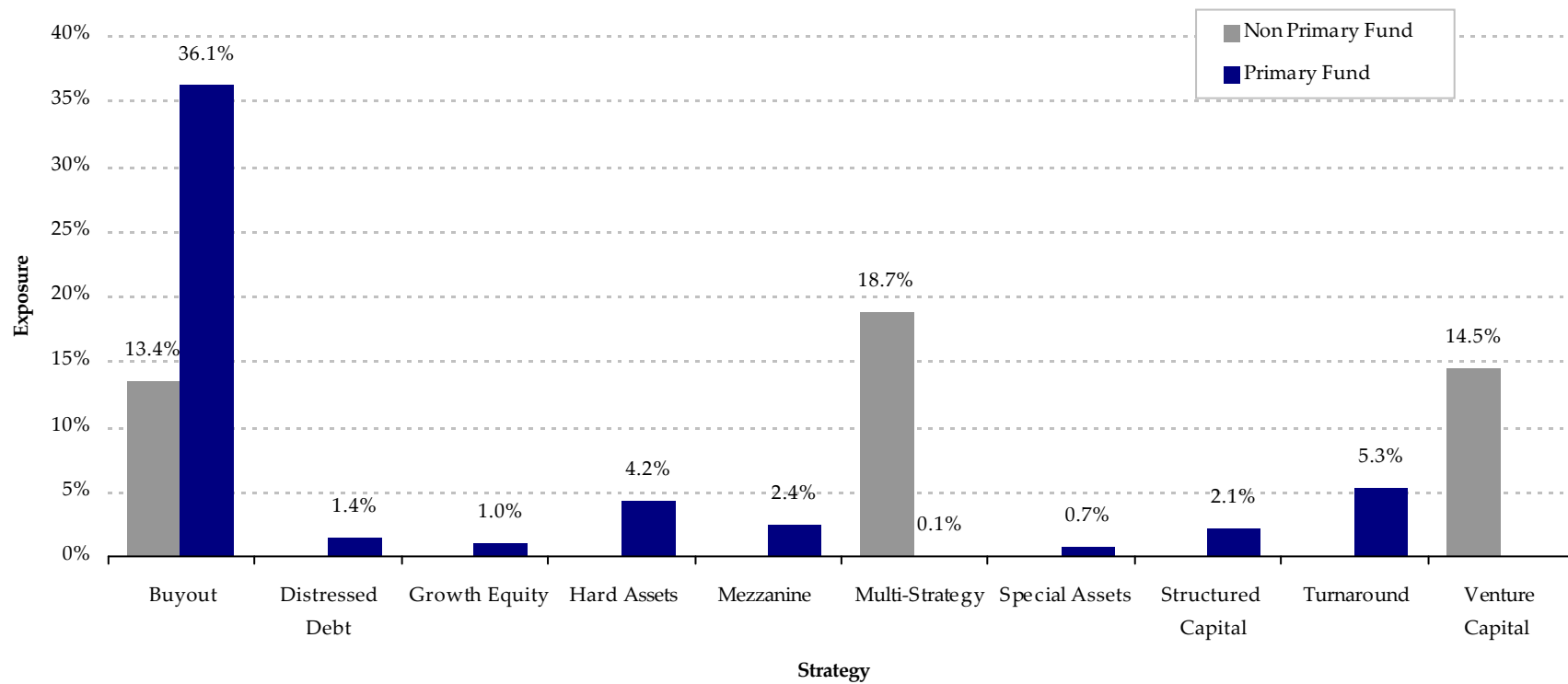
- Remaining Value is defined as the investor's value as reported by the fund's manager.
- TVPI is the ratio of Distributed Capital plus Remaining Value to Contributed Capital.
- Net IRR is defined as the annualized, compound rate of return using daily draws, distributions and Remaining Value as of the Report Date, net of fees and expenses, including late closing interest.
- An asterisk indicates an investment that is fully liquidated, if applicable.
- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date, if applicable.
- Returns calculated for funds in the early years of their lives are particularly not meaningful given the J-curve effect. During these early years, due to illiquidity, stagnant valuations, fees and expenses, fund performance tends to be negative (the bottom of the "J").

Diversification Analysis



- Exposure is defined as the sum of the investor's Remaining Value plus Unfunded Commitment.
- Data includes commitments through the Report Date.

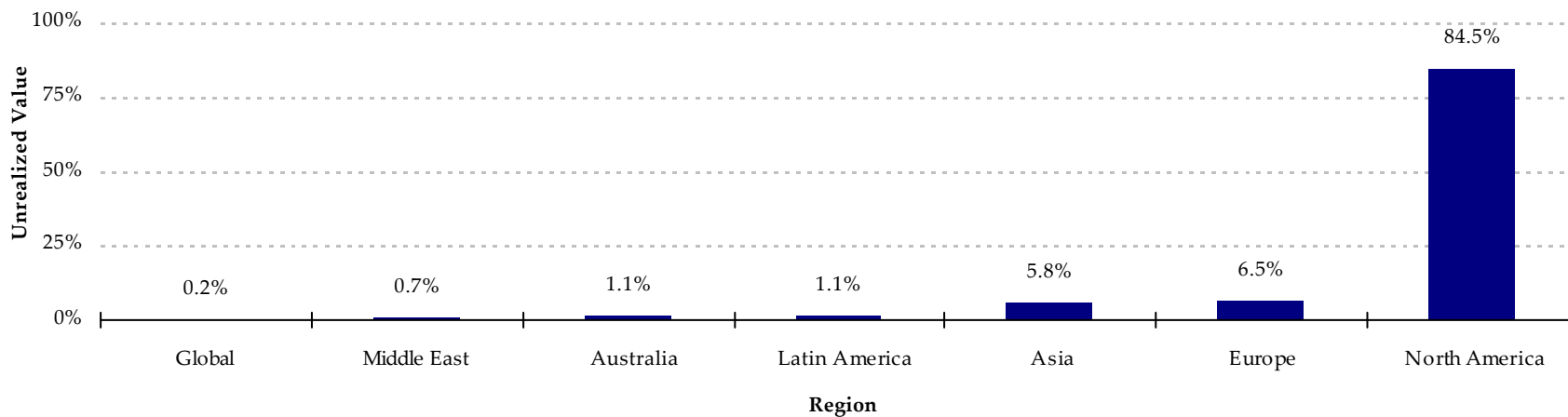
Exposure By Strategy and Type



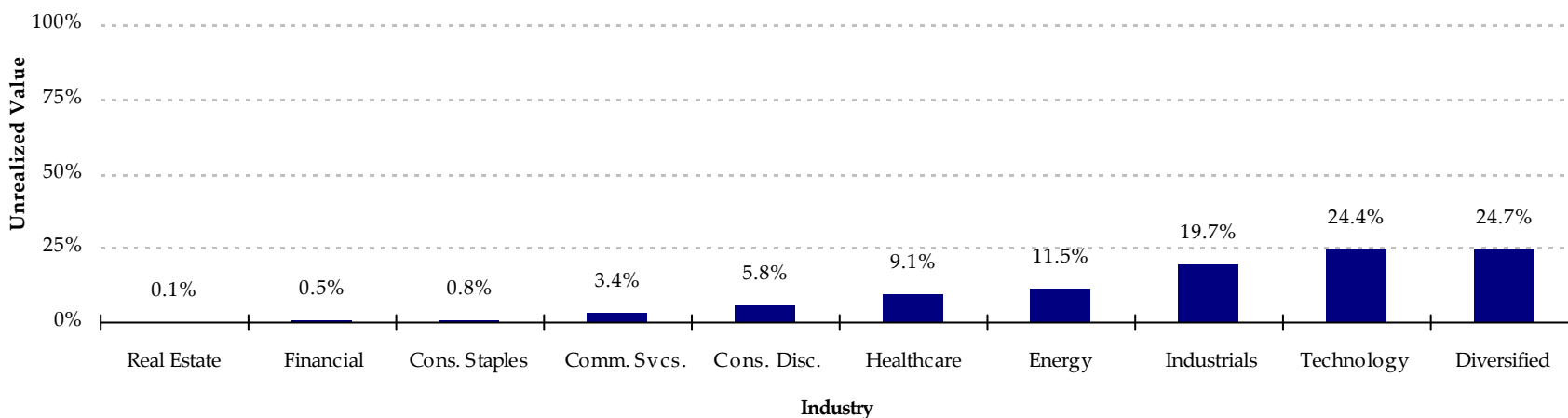
▫ Exposure is defined as the sum of the investor's Remaining Value plus Unfunded Commitment.

▫ Primary Fund represents interests in private equity funds acquired directly from the seller (i.e. fund manager). Non Primary Fund represents interests in private equity funds acquired through a commitment to a fund-of-funds or secondary fund-of-funds.

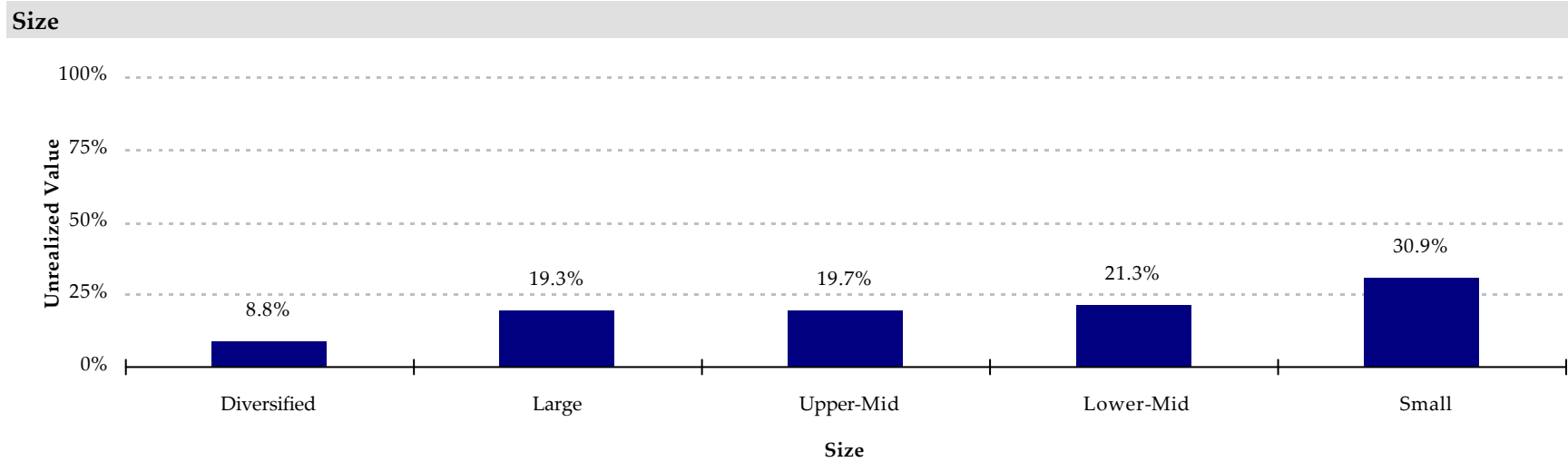
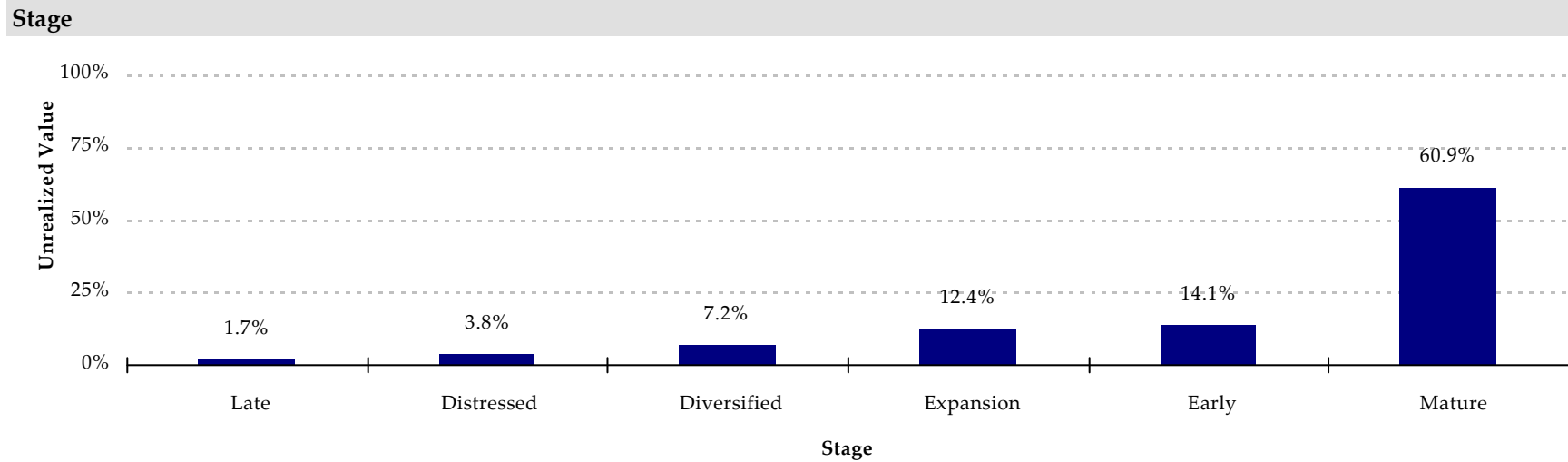
Region



Industry



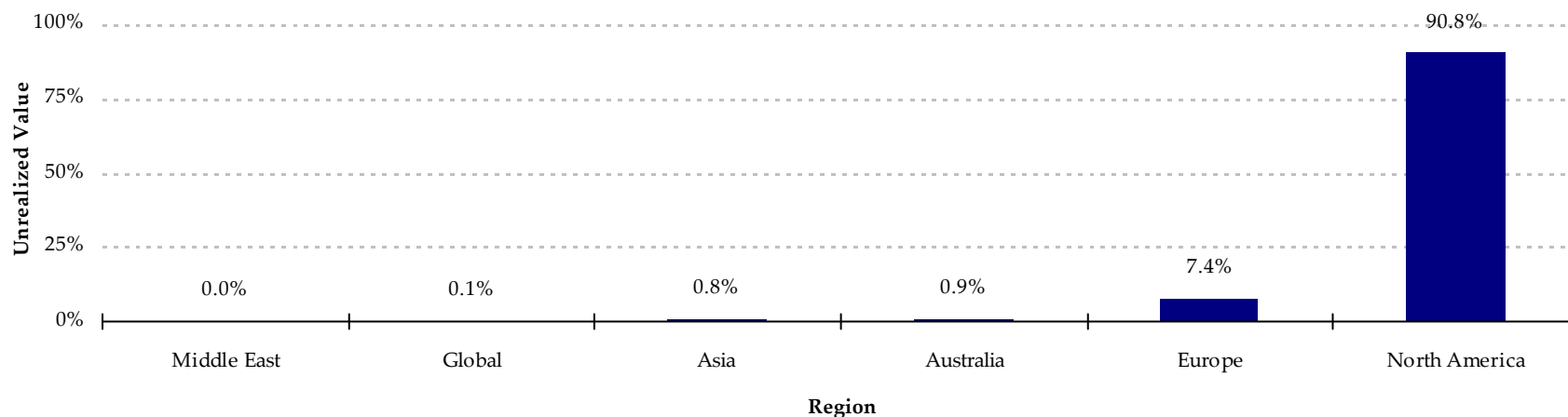
- Unrealized Value represents the value of portfolio holdings as reported by fund managers.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values are converted to the investor's currency, when applicable, as of the Report Date.



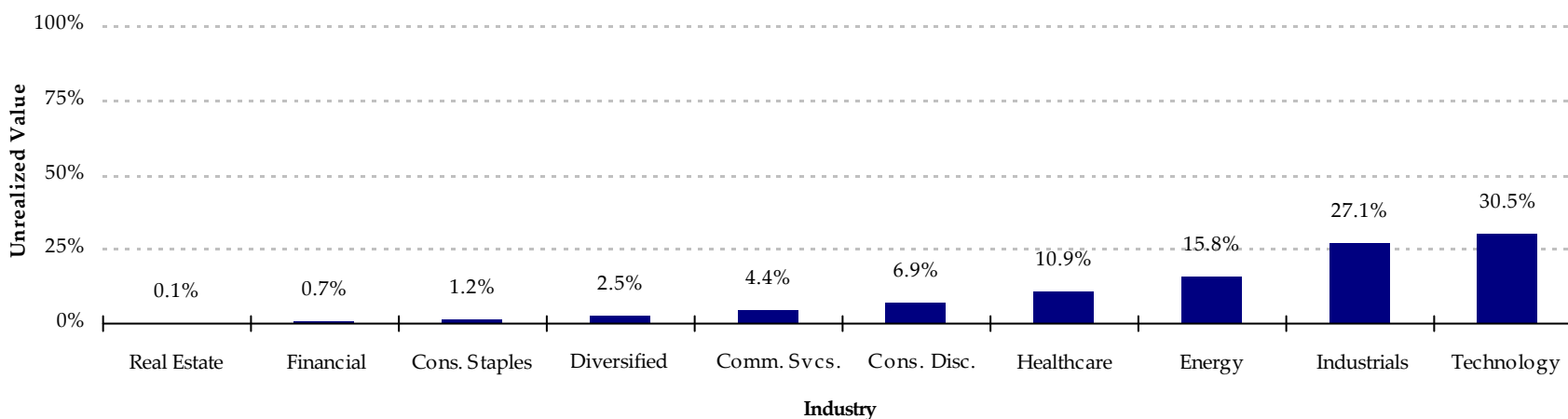
- Unrealized Value is the value of portfolio holdings as reported by the fund manager.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values converted to the investor's currency, when applicable, as of the Report Date.

Holdings by Region and Industry (ex Fund Holdings)

Region



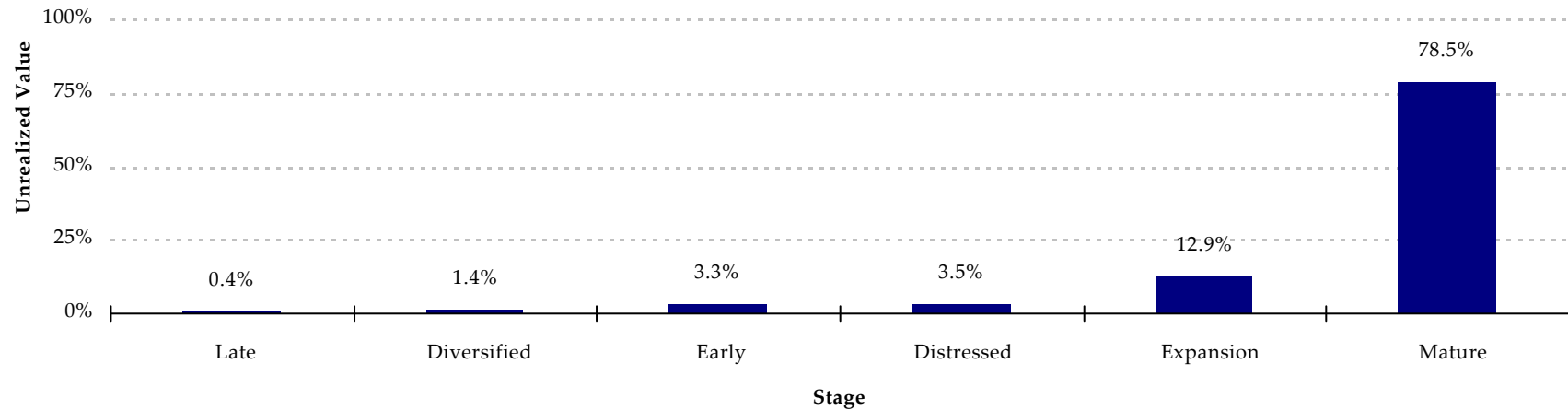
Industry



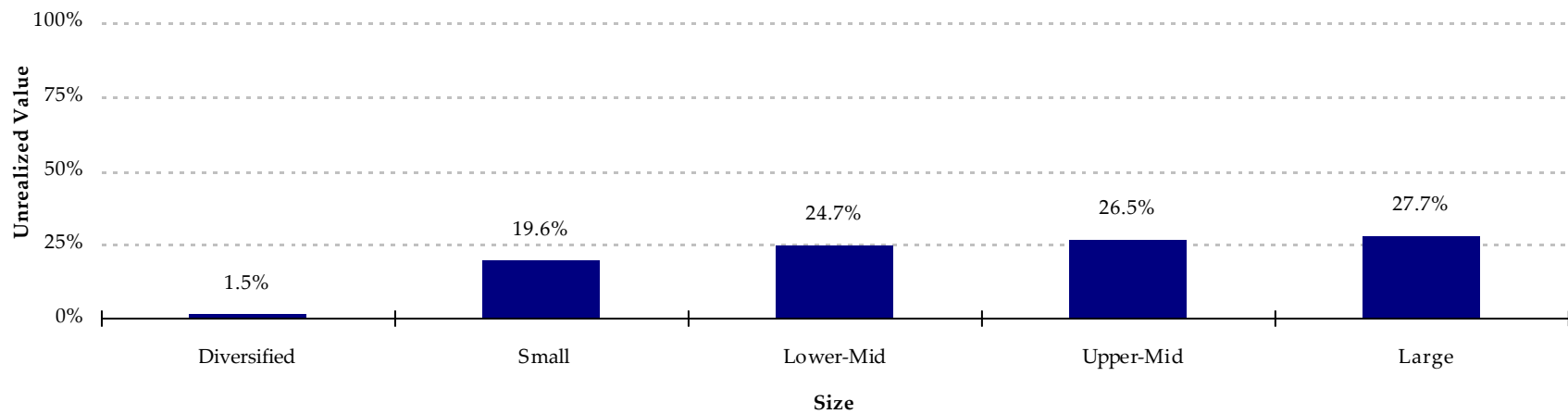
- Fund investments in other funds were excluded from this analysis.
- Unrealized Value represents the value of portfolio holdings as reported by fund managers.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values are converted to the investor's currency, when applicable, as of the Report Date.

Holdings by Stage and Size (ex Fund Holdings)

Stage

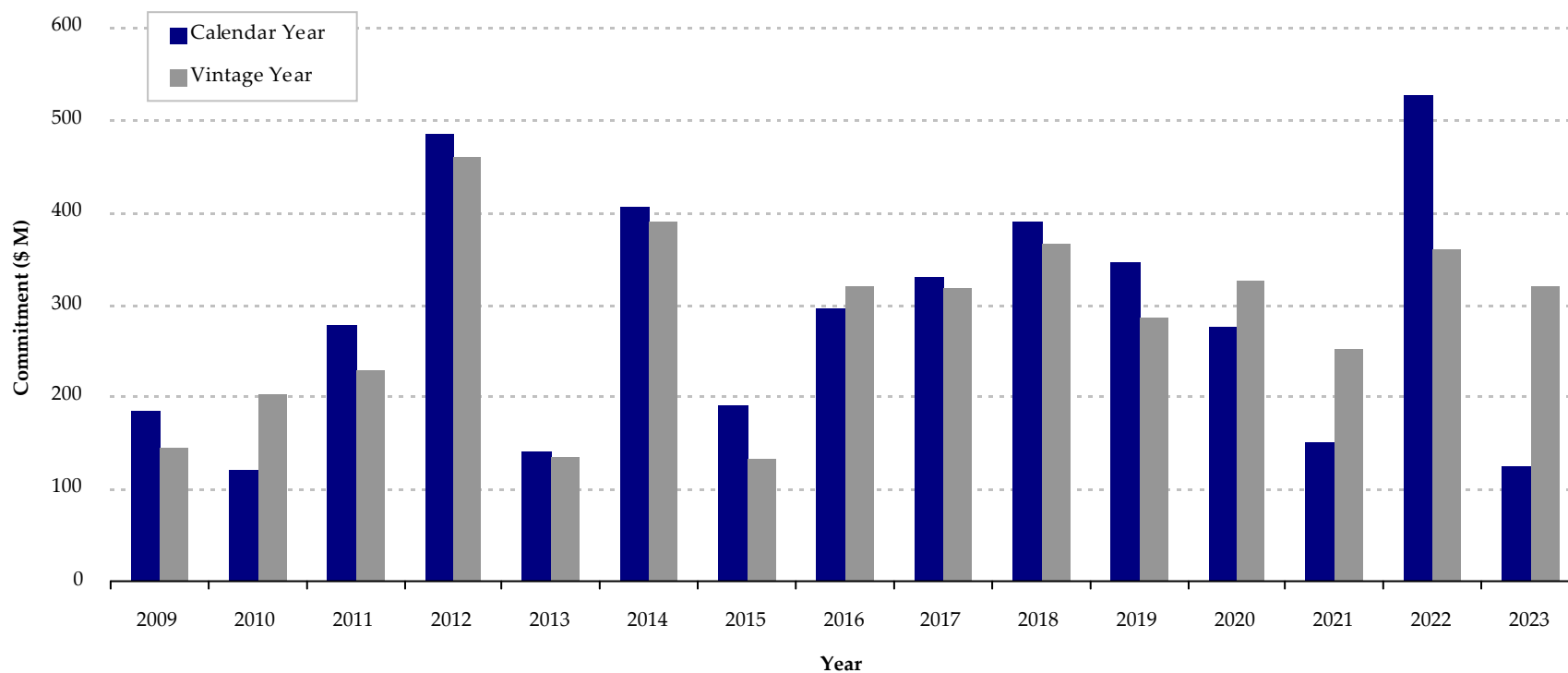


Size



- Fund investments in other funds were excluded from this analysis.
- Unrealized Value represents the value of portfolio holdings as reported by fund managers.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values are converted to the investor's currency, when applicable, as of the Report Date.

Recent Activity



- Vintage Year represents the year in which investors first contribute capital to a fund.
- Calendar Year represents the year in which a commitment to a fund formally closed.
- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date, if applicable.
- Commitments were compiled through the Report Date.

Recent Commitments



Commitments for Year Ended December 31, 2022

Fund	Strategy	Date	Commitment (\$)
FP Venture Opp	Venture Capital	Jan 2022	30,000,000
FP Venture XIV	Venture Capital	Jan 2022	60,000,000
FP Intl XI	Buyout	Jan 2022	30,000,000
FP CF Access II	Buyout	Feb 2022	90,000,000
SK Capital VI	Buyout	Mar 2022	30,000,000
Riverside Value Fund I	Turnaround	Mar 2022	30,000,000
Thoma Bravo Discover IV	Buyout	Apr 2022	15,000,000
Thoma Bravo XV	Buyout	Apr 2022	15,000,000
Arlington VI	Buyout	Apr 2022	30,000,000
Thoma Bravo Explore II	Buyout	May 2022	15,000,000
BV XI	Buyout	Jul 2022	30,000,000
Greenbriar VI	Buyout	Oct 2022	30,000,000
JF Lehman VI	Buyout	Oct 2022	30,000,000
Alpine Investors IX	Buyout	Dec 2022	30,000,000
Total			465,000,000

Year to Date Commitments as of October 16, 2023

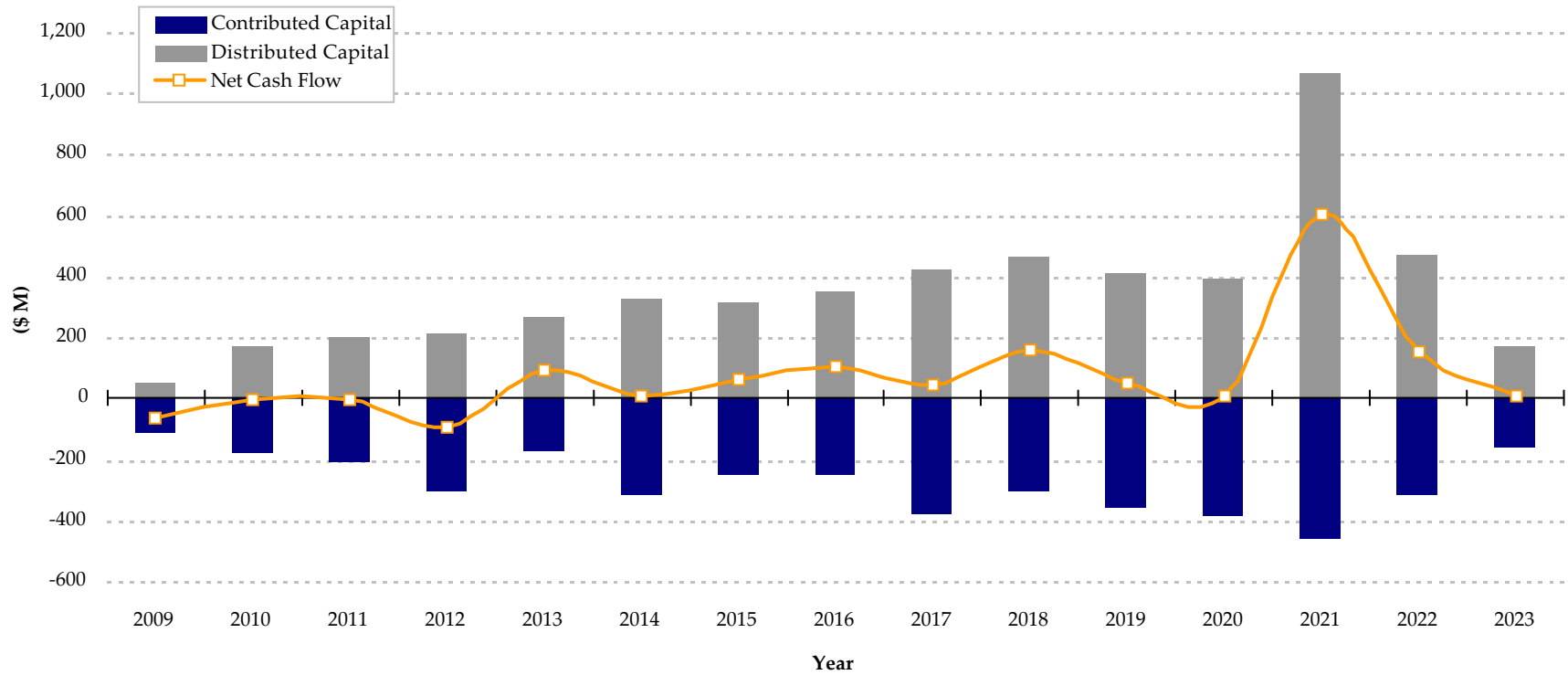
Fund	Strategy	Date	Commitment (\$)
FP Co-Invest VI	Multi-Strategy	Feb 2023	65,000,000
Greyrock VI	Mezzanine	Mar 2023	30,000,000
KPS Mid Cap II	Turnaround	Jun 2023	30,000,000
LLR VII	Growth Equity	Jul 2023	30,000,000
Post Road III	Structured Capital	Oct 2023	30,000,000
Total			185,000,000

Approved and Pending Commitments as of October 16, 2023

Not Applicable

- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date, if applicable.
- In February 2023, ATRS closed on additional \$30.0 million commitments to both FP International XI and FP VC Opps, bringing total commitments to each Fund to \$60.0 million.

Annual Cash Flow

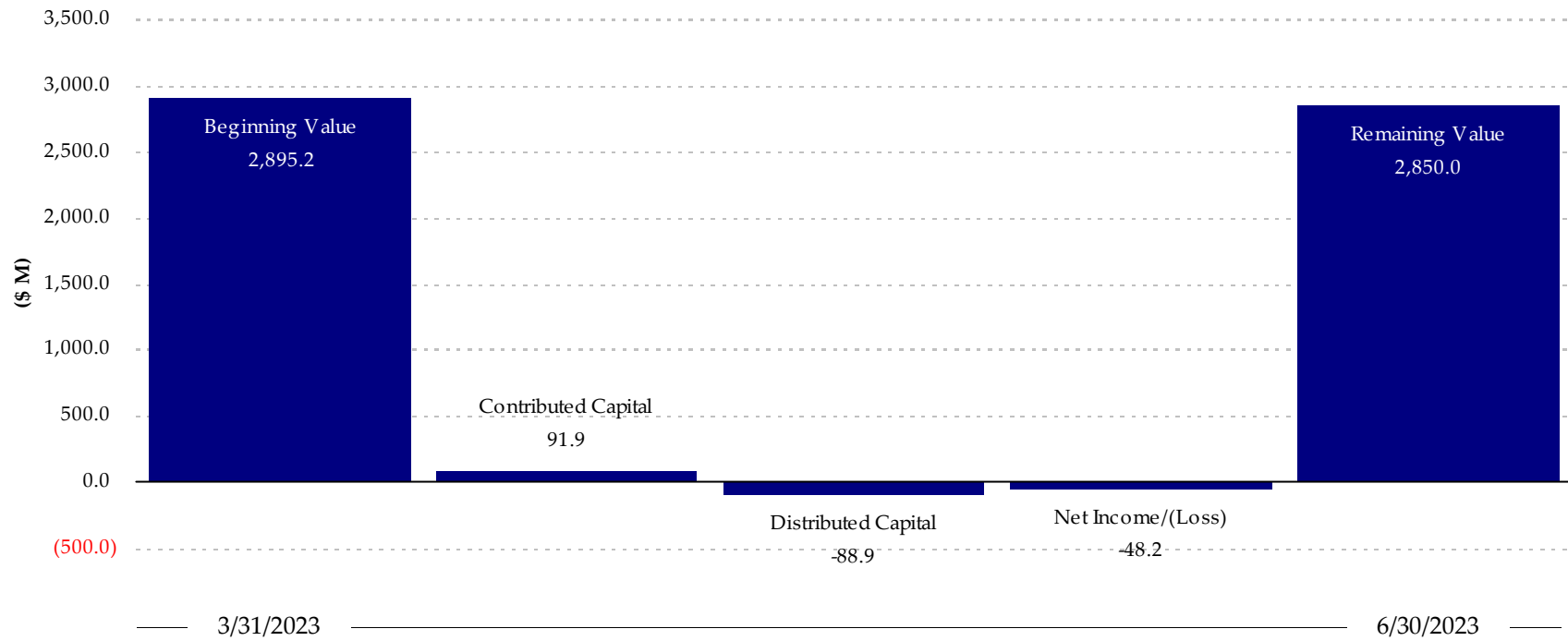


2023 (\$)		
Distributed	Contributed	Net Cash Flow
167,576,003	-160,877,765	6,698,238

▫ Cash flow data was compiled through the Report Date.

Capital Account Change Since Prior Quarter

Quarterly Portfolio Activity

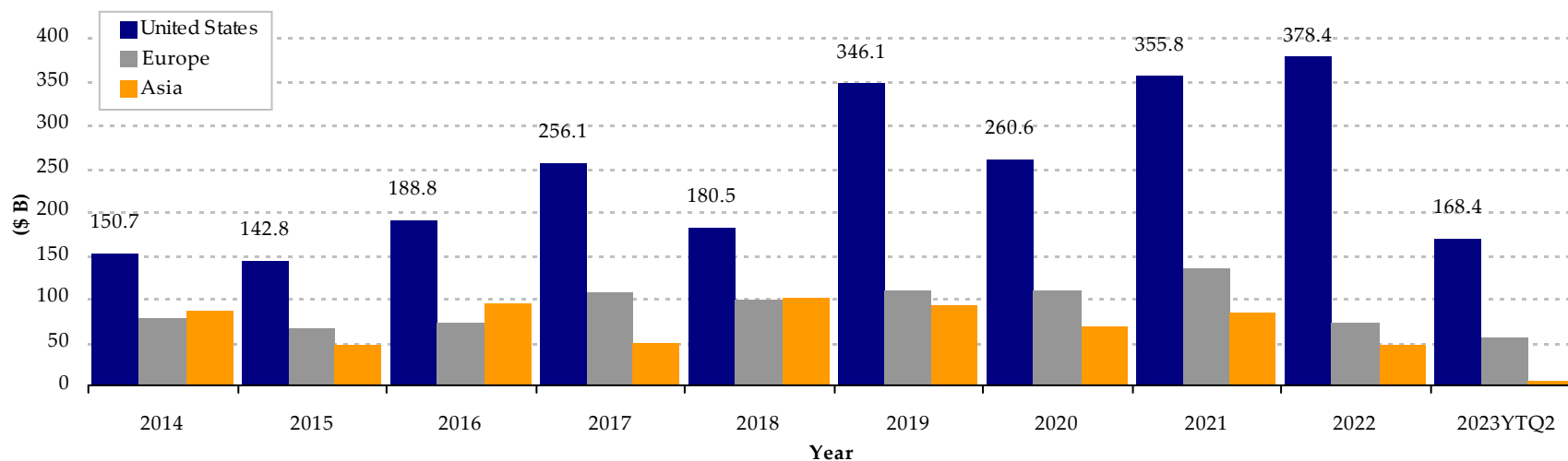


Percent Change in Value	-1.7%
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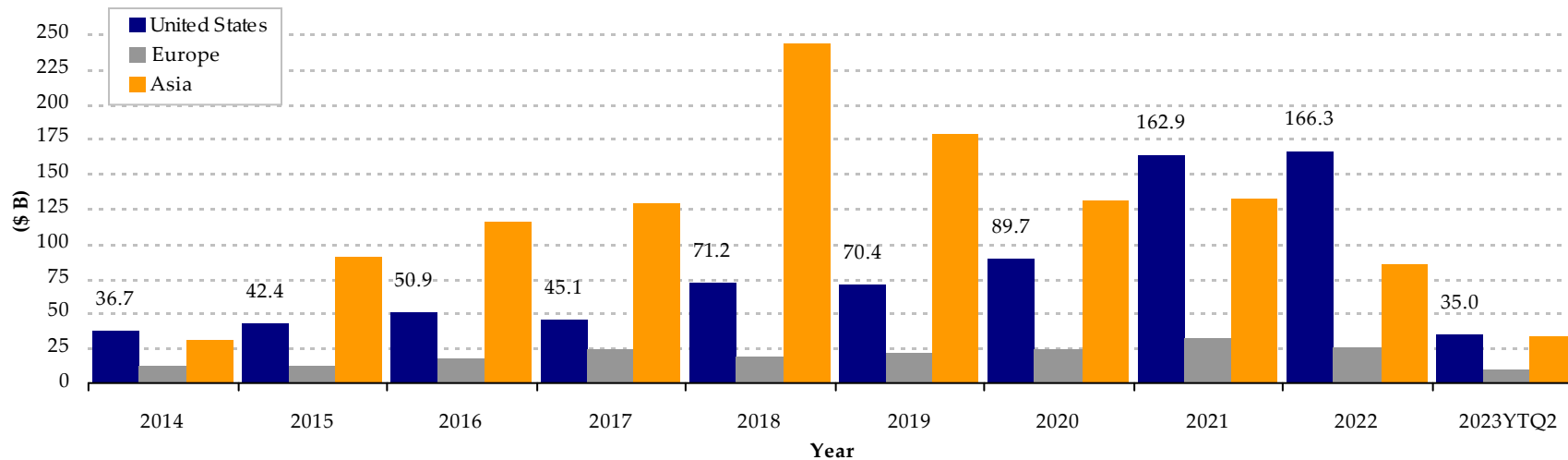
- Beginning Value represents the aggregate Remaining Value of the portfolio as of the prior quarter-end.
- Percent Change in Value is calculated by dividing Net Income / (Loss) by Beginning Value.

Market Update

Buyout Funds

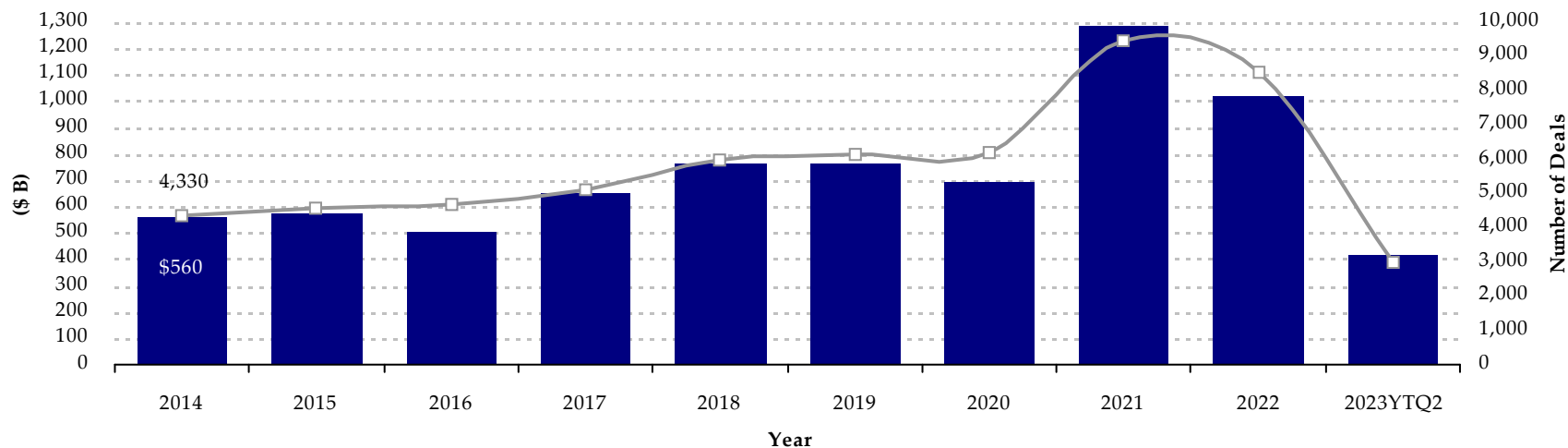


Venture Funds

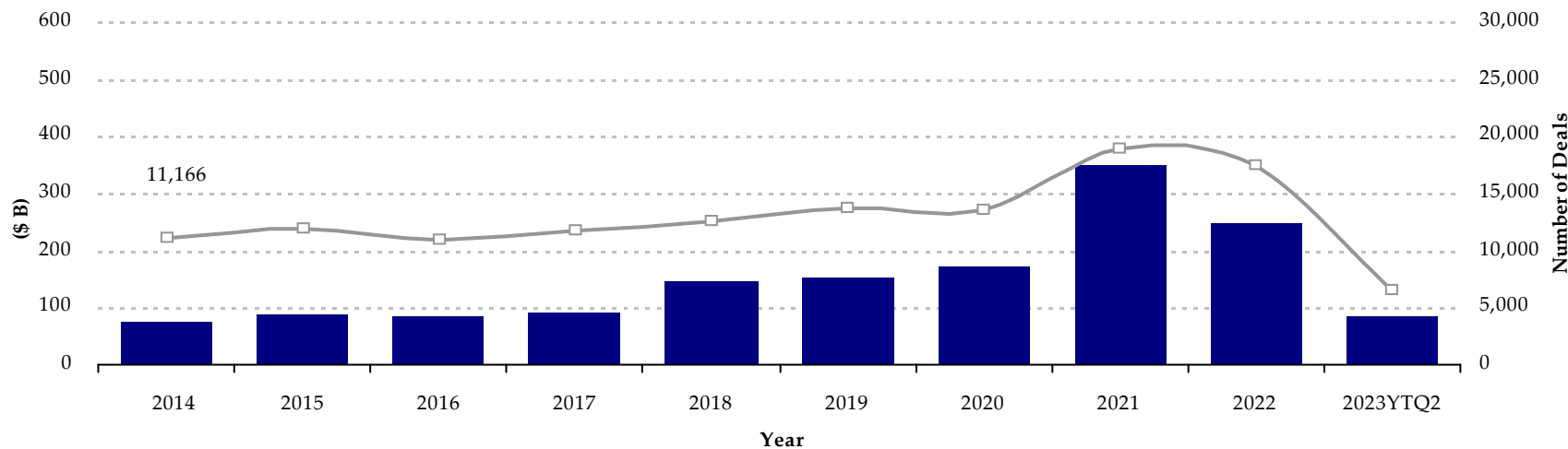


- Source: Pitchbook.
- Data compiled through Q2 2023.

U.S. Buyout

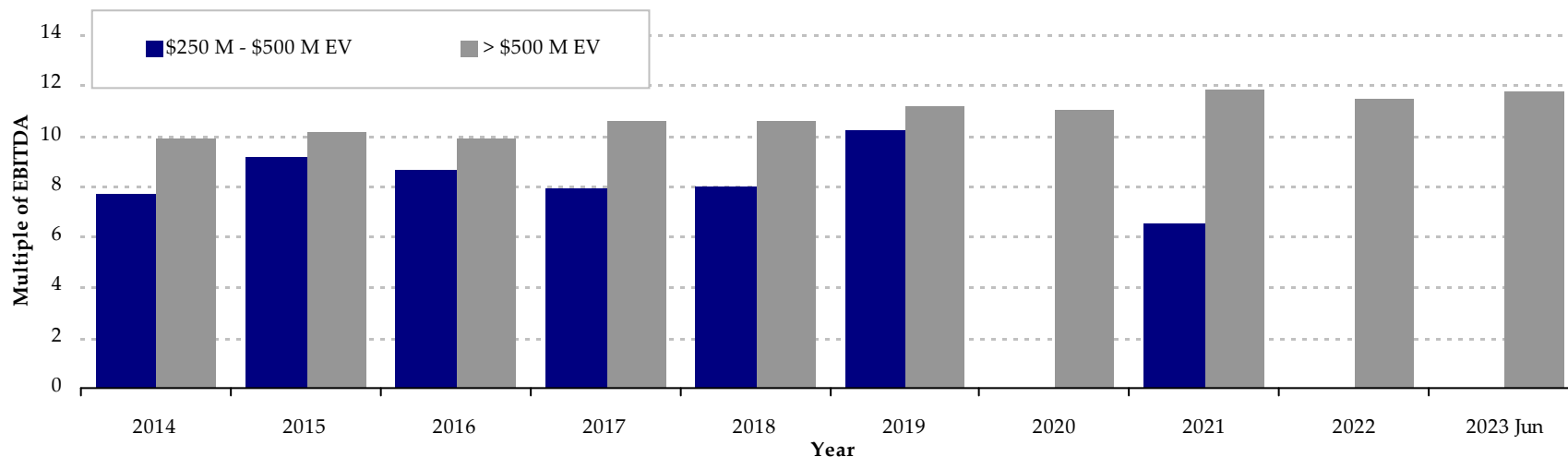


U.S. Venture

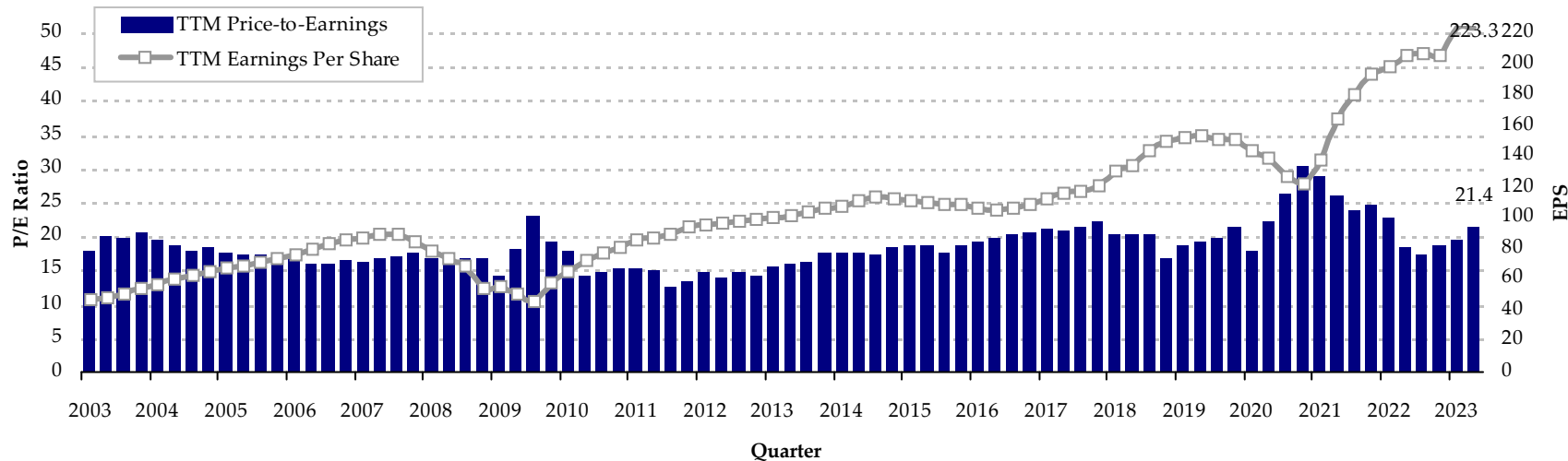


- Source: Pitchbook.
- Data compiled through Q2 2023.

U.S. LBO Pricing Multiples

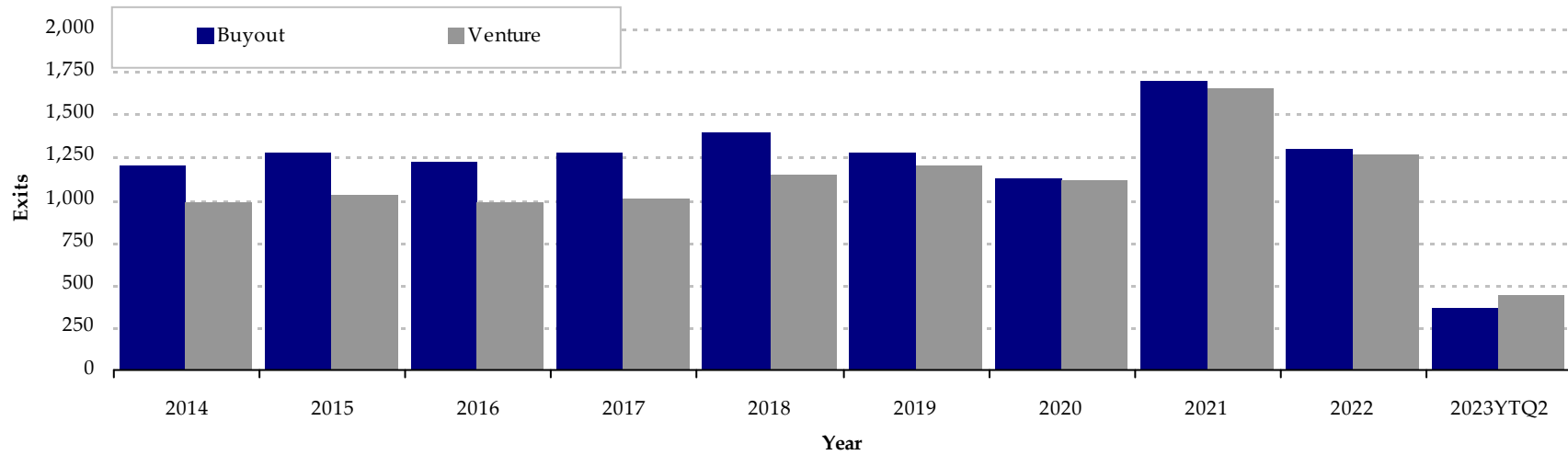


S&P 500 Valuation and Earnings

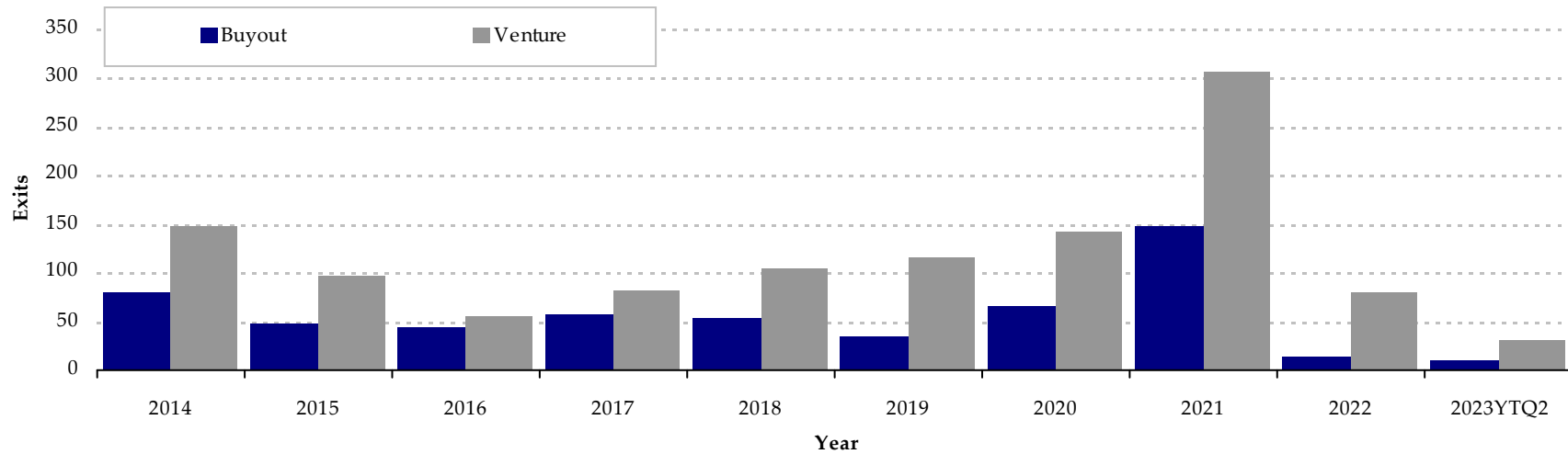


Source: Pitchbook's Leveraged Commentary; Bloomberg.

U.S. Mergers and Acquisitions



U.S. Initial Public Offerings



- Source: Pitchbook.
- Data compiled through Q2 2023.

Vintage Returns

Group	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
U.S. All PE Median	15.2%	14.5%	17.8%	18.0%	19.5%	21.8%	21.3%	19.2%	13.5%	0.7%
U.S. All PE Top Quartile	19.9%	20.7%	24.1%	23.8%	25.7%	31.3%	29.1%	28.6%	23.1%	10.0%
U.S. Buyout Median	15.2%	15.6%	19.2%	18.6%	21.1%	25.0%	20.2%	20.0%	16.5%	2.5%
U.S. Buyout Top Quartile	23.5%	24.0%	24.1%	27.6%	27.1%	33.0%	29.0%	28.8%	22.4%	12.3%
U.S. Energy Median	-1.5%	5.5%	10.3%	8.9%	9.3%	14.5%	11.7%	15.8%	17.3%	
U.S. Energy Top Quartile	3.7%	13.3%	12.3%	15.5%	10.6%	18.9%	22.6%	29.6%	27.7%	
U.S. Real Assets Median	9.9%	9.5%	10.4%	10.8%	10.7%	13.2%	13.3%	15.5%	13.2%	5.8%
U.S. Real Assets Top Quartile	14.5%	16.5%	13.8%	14.9%	14.9%	18.9%	20.8%	21.0%	22.3%	13.4%
U.S. Real Estate Median	11.2%	10.8%	10.6%	11.5%	11.5%	13.0%	14.0%	12.6%	11.5%	4.4%
U.S. Real Estate Top Quartile	15.3%	18.1%	14.0%	15.3%	15.0%	19.2%	20.8%	19.3%	18.0%	12.5%
U.S. Venture Median	15.7%	16.9%	18.5%	17.0%	20.7%	24.1%	21.8%	18.1%	12.8%	-1.4%
U.S. Venture Top Quartile	22.6%	23.8%	26.4%	24.3%	26.8%	32.3%	29.9%	30.5%	23.4%	4.6%

▫ Source: Cambridge Associates.

▫ Data compiled through March 31, 2023.

▫ Benchmark data is not available for 2021 U.S. Energy

Glossary

Term	Definition	Term	Definition
Barclays US Corporate High Yield Index	The Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.	Dow Jones US Total Stock Market Total Return Index	The Dow Jones US Total Stock Market Total Return Index measures all U.S. equity securities with readily available prices. It is a free float-adjusted market capitalization weighted index and is calculated with dividend reinvestment.
Bridge Financing	Temporary funding that will eventually be replaced by permanent capital from equity investors or debt lenders	DPI	Ratio of Distributed Capital to Contributed Capital
Buyout	Fund whose strategy is to acquire controlling interests in companies	Early Stage	A company's first Stage of development. Company is generally generating modest or no revenues
Co/Direct Investment	Investment made directly into a company, rather than indirectly through a fund	Equity	Security type that signifies ownership of a company (e.g. common stock, preferred stock, warrants, etc.)
Committed Capital	Total dollar amount of capital pledged to a fund	Expansion Stage	A company's third Stage of development. Company is generally experiencing high growth and nearing profitability
Contributed Capital	Total capital contributed to a fund for investments, fees and expenses, including late closing interest paid, less returns of excess capital called	Exposure	Sum of Remaining Value plus Unfunded Commitment
Cost Basis	Remaining amount of invested capital	Fund-of-Funds	Fund whose strategy is to make investments in other funds
Debt	Security type that signifies a repayment obligation by a company (e.g. senior debt, subordinated debt, bridge loan etc.)	Geographic Region	Market location of a company: North America, Western Europe, Africa/Middle East, Latin America, Asia/Pacific Rim
Distressed	A company's final Stage of development. Company is generally experiencing operational or financial distress	Growth Equity	Fund whose strategy is to invest in companies to expand or restructure operations, enter new markets or finance an acquisition without a change of control of the business
Distressed Debt	<ul style="list-style-type: none"> • Distressed Trading – Fund whose strategy is to invest and trade debt of financially stressed companies • Distressed Restructuring – Fund whose strategy is to acquire and restructure debt of financially stressed companies • Opportunistic Credit – Fund whose strategy is to flexibly invest in debt securities and income-producing assets of any kind, where the issuer or holder is financially stressed • Structured Capital – Fund whose strategy is to issue hybrid debt and equity securities to mature companies 	Hard Assets	Fund whose strategy is to invest in natural resources or infrastructure
Distributed Capital	Capital distributed to the limited partners, including late closing interest earned	Infrastructure	Fund whose strategy is to acquire interests in physical structures and networks that provide the essential services for society's economic and social needs (e.g. roads, tunnels, communication networks, etc.)
		Internal Rate of Return (IRR)	The discount rate that results in a net present value of zero of a series of cash flows. The IRR considers both cash flow timing and amount and is the preferred performance measure for private market funds
		Invested Capital	Capital invested by a fund in portfolio holdings
		Investment Type	Classification of an investment vehicle: Primary Fund, Secondary Fund, Fund-of-Funds

Term	Definition	Term	Definition
J-Curve	Refers to the shape of the curve illustrating a fund's performance over time. During the initial years of a fund's life, as a result of illiquidity, stagnant valuations, fees and expenses, a fund's performance tends to be negative (the bottom of the "J"). Eventually, as portfolio companies are realized or increase in value and fees become a smaller percentage of overall contributions, performance improves and investors' returns move up the "J" shaped curve	Net IRR	Annualized effective compound rate of return using daily contributions, distributions and Remaining Value as of the Report Date, net of all fees and expenses, including late closing interest
Large	Company with a Size greater than \$1 billion	Percent Interest	Represents an investor's economic interest in a fund based upon the investor's commitment divided by total fund commitments
Late Stage	A company's second Stage of development. Company is generally generating high revenue growth and high losses	Primary Investment	An interest in a private equity fund acquired directly from the fund manager during the fundraising period
Lower-Mid	Company with a Size greater than \$100 million, but less than \$250 million	Public Market Equivalent (PME)	A private equity benchmark that represents the performance of a public market index expressed in terms of an IRR, using the same cash flows and timing as the investor's investment activity in private equity. The PME serves as a proxy for the return the investor could have achieved by investing in the public market. The PME benchmark return assumes cash flows are invested at the end of each day
Mature	A company's fourth Stage of development. Company is generally generating modest to no growth and operating profitably	Publication Date	Refers to the date this report was created as reflected in the Executive Summary
Mezzanine	<ul style="list-style-type: none"> • Sponsored Mezzanine – Fund whose strategy is to issue subordinated loans to companies owned by private equity fund sponsors • Non-Sponsored Mezzanine – Fund whose strategy is to issue subordinated loans to companies not owned by private equity fund sponsors 	Real Assets	Fund whose strategy is to invest in assets that are tangible or physical in nature such as land, machinery, and livestock
MSCI ACWI Index - Total Return	The MSCI ACWI Total Return is a reflection of the performance of the MSCI ACWI Index, including dividend reinvestment, as calculated by Bloomberg. The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices.	Real Estate	Fund whose strategy is to acquire interests in real estate property
Natural Resources	Fund whose strategy is to acquire interests in naturally-occurring, economically valuable raw materials and all physical facilities and capabilities required for the extraction, refinement, and delivery to end users (e.g. oil and gas properties, timberland, etc.)	Realized Capital	Capital distributed to a fund from portfolio holdings
NCREIF Property Index	The NCREIF Property Index is a quarterly, unleveraged composite total return for private commercial real estate properties held for investment purposes only.	Recallable / Recyclable Capital	Capital that has been previously distributed by a fund to investors but may be called again for investment purposes. It is generally associated with realizations that have occurred in the early years of a fund or refers to uninvested capital that has been temporarily returned (i.e. returns of excess capital)
		Recapitalization	The reorganization of a company's capital structure
		Remaining Value	Capital account balance as reported by the General Partner, generally on a fair value basis
		Report Date	Refers to the end date of the reporting period as reflected on the cover page
		Return on Investment (ROI)	Ratio of Realized Capital plus Unrealized Value to Invested Capital

Term	Definition	Term	Definition
Russell 1000® Total Return Index	The Russell 1000® Total Return Index measures the performance, including dividend reinvestment, of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.	Size	Capitalization size of a company: Large, Upper-Mid, Lower-Mid, Small
Russell 3000® Total Return Index	The Russell 3000® Total Return Index measures the performance, including dividend reinvestment, of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.	Small	Company with a Size of less than \$100 million
S&P 500 Price Index	The S&P 500 Price Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.	Small Business Investment Company (SBIC)	Lending and investment firms that are licensed and regulated by the Small Business Administration (SBA). The licensing enables them to borrow from the federal government to supplement the private funds of their investors
S&P 500 Total Return Index	The S&P 500 Total Return Index is a reflection of the performance of the S&P 500 Index, including dividend reinvestment. All regular cash dividends are assumed to be reinvested in the S&P 500 Index on the ex-date. Special cash dividends trigger a price adjustment in the price return index.	Small Buyout	Fund whose strategy is to acquire or recapitalize Small businesses
Secondary Investment	Investments that involve the purchase of private equity fund interests or portfolios of direct investments in privately held companies from existing institutional investors	Special Assets	<ul style="list-style-type: none"> • Healthcare Royalties – Fund whose strategy is to acquire royalty or revenue interests, or issue loans, backed by approved life science products • Music Royalties – Fund whose strategy is to acquire royalty or revenue interests, or issue loans, backed by music copyright assets • Aircraft Leasing – Fund whose strategy is to acquire and lease commercial aircraft • Life Settlement - Fund whose strategy is to acquire life insurance policies • Shipping – Fund whose strategy is to acquire and charter commercial shipping vessels • Asset Backed Securities – Fund whose strategy is to acquire or structure securities that are backed by income-producing assets
Sector	Industry in which the company operates: technology, telecommunications, healthcare, financial services, diversified, industrial, consumer, energy, etc.	Stage	The course of development through which a company passes from its inception to its termination: Early, Late, Expansion, Mature, Distressed
Senior Debt	<ul style="list-style-type: none"> • Direct Lending – Fund whose strategy is to issue senior loans to mature companies • Unitranche – Fund whose strategy is to issue hybrid senior and subordinated loans to mature companies • Venture Debt – Fund whose strategy is to issue loans to venture stage companies • Asset Based Lending – Fund whose strategy is to issue loans to companies where the amount of allowable borrowing outstanding is based on asset collateral value • Rescue Financing – Fund whose strategy is to issue loans to financially stressed companies 	Sub-Asset Class	Private equity investments are generally classified as Buyout, Venture Capital, Mezzanine, Distressed/Turnaround, and Fund-of-Funds
		TVPI	Ratio of Distributed Capital plus Remaining Value to Contributed Capital
		Unfunded Commitment	Amount of capital that remains to be contributed to a fund as defined in a fund's limited partnership agreement
		Unrealized Value	Holding value of a portfolio company assigned by the General Partner, which generally represents fair value
		Upper-Mid	Company with a Size greater than \$250 million but less than \$1 billion
		Venture Capital	Fund whose strategy is to make investments in Early Stage and/or Late Stage companies

Term	Definition
Vintage Year	The calendar year in which an investor first contributes capital to a fund

End Notes

The information contained in this report is confidential and may contain proprietary information and trade secret information. The information contained herein is prepared by Franklin Park and is not reviewed or approved by the general partners or affiliates of underlying portfolio fund investments and is strictly for the use of Arkansas Teacher Retirement System and, subject to applicable law, may not be reproduced, transmitted or used in whole or in part for any other purpose without the expressed written consent of Franklin Park. Franklin Park requests that investors maintain this information in confidence and that this report is not disclosed to any person other than affiliates, advisers, and accountants, who agree to maintain this information in similar confidence, without the prior written consent of Franklin Park.

Information regarding the Arkansas Teacher Retirement System portfolio, trends and performance returns are based on or derived from information and data provided by third-party sources, including Arkansas Teacher Retirement System's historical records. Franklin Park assumes that such information is accurate and that the sources from which it has been obtained are reliable. For example, the performance figures contained within this report are calculated by Franklin Park based on information provided by the managers of Arkansas Teacher Retirement System's private equity fund investments (General Partners). The General Partners have not verified the performance figures presented by Franklin Park and such figures may differ from those calculated by General Partners or other investors.

Franklin Park presents Net IRR performance as recommended by the CFA Institute. The IRR calculation is a dollar-weighted return measurement, which considers both cash flow timing and amount, and is net of fees, expenses and carried interest. The total portfolio Net IRR presented herein is net of fees, expenses and carried interest paid by underlying private equity fund investments, but is gross of fees and expenses paid to Franklin Park. The IRR is most commonly used for measuring the performance of private equity funds. Until a fund is liquidated, typically over 10 to 12 years, the IRR is only an interim estimated return. An IRR is particularly not meaningful in the first two years of a fund's life given the J-curve effect (see footnote). The actual IRR of any private equity fund investment is not known until final liquidation.

▫ The J-curve refers to the shape of the curve that illustrates a private equity fund's performance over time. During the initial years of a fund's life, due to fees and expenses, a fund's performance tends to be negative (the bottom of the "J"). Eventually, as portfolio company investments increase in value, fund performance improves and returns move up the "J" shaped curve.



Executive Summary
Beekman Investment Partners V, L.P.





Executive Summary

Fund	Beekman Investment Partners V, LP (the “Fund”)
General Partner	The Beekman Group LLC (the “General Partner” or “Beekman”)
Report Date	November 2023
Fundraising	The General Partner is targeting limited partner capital commitments of \$550 million. A cap has not yet been set but is not expected to be significantly higher than the target. The General Partner held a first closing in August 2023 on \$125 million, with an additional \$50 million reserved from those investors to upsize at the final closing. An additional \$250-\$300 million is expected to come into closes in December 2023 and January 2024. The General Partner is targeting a final closing in H1 2024.
Source	Franklin Park sourced the offering directly from the General Partner.
Investment Strategy	<p>The Fund is being formed to invest in small North American service-based companies operating in the consumer, healthcare and business/industrial services sectors. The Fund’s investments will take the form of leveraged buyouts, growth buyouts or structured preferred equity or debt investments.</p> <p>Within each of its target sectors, the General Partner identifies six to eight attractive subsectors within the target sectors and takes a targeted, proactive sourcing approach. Current target sectors/sub-sectors include:</p> <ul style="list-style-type: none"> • Healthcare: dental services; eye, physical therapy, dermatology services; emergency/urgent health services; health insurance outsourcing • Consumer: restaurants/franchising; pet retail & services; auto/boating retailing; marketing/out-of-home advertising services • Business/Industrial Services: manufacturing services; alarm/security services; education/training; food safety & compliance; aerospace parts & services; financial tech services; financial and insurance services; infrastructure/maintenance services
Management Team	Based in New York, NY, the General Partner was founded in 2004 and is currently led by four senior investment professionals (the “Principals”) who are supported by nine mid-level and junior investment professionals, an operating professional, an investor relations professional, a CFO and 13 Industry Advisors. The backgrounds of the Principals are summarized below.

Principals	Yrs. GP	Yrs. PE	Background
John Troiano	19	27	Onex, Gleacher & Co.
Andrew Marolda	19	19	American Express; Philips Electronics; Ernst & Young
Andrew Brown	12	18	Patriot Capital (2005-2011); GE Capital
Jim Clippard	9	18	Prospect Capital, Copper Essex Capital, Circle Peak

**Track Record**

The General Partner has raised four prior funds. The following chart summarizes the performance of the prior funds, as of June 30, 2023 (\$000).

Aggregate Performance Summary¹		(USD 000)				
Fund (Vintage)	Rlzd Deals / # Deals	Invested	Realized	Unrealized	Gross ROI	Gross IRR
Fund I (2005)	6 / 6	47,537	122,359	0	2.6x	18.2%
Fund II (2011)	6 / 7	86,242	232,932	41,827	3.2x	23.4%
Fund III (2015)	2 / 8	198,360	129,274	304,741	2.2x	19.0%
Fund IV (2019)	2 / 10	327,306	160,211	457,732	1.9x	45.6%
Total	16 / 31	659,445	644,775	804,300	2.2x	21.8%

¹ Gross of fees and carried interest expenses. The unrealized investments are valued by the General Partner.

Investment Evaluation

- The Fund's strategy is compelling.** The return potential for the Fund's strategy is high given the Fund's focus on small companies where owners/management are willing to re-invest a significant amount of sale proceeds. Purchase prices for small companies are typically lower than larger companies, and smaller companies often have higher growth potential. Moreover, there are significant opportunities for value creation with small companies that an experienced private equity investment team can exploit.
- The Principals possess complementary backgrounds in private equity investing, operations and investment banking.** The Principals each have 18 years or more of private equity experience and have been working together at the General Partner for over nine years.

However, deal lead experience is heavily weighted towards primarily John Troiano, and secondarily, Andy Marolda. Mr. Troiano has led 16 of the General Partner's deals, including 12 of the 16 total realizations since inception. Andy Marolda has led eight deals (one realization), Andy Brown has led four deals (two realizations) and Jim Clippard has led three deals (one realization).

- The General Partner has an attractive track record in aggregate.**
 - The General Partner's 16 realizations have produced a 3.4x ROI and 23.9% IRR in aggregate.
 - Funds I & II have generated solid aggregate returns of 2.6x and 3.2x invested capital.
 - Fund IV is off to a strong start, with each of the first three investments marked at a 3.5x ROI or greater. The remainder of the portfolio is early in its life.

However, the performance of Fund III has lagged. Fund III ranks in the fourth quartile compared to its vintage peers. Fund III performance has been hurt by two companies whose performance was significantly affected by the COVID-19 pandemic, including a movie theater chain that was forced to file bankruptcy during the shutdowns and an aviation company whose revenue was 98% exposed to international travel.



Recommendation Franklin Park recommends a commitment up to \$35 million to the Fund, subject to completion of operational due diligence and satisfactory negotiation of final documentation, based on the following:

- The Fund's investment strategy is compelling;
- The Principals possess complimentary backgrounds in private equity investing, operations and investment banking; and
- The General Partner has an attractive track record in aggregate.

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201**

**RESOLUTION
No. 2023-46**

**Approving Investment in Beekman
Investment Partners V, L.P.**

WHEREAS, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

WHEREAS, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Beekman Investment Partners V, L.P.**, a private equity buyout and growth fund specializing in small companies.

THEREFORE, BE IT RESOLVED, that the ATRS Board approves an investment of up to **\$35 million dollars (\$35,000,000.00)** in **Beekman Investment Partners V, L.P.** The total investment amount is to be determined by the private equity consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

FURTHER, BE IT RESOLVED, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement this investment, if acceptable terms are reached.

Adopted this 4th day of December 2023

Mr. Danny Knight, *Chair*
Arkansas Teacher Retirement System



Executive Summary
Clearlake Capital Partners VIII, L.P.





Executive Summary

Fund Clearlake Capital Partners VIII, L.P. (the “Fund”)

General Partner Clearlake Capital Group (the “General Partner” or “Clearlake”)

Report Date November 2023

Fundraising The General Partner is targeting capital commitments of \$15 billion. The General Partner will hold an initial closing in December and expects to be fundraising into the first half of 2024.

Source Franklin Park sourced the offering directly from the General Partner.

Investment Strategy The Fund will invest opportunistically in distressed debt, rescue financing, growth capital, buyout, and turnaround investments. Target companies will often require financial, operational or structural change, or present an opportunity where market inefficiencies and mispricing of assets can be exploited. The General Partner invests for control or significant influence to affect change post-investment. The Fund is expected to primarily focus on the software, technology-enabled services, and industrials sectors in North America.

Management Team Headquartered in Santa Monica, California, the General Partner was established in 2006. The General Partner is led by Jose Feliciano and Behdad Eghbali (the “Founders”) as well as Prashant Mehrota, Colin Leonard, James Pade and Arta Tabae (collectively, the “Partners”). The Partners’ backgrounds are summarized in the following table.

Principals	Yrs. GP	Yrs. PE	Background
Jose Feliciano	17	27	Tennenbaum Capital, govWorks
Behdad Eghbali	17	25	TPG Capital
Prashant Mehrota	14	21	Silver Lake Partners, Tennenbaum Capita
Colin Leonard	17	20	HBK Capital
James Pade	10	15	TowerBrook Capital Partners
Arta Tabae	13	19	HIG Capital, TPG Capital

The overall team consists of more than 100 professionals, including approximately 45 investment and operating professionals and back-office staff.

Track Record The General Partner has raised seven prior funds (“Funds I-VII”) with \$182 million, \$415 million, \$789 million, \$1.4 billion, \$3.6 billion, \$7.1 billion and \$14.2 billion in respective capital commitments. The following chart summarizes the performance of Funds III-VII, as of June 30, 2023 (\$000).



Aggregate Performance Summary					(USD 000)	
Fund (Vintage)	Rlzd Deals / # Deals	Invested	Realized	Unrealized	Gross ROI	Gross IRR
Fund III (2012)	18 / 21	1,185,693	3,873,020	38,566	3.3x	47.5%
Fund IV (2015)	16 / 26	1,973,636	3,771,192	1,234,398	2.5x	35.5%
Fund V (2017)	11 / 27	5,199,213	7,227,315	5,789,504	2.5x	47.1%
Fund VI (2020)	0 / 17	8,013,891	1,587,107	12,261,493	1.7x	31.4%
Fund VII (2021)	0 / 10	7,721,851	177,261	8,476,324	1.1x	10.1%
Total	45 / 101	24,094,284	16,635,895	27,800,285	1.8x	39.5%

Gross of fees and carried interest expenses. The unrealized investments were valued by the General Partner.

The General Partner also manages three non-control debt and structured equity funds, Clearlake Opportunity Partners I, II and III (the "Opportunity Funds"), formed in 2015, 2019 and 2022, with respective capital commitments of \$543 million, \$1.4 billion and \$2.5 billion of capital commitments. As of June 30, 2023, Clearlake Opportunity Partners I (2015) and II (2019) are both generating net returns of 10%. Performance for Clearlake Opportunity Partners III is not yet meaningful.

Investment Evaluation

- The Fund employs a flexible investment strategy, allowing the General Partner to take advantage of varying market conditions.** The General Partner's opportunistic investment strategy and flexible approach allow the Fund to capitalize on unique buyout, growth capital, and distressed investment opportunities. Further, the broad transaction types and flexible approach allow the General Partner to select investments across a variety of market conditions.
- The General Partner has a highly experienced and deep team.** The Partners average more than 20 years of relevant experience, including tenures with other private equity firms, and average 15 years working together. Further, the team has complementary skills to pursue special situations investments, bringing a balance of distressed restructuring, buyout and capital markets expertise, along with sector knowledge in technology and industrial end markets.

However, there are some concerns about senior team capacity. The General Partner is currently managing nearly 50 active board seats, largely the responsibility of the Partners and other senior members of the investment team.

Several factors mitigate this concern:

- The General Partner's team has grown substantially in the last several years. Further, many mid and senior level professionals have been promoted from junior levels, and the number of lead deal professionals has grown to 15.
- The General Partner has added significant resources to support the senior partners in areas such as deal origination, firm management and portfolio support.
- Lastly, the General Partner typically staffs deals with three to four senior professionals to ensure adequate coverage.



- 3. The General Partner has an attractive track record.** Since 2012, the General Partner has invested over \$24 billion through Fund III-VII, which has generated a gross IRR of nearly 40%. Realizations have been strong, with recent exits in particular returning 5.0x invested capital in the last three years. Funds III-V have generated net IRRs around or in excess of 30% and each rank in the first quartile relative to U.S. buyout peers.

However, Fund VI and Fund VII are relatively young. Funds VI and VII have not generated any exits to date and include a portfolio with average holding periods of less than 2 years.

- 4. The General Partner's fund sizes and capital under management have grown substantially in recent years.** While the target Fund size is in line with its predecessor, Fund VII represented more than a threefold increase from Fund V raised just six years ago. The General Partner remains relatively unproven at larger fund sizes. Additionally, the General Partner has evolved to focus on larger transactions, which tend to be a more competitive market segment. However, the General Partner's bias toward relative value opportunities, where there is transaction complexity or the General Partner believes it has a unique angle or plan to add value, partly mitigates this concern.
- 5. In 2018, Clearlake sold a minority interest in the firm to several investors.** While the interest carries no governance rights, the transaction raises team and alignment of interest concerns. However, the General Partner has had minority shareholders since inception of the firm.

Recommendation Franklin Park recommends a commitment of up to \$35 million to the Fund, subject to completion of investment due diligence as well as operational due diligence and satisfactory negotiation of final documentation, based on the following:

- The General Partner's strategy is compelling;
- The General Partner has a highly experienced and deep team; and
- The General Partner has an attractive track record.

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201**

**RESOLUTION
No. 2023-47**

**Approving Investment in Clearlake
Capital Partners VIII, L.P.**

WHEREAS, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

WHEREAS, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Clearlake Capital Partners VIII, L.P.**, a private equity fund that will make opportunistic debt and equity investments in middle market companies undergoing change and/or are in underserved industries or markets in North America.

THEREFORE, BE IT RESOLVED, that the ATRS Board approves an investment of up to **\$35 million dollars (\$35,000,000.00)** in **Clearlake Capital Partners VIII, L.P.** The total investment amount is to be determined by the private equity consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

FURTHER, BE IT RESOLVED, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement this investment, if acceptable terms are reached.

Adopted this 4th day of December 2023.

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System



Arkansas Teacher Retirement System 2024 Investment Plan

December 2023

2023 Actual Commitments vs. Plan

ATRS is expected to commit \$345 million in 2023 (vs. plan of \$350 million)

ATRS Commitments

Investment	Strategy	Region	ATRS Commitment	Board Approval
LLR VII	Small/Lower Mid Buyout/Growth	U.S.	\$30m	Feb 2023
Greyrock VI	Sponsored Mezzanine	U.S.	\$30m	Feb 2023
KPS Mid-Market II	Small/Lower Mid Turnaround	U.S.	\$30m	June 2023
Post Road III	Structured Debt	U.S.	\$30m	Sept 2023
Clearlake VIII	Buyout/Growth/Turnaround	U.S.	\$35m	Dec 2023*
Beekman V	Small/Lower Mid Buyout	U.S.	\$35m	Dec 2023*
FP International XI	Buyout/Growth/Turnaround	Non-U.S.	\$30m	Dec 2022
FP CF Access II	Buyout/Growth/Turnaround	U.S.	\$30m	Dec 2022
FP Venture Opps I	Late Stage VC	U.S./Non-U.S.	\$30m	Dec 2022
FP Co-Invest VI	Buyout/Growth/Turnaround	U.S./Non-U.S.	\$65m	Feb 2023
Total			\$345m	

Due Diligence Activities

Activity	# of Funds (2Q22 LTM)	# of Funds (2Q23 LTM)	% of Funds Reviewed (2Q23 LTM)
Preliminary Reviews	1,197	1,055	100%
Manager Meetings	403	331	31%
Due Diligence Analyses	181	119	11%
ATRS Funds Closed*	9	6	<1%

* Excludes FP Vehicles

* Pending completion of Franklin Park due diligence and ATRS IC and board approval

Policy

ATRS' Objective, Guidelines and Constraints are outlined below

Objectives

- Generate a long-term return of 200 bps over the Dow Jones U.S. Total Stock Market index (+330 bps as of 6/30/23)

Guidelines

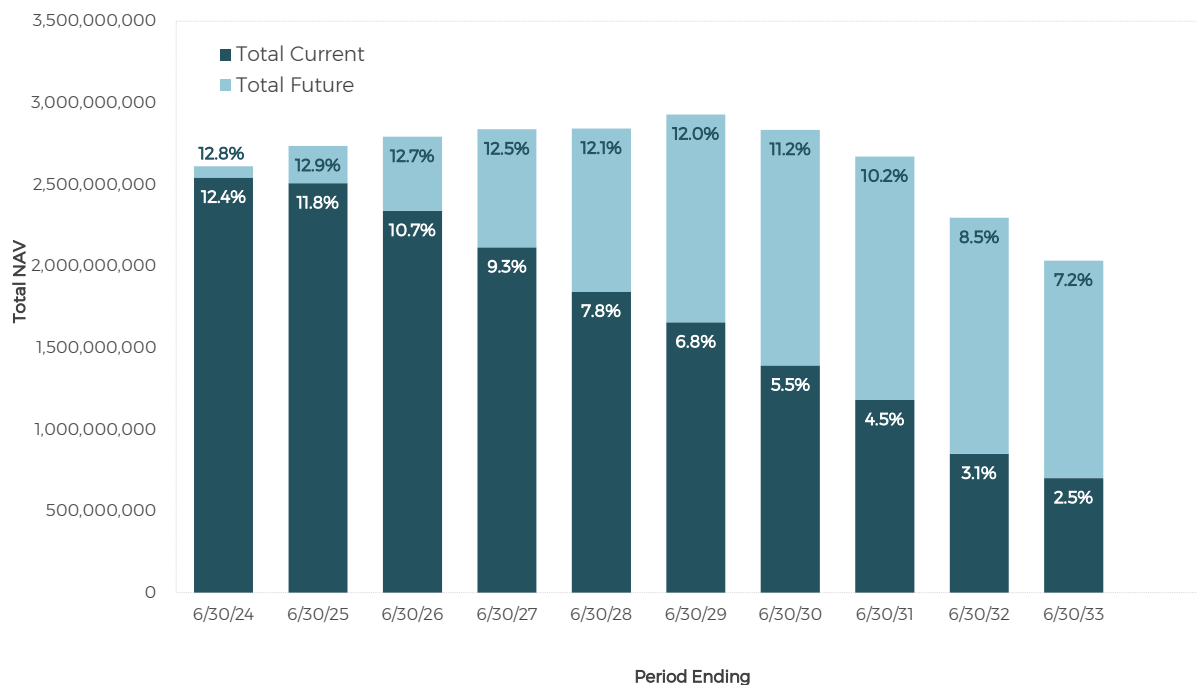
- Achieve a target 12% allocation to private equity (13.7% as of 6/30/23)
- Target 80-100% of PE commitments to Corporate Finance strategies, including buyout, turnaround, growth capital and private debt funds (84.4% as of 6/30/23)
- Target 0-20% of PE commitments to Venture Capital strategies (15.6% as of 6/30/23)

Constraints

- Individual commitments should be at least \$10 million
- A commitment can be no more than 15% of the total amount raised by a primary fund
- No more than 35% of new private equity commitments can be invested with any one underlying fund manager

Investment Pacing – Results

To maintain a 12% allocation to PE, \$385 million should be committed annually



Methodology

- Franklin Park’s pacing model approximates the amount of capital that an investor should commit each year to reach its target allocation over a specified horizon
- The model is based on historical industry cash flow rates generated from Thomson One Private Equity’s database

Assumptions

- Total assets as of 6/30/22 (\$19.7B) was used as the beginning portfolio value
- 3.6% annual net growth rate for total assets
- 12% target allocation to private equity
- Existing private equity portfolio data as of 6/30/23
- Future commitments allocated 70% to corporate finance equity funds, 10% to private debt funds, and 20% to venture capital funds

Commitment Plan

It is recommended that ATRS allocate the planned 2024 commitments to approximately 10 funds/vehicles

Investment	Strategy	Region	ATRS Commitment	Board Approval
Direct Fund	Buyout/Growth/Turnaround	U.S.	\$35m	TBD
Direct Fund	Buyout/Growth/Turnaround	U.S.	\$35m	TBD
Direct Fund	Buyout/Growth/Turnaround	U.S.	\$35m	TBD
Direct Fund	Buyout/Growth/Turnaround	U.S.	\$35m	TBD
Direct Fund	Buyout/Growth/Turnaround	U.S.	\$35m	TBD
Direct Fund	Buyout/Growth/Turnaround/Debt	U.S.	\$35m	TBD
Direct Fund	Buyout/Growth/Turnaround/Debt	U.S.	\$35m	TBD
FP CF Access III ²	Buyout/Growth/Turnaround	U.S.	\$40m ¹	TBD
FP Venture XV	Early Stage VC	U.S./Non-U.S.	\$40m ¹	Dec 2023
FP Co-Invest VI	Buyout/Growth/Turnaround	U.S./Non-U.S.	\$60m ¹	Dec 2023
Total			\$385m	

¹ Proposed commitment to a Franklin Park- managed private fund. See additional information in the included presentation for each respective private fund.

² Represents a planned future private fund managed by Franklin Park and is included herein for planning purposes. No assurance can be given that FP Corporate Finance Access III will be formed by Franklin Park or that it will focus on the strategy and regions indicated.



Recommendation

Maintain current policy targets and investment guidelines

Seek to commit \$385 million in 2024

Allocate the planned commitments to approximately 10 funds/vehicles



Franklin Park Co-Investment Fund VI, L.P.

December 2023

Disclaimer

This Presentation (this “Presentation”) has been prepared by Franklin Park Associates, LLC (“Franklin Park”) solely for informational purposes for the exclusive use of the party to whom Franklin Park delivers this Presentation (the “Recipient”). This Presentation is not to be construed as a solicitation, invitation or an offer by Franklin Park or any of its members, officers, employees or agents to buy or sell any securities or related financial instruments. This Presentation is furnished on a confidential and limited basis for the sole and exclusive purpose of providing general and background information concerning Franklin Park Co-Investment Fund VI, L.P. (the “Fund”) as well as Franklin Park and its activities. This Presentation is not an offer or sale of, or a solicitation to any person to buy, any security or investment product or investment advice. Any such offer, sale or solicitation of interests in the Fund will be made only pursuant to the Fund’s definitive documents, and will be subject to the terms and conditions contained in such documents. This Presentation is qualified in its entirety by reference to the Fund’s definitive documents.

This Presentation is as of October 2023 (unless an earlier date is otherwise indicated). The information in this Presentation has been obtained from Franklin Park’s proprietary research and other publicly available sources and has not been independently verified by Franklin Park or any of its members, officers, employees, agents, representatives or advisers or any other person. Any valuations, projections, estimates, forecasts, targets, prospects, returns and/or opinions contained herein involve elements of subjective judgment and analysis. Any opinions expressed in this material are subject to change without notice. This Presentation may contain forward-looking statements. Any estimates or projections as to events that may occur in the future are based upon the reasonable expectation of Franklin Park as of October 2023. No obligation is undertaken by Franklin Park or any other person to provide the Recipient with additional information or to update, revise or reaffirm the information contained in this Presentation or to correct any inaccuracies therein which may become apparent.

Past or projected performance information contained in this Presentation is not necessarily indicative of future results. There can be no assurance that the Fund will ultimately achieve comparable performance results.

This Presentation is not intended to be relied upon as legal, tax, accounting or investment advice or a recommendation and is not, and should not be assumed to be, complete. The Recipient agrees that Franklin Park and its affiliates, members, partners, stockholders, managers, directors, officers, employees and agents shall have no liability for any misstatement or omission of fact or any opinion expressed herein. The contents herein are not to be construed as legal, business or tax advice, and the Recipient should consult its own attorney, business advisor and tax advisor as to legal, business and tax advice. Recipient is expected to rely on its own due diligence if it wishes to proceed further.

The Recipient further agrees that it will (i) not copy, reproduce or distribute the Presentation, in whole or in part, to any person or party without the prior written consent of Franklin Park, (ii) keep permanently confidential all information contained herein not already public and (iii) use the Presentation solely for the purpose set forth in the first paragraph above, and (iv) to return the Presentation to Franklin Park promptly upon request.

By accepting this Presentation the Recipient agrees to be bound by the foregoing obligations and limitations.

Investment Strategy

Focus on corporate finance equity transactions in the middle market

Strategy

Direct co-investments alongside private fund sponsors

Transaction Types

Buyouts, build-ups, growth equity, structured equity, financial restructurings, operational turnarounds

Transaction Size

Primarily middle market companies/transactions

Geographic Focus

Primarily U.S., with up to 20% outside the United States and Canada

Portfolio Composition

25-35 deals during the investment period

Co-investments are made through direct purchase of company securities or through an interest in a special purpose vehicle that holds company securities. Investments in private funds such as the Fund are illiquid, high-risk investments. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. There can be no assurance that the Fund can achieve the expected portfolio composition. The Fund's actual portfolio composition may vary. See additional discussion of risks and limitations in the Footnotes in the Appendix. The Fund terms are subject to change. Refer to the Fund's governing documents for a complete listing of terms.

Investment Criteria

Rigorous criteria to find compelling investment opportunities



Risk management guidelines

✓ 15% single investment limit

✓ 20% limit outside North America

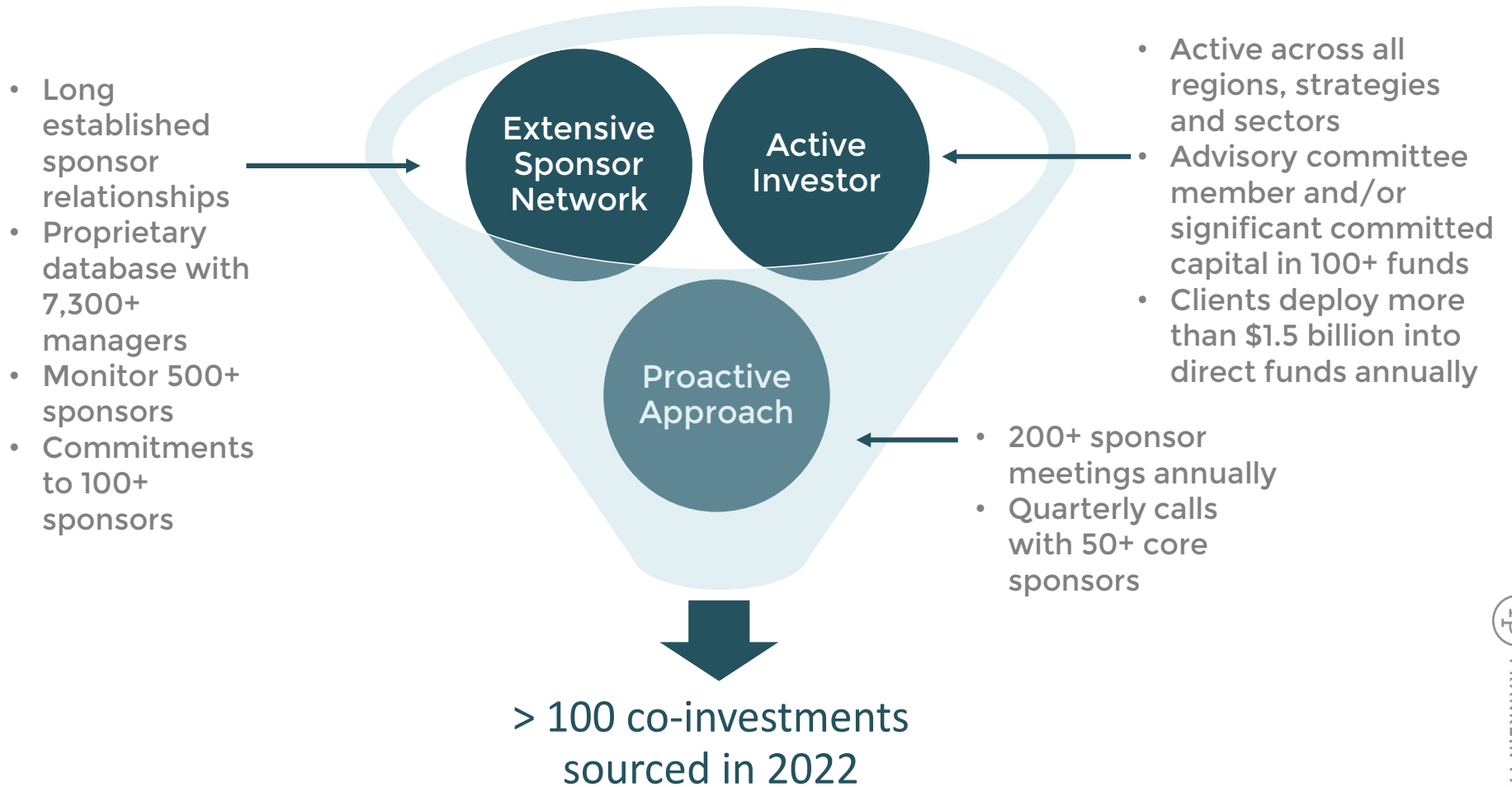
✓ 30% single sponsor limit

¹Identification of a private equity sponsor as "Top-Tier" indicates that a sponsor has been vetted by Franklin Park through its due diligence process and Franklin Park has made a recommendation to invest in a private fund offering of such sponsor. Identification of a sponsor as Top-Tier is not a guarantee of performance and a sponsor's status as Top-Tier is subject to change based on Franklin Park's further review and analysis. Such determinations are not reviewed or approved by any fund sponsor. Other market participants may have differing views or use different criteria or definitions of "top-tier". ²Refers to the sponsor's annual management fee and carried interest. The Fund pays other transaction related fees and expenses.

Investment management guidelines are subject to change and are outlined in the Fund's governing documents. Please refer to the Fund's governing documents for a complete listing of terms. Investments in private funds such as the Fund are illiquid, high-risk investments. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. See additional discussion of risks and limitations in the Footnotes in the Appendix.

Sourcing Advantage

Leveraging our position to source deal flow from sponsors we have identified as Top-Tier



Select Sponsor Relationships

Relationships with middle market sponsors Franklin Park has identified as Top-Tier



Sponsors presented are for illustrative purposes only and should not be considered representative sponsor relationships available to the Fund or in which the Fund will invest. A sponsor's status as Top-Tier is not a guarantee of performance and is subject to change based on Franklin Park's further review and analysis and such change may not be reflected herein. Other market participants may have different views or use different definitions of "top-tier". No assurance can be given that Franklin Park's sponsor relationships will gain the Fund access, or obtain desired allocation amounts, to investments for which a commitment is sought. The sponsors listed have been selected at the sole discretion of Franklin Park and are not intended to represent a complete list of sponsors with which Franklin Park has existing relationships. References to the sponsors in this presentation should not be considered a recommendation or solicitation for the sponsors mentioned.

Franklin Park's Co-Investment Track Record – By Vehicle

Franklin Park has historically managed five co-investment vehicles

Fund	Vintage Year	# of Deals	Invested Capital	Distributed Capital	Remaining Value	ROI	TVPI	Gross IRR	Net IRR
Fund I	2012-2021	41	214.1	305.6	178.9	2.3x	2.0x	20.8%	18.0%
Fund II	2015	14	73.7	80.2	68.4	2.0x	1.8x	20.1%	17.3%
Fund III	2017	17	69.7	77.8	73.1	2.2x	1.9x	43.7%	37.6%
Fund IV	2018	15	20.4	19.4	25.3	2.2x	2.0x	40.9%	35.4%
Fund V	2021	31	301.0	1.9	361.0	1.2x	1.2x	18.8%	15.2%
Total		118	678.9	484.9	706.6	1.8x	1.6x	22.2%	19.2%

As of March 31, 2023. \$in millions.

The Vehicles include ATRS/FP Private Equity Fund, L.P. ("Fund I"); Raspberry Street Fund I, L.P. ("Fund II"); Raspberry Street Fund II, L.P. ("Fund III"), Franklin Park Private Equity Co-Investment Fund I, L.P. ("Fund IV"), and Franklin Park Co-Investment Fund V, L.P. ("Fund V"). The Vehicles make corporate finance co-investments alongside private equity fund sponsors. The Vehicles, other than Fund I, have the same strategy as the Fund. Please see the Footnotes in the Appendix regarding Fund I's strategy.

Vintage Year represents the year in which the Vehicle made an initial co-investment. Fund I is an evergreen fund structure. Vintage Years for Fund I represent the years in which co-investment deals were made.

Number of Deals represents the co-investment transactions completed by each Vehicle. More than one Vehicle may be invested in a co-investment. In aggregate, the Vehicles have invested in 118 transactions, representing 74 co-investments deals.

ROI and Gross IRR of the Vehicles, individually and in aggregate, are based on the actual Gross Activity of each Vehicle in U.S. Dollars since the inception of each Vehicle through March 31, 2023, and is exclusive of Franklin Park's advisory fees, Vehicle expenses, and carried interest charges.

TVPI and Net IRR are Model Performance calculations ("Model Performance") based on the highest anticipated management fee and carried interest rates of the Fund. No individual investor received the net performance returns presented.

Investments in private funds such as the Fund are illiquid, high-risk investments and involve substantial risk of loss. Past results are not necessarily indicative of future performance. Wherever there is the potential for profit, there is the potential for loss. There can be no assurance that investments made by Franklin Park will realize the rates of returns indicated in this Presentation.

See additional important definitions, disclosures and information regarding returns and performance calculation methodologies, including Model Performance in the Footnotes section in the Appendix.

Proposal

Continue co-investment exposure through Franklin Park Co-Investment Fund VI, L.P.

Size commitment the same as Franklin Park Co-Investment Fund V, L.P.:

- \$65 million commitment was approved at the February 2023 IC/board meeting (as included in the 2023 Private Equity Pacing Plan approved at the December 2022 IC/board meeting)
- \$60 million to be considered at the December 2023 IC/board meeting as part of the 2024 Private Equity Pacing Plan

Terms:

- Management Fees: 0.5% for ATRS (1.0% of commitments for non-existing FP clients)
 - Carried Interest: 10% carried interest once 8% preferred return is achieved
-



Footnotes

Based in Bala Cynwyd, Pennsylvania, Franklin Park was formed in April 2003. Franklin Park is an independent, registered investment adviser with the U.S. Securities and Exchange Commission. Franklin Park assists its clients in building and managing customized investment portfolios of private market investments.

Invested Capital represents the amount of capital contributed to co-investments.

Distributed Capital represents the amount of capital distributed from co-investments.

Remaining Value represents the remaining Unrealized Value of co-investments.

ROI is the ratio of Distributed Capital plus Remaining Value to Invested Capital.

TVPI is the ratio of distributions plus remaining value to contributed capital.

IRR is the discount rate that results in a net present value of zero of a series of cash flows and considers both cash flow timing and amount.

Liquidity Risk:

Private fund investments such as the Fund are long-term, illiquid investments. Private funds such as the Fund generally have a term of ten years or more, and investors are generally not able to redeem their interests in private funds. Please refer to the Fund's governing documents for complete terms and conditions.

Valuation Risk:

There can be no assurance that investments with an unrealized value will be realized at the valuations shown, as actual realized returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations contained herein are based. Accordingly, the actual realized return of these unrealized investments may differ materially from the returns indicated herein.

No Investment Advice:

References to the sponsors or co-investments in this Presentation should not be considered a recommendation or solicitation for the sponsors or co-investments mentioned, nor should individual sponsor or co-investment performance be considered representative of portfolio investments held, or to be held, by the Fund.

Risk of Loss:

Past performance is not a guarantee. Investments in private equity funds such as the Fund are speculative and involve a substantial risk of loss. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. Information about other investments made by Franklin Park, including the past performance of other Franklin Park vehicles and investments, is provided solely to illustrate Franklin Park's investment experience, and processes and strategies used by

Franklin Park in the past with respect to other Franklin Park vehicles and investments. The performance information relating to Franklin Park's previous investments is not intended to be indicative of the Fund's future results. Past performance is not necessarily indicative, or a guarantee, of future results. There can be no assurance that the Fund will achieve comparable results as those presented or that investors in the Fund will not lose any of their invested capital.

Please refer to the Fund's Private Placement Memorandum and other governing documents for discussion of additional risk factors.

Model Performance:

In order to approximate the impact on performance utilizing the applicable fee structure of the Fund, had it been charged to other Franklin Park-managed vehicles, a model is utilized to calculate performance. The model is based on the investment activity of Franklin Park-managed vehicles (the "Gross Activity"). Gross Activity represents the cash flows and Remaining Values of the co-investments.

The model applies the expected management fee and carried interest rates of the Fund, and estimated annual expenses, to the Gross Activity to produce a resulting stream of cash flows net of estimated expenses and anticipated investment advisory fees and carried interest (the "Net Activity"). The Net Activity is utilized to calculate TVPI and Net IRR performance returns ("Model Performance") approximating the impact of the Fund's fee structure to Franklin Park-managed vehicles. Model Performance is measured in U.S. dollars on an inception to date basis through March 31, 2023. No individual investor received the Model Performance returns.

Model Performance does not consider such terms as may be applicable to the Fund such as management fee offsets, capital recycling, use of credit facilities, or other terms and conditions which may have an impact on performance results.

Model Performance is hypothetical performance. Hypothetical performance results have inherent limitations, and no representation is being made that any Franklin Park investor, fund, or investment portfolio will or is likely to achieve profits similar to those shown. There will be differences between hypothetical performance and actual results achieved. Hypothetical performance is for illustrative purposes only and does not reflect the actual returns of any Franklin Park investor, fund, or investment portfolio. Additional information on the risks and limitations of using model performance calculations in making investment decisions is available upon request.

Co-Investment Track Record – by Vehicle (p. 7):

Total performance as presented is hypothetical performance and is from more than one portfolio and may not be a meaningful comparison for a single investment fund due to a variety of reasons including vehicle specific investment criteria, diversification, investment allocation, risk, time horizon, leverage, certain commingled fund expenses and market conditions. The performance information is for illustrative purposes only and may not be a meaningful indicator of FP Co-Invest VI's performance.

Footnotes

Fund I invests in private equity funds and the appraisal rights of private companies in addition to co-investments. The performance calculations presented for Fund I are based on the investment activity of Fund I only for the 41 co-investments made by Fund I as of March 31, 2023, and exclude investments in 15 private funds and the appraisal rights of two private companies. The Fund I performance including the private fund investments and appraisal rights is available upon request. The investments for Fund I are extracted performance and the results may have been different if Fund I had invested only in co-investments. Extracted performance is for illustrative purposes only and does not reflect the actual returns of any single investor, fund, or investment portfolio. The extracted performance as presented is from a subset of one fund and may not be a meaningful comparison for a single investment fund due to a variety of reasons including vehicle specific investment criteria, diversification, investment allocation, risk, and time horizon. The performance information is for illustrative purposes only and may not be a meaningful indicator of the Fund's performance.

Franklin Park Associates, LLC

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Three Bala Plaza, Suite 500 West
Bala Cynwyd, PA 19004

For more information, please contact us at info@franklinparkllc.com

Franklin Park Associates, LLC is an SEC registered investment advisor pursuant to the Investment Advisers Act of 1940

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201**

**RESOLUTION
No. 2023-48**

**Approving an Additional Investment in Franklin Park
Co-Investment Fund VI, L.P.**

WHEREAS, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

WHEREAS, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding an additional investment in **Franklin Park Co-Investment Fund VI, L.P.**, a fund of individual co-investments managed by Franklin Park.

THEREFORE, BE IT RESOLVED, that the ATRS Board approves an additional investment of up to **\$60 million dollars (\$60,000,000.00)** in **Franklin Park Co-Investment Fund VI, L.P.** The total investment amount is to be determined by the private equity consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

FURTHER, BE IT RESOLVED, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement this investment, if acceptable terms are reached.

Adopted this 4th day of December 2023.

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System



Franklin Park Venture Capital Fund XV, L.P.

December 2023

Disclaimer

This Presentation (this “Presentation”) has been prepared by Franklin Park Associates, LLC (“Franklin Park”) solely for informational purposes for the exclusive use of the party to whom Franklin Park delivers this Presentation (the “Recipient”). This Presentation is not to be construed as a solicitation, invitation or an offer by Franklin Park or any of its members, officers, employees or agents to buy or sell any securities or related financial instruments. This Presentation is furnished on a confidential and limited basis for the sole and exclusive purpose of providing general and background information concerning Franklin Park Venture Capital Fund XV, L.P. (the “Fund”) as well as Franklin Park and its activities. This Presentation is not an offer or sale of, or a solicitation to any person to buy, any security or investment product or investment advice. Any such offer, sale or solicitation of interests in the Fund will be made only pursuant to the Fund’s definitive documents, and will be subject to the terms and conditions contained in such documents. This Presentation is qualified in its entirety by reference to the Fund’s definitive documents.

This Presentation is as of September 2023 (unless an earlier date is otherwise indicated). The information in this Presentation has been obtained from Franklin Park’s proprietary research and other publicly available sources and has not been independently verified by Franklin Park or any of its members, officers, employees, agents, representatives or advisers or any other person. Any valuations, projections, estimates, forecasts, targets, prospects, returns and/or opinions contained herein involve elements of subjective judgment and analysis. Any opinions expressed in this material are subject to change without notice. This Presentation may contain forward-looking statements. Any estimates or projections as to events that may occur in the future are based upon the reasonable expectation of Franklin Park as of September 2023. No obligation is undertaken by Franklin Park or any other person to provide the Recipient with additional information or to update, revise or reaffirm the information contained in this Presentation or to correct any inaccuracies therein which may become apparent.

Past or projected performance information contained in this Presentation is not necessarily indicative of future results. There can be no assurance that the Fund will ultimately achieve comparable performance results.

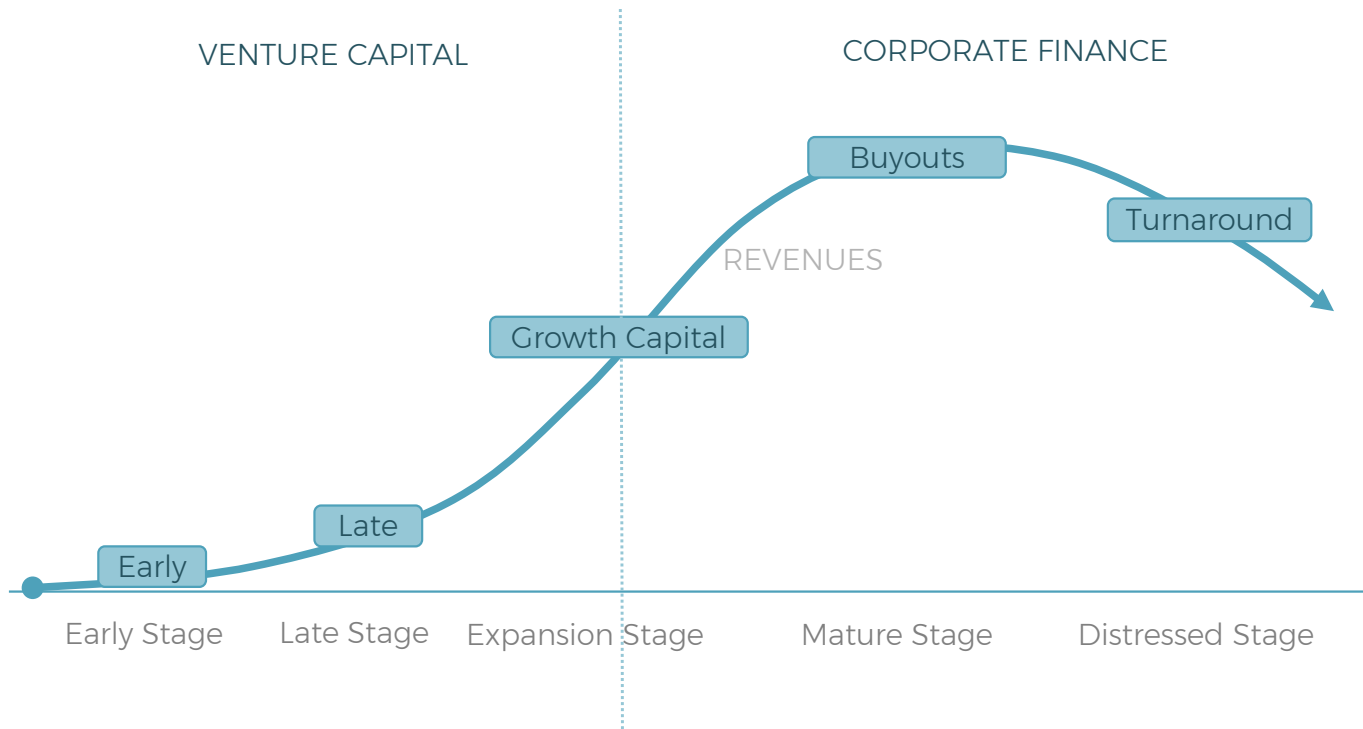
This Presentation is not intended to be relied upon as legal, tax, accounting or investment advice or a recommendation and is not, and should not be assumed to be, complete. The Recipient agrees that Franklin Park and its affiliates, members, partners, stockholders, managers, directors, officers, employees and agents shall have no liability for any misstatement or omission of fact or any opinion expressed herein. The contents herein are not to be construed as legal, business or tax advice, and the Recipient should consult its own attorney, business advisor and tax advisor as to legal, business and tax advice. Recipient is expected to rely on its own due diligence if it wishes to proceed further.

The Recipient further agrees that it will (i) not copy, reproduce or distribute the Presentation, in whole or in part, to any person or party without the prior written consent of Franklin Park, (ii) keep permanently confidential all information contained herein not already public and (iii) use the Presentation solely for the purpose set forth in the first paragraph above, and (iv) to return the Presentation to Franklin Park promptly upon request.

By accepting this Presentation the Recipient agrees to be bound by the foregoing obligations and limitations.

Venture Capital Overview

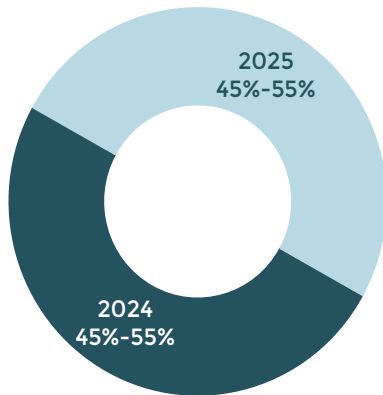
The expected return and risk level for venture capital is high and access to the best funds is challenging



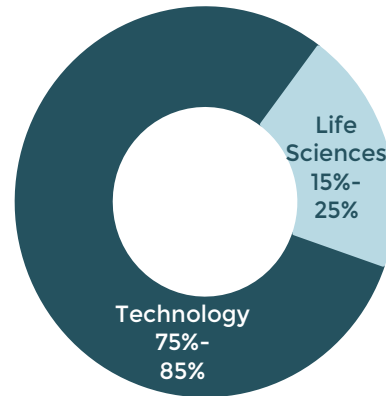
Portfolio Composition

The portfolio is expected to be weighted towards technology companies in the U.S.

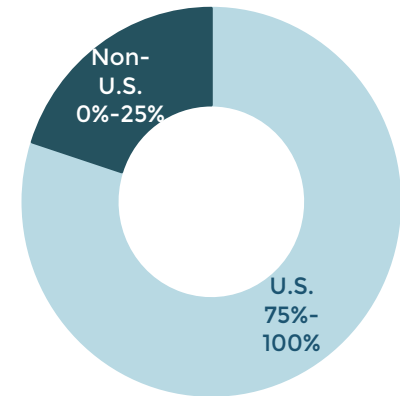
Diversification By Vintage



Diversification By Sector



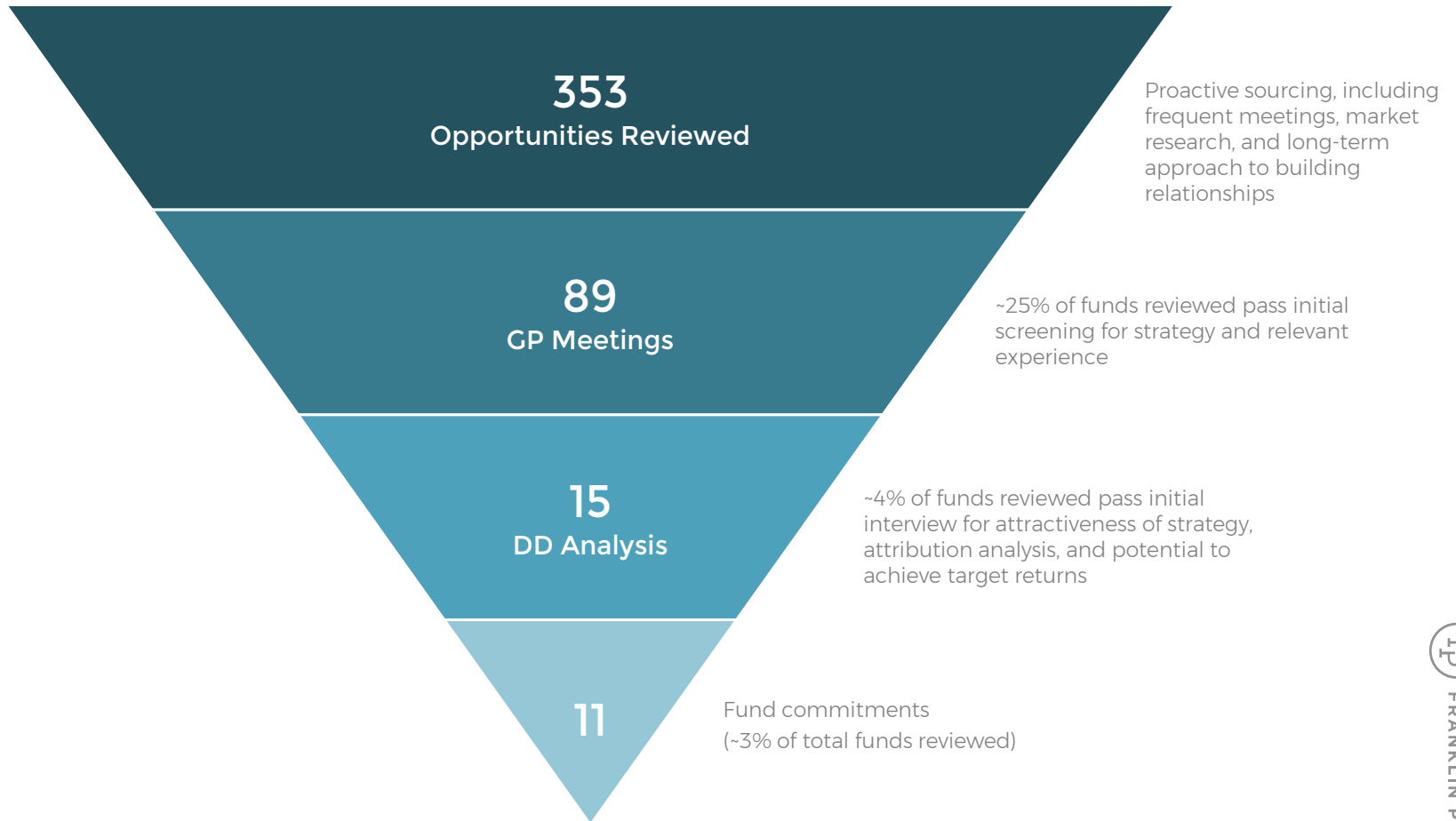
Diversification By Geography



The charts above are for illustrative purposes only and are not based on representative portfolio data. There can be no assurance that the Fund can achieve the expected diversification. The Fund's actual investment allocation may vary. Investments in private funds such as the Fund are illiquid, high-risk investments. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. See additional risks and limitations in the Footnotes.

Venture Capital Deal Flow (LTM 2Q23)

Broad market coverage with highly selective decision making



Track Record By Vehicle

Model performance based on no management fees and 4% carried interest

Fund	Vintage Year	Fund Committed Investments	Capital	Invested Capital	Distributed Capital	Remaining Value	ROI	TVPI	Gross IRR	Net IRR
FP Venture 2008	2008	9	101.5	100.9	264.3	70.2	3.3x	3.0x	18.7%	17.7%
FP Venture 2009	2009	6	53.0	56.2	127.0	21.8	2.6x	2.4x	17.7%	16.0%
FP Venture 2010	2010	6	51.9	50.7	78.9	91.7	3.4x	3.0x	17.2%	15.8%
FP Venture 2011	2011	8	65.7	69.2	393.9	97.0	7.1x	6.9x	36.3%	34.8%
FP Venture 2012	2012	8	72.0	71.0	130.8	107.8	3.4x	3.1x	21.3%	20.1%
FP Venture 2013	2013	8	80.5	79.5	130.1	158.9	3.6x	3.4x	25.3%	24.0%
FP Venture 2014	2014	9	93.0	88.6	100.4	187.0	3.2x	3.0x	21.5%	20.6%
FP Venture 2015	2015	11	111.5	107.2	47.0	163.7	2.0x	1.9x	14.1%	13.2%
FP Venture 2016	2016	9	77.3	72.9	30.9	137.6	2.3x	2.2x	22.8%	21.4%
FP Venture 2017	2017	5	82.5	78.7	17.4	133.3	1.9x	1.8x	23.1%	21.6%
FP Venture 2018	2018	10	80.5	73.3	10.6	122.6	1.8x	1.7x	23.9%	22.3%
FP Venture 2019	2019	8	57.0	49.1	3.5	74.9	1.6x	1.5x	20.3%	18.5%
FP Venture XIII	2020	20	161.6	95.1	0.7	109.0	1.2x	1.1x	9.4%	8.9%
FP Venture XIV	2022	17	185.0	19.1	0.0	16.8	0.9x	0.9x	NMF	NMF
Total		134	1,273.0	1011.4	1,335.7	1,492.4	2.8x	2.6x	21.9%	20.7%

The table represents the returns of the Franklin Park Venture Fund Series 2008 – 2019 ("FP Venture 2008-2019"), Franklin Park Venture Capital Fund XIII, L.P. ("FP Venture XIII"), and Franklin Park Venture Capital Fund XIV, L.P. ("FP Venture XIV"), (collectively, the "FPV Vehicles") as of June 30, 2023. \$ in millions.

ROI and Gross IRR are calculated based upon FPV Vehicles' investment activity and the unrealized values of their investments as of June 30, 2023, and are presented exclusive of FPV Vehicle expenses, advisory fees and carried interest, as applicable. Investments in non-U.S. Dollar denominated portfolio fund investments have been converted to U.S. Dollars as of June 30, 2023. TVPI and Net IRR are calculated based on the expected fee structure of the Fund applied to the FPV Vehicles' investment activity ("Model Performance"). No individual investor received the returns presented. FP Venture XIV commenced operations in February 2022 and IRR performance as of June 30, 2023, is early and considered not yet meaningful ("NMF").

Investments in private funds such as the Fund are illiquid, high-risk investments. Past results are not necessarily indicative of future performance. There can be no assurance that investments made by Franklin Park will realize the rates of return indicated in this presentation. Wherever there is the potential for profit, there is the potential for loss.

See additional important definitions, disclosures and information regarding returns and performance calculation methodologies, including Model Performance in the Footnotes.

Proposal

ATRS' plan is to consider committing 10% of annual PE pacing to Franklin Park Venture Capital Fund XV, L.P. over a 2-year period (2024-2025)

The current proposal is to consider committing 10% of the 2024 PE pacing (\$40 million) to Franklin Park Venture Capital Fund XV, L.P.

Another commitment to Franklin Park Venture Capital Fund XV, L.P. will be considered in late 2024 as part of the 2025 PE pacing

Terms:

- Management Fees: None for ATRS (0.9% of commitments for non-existing FP clients)
 - Carried Interest: 4% for \$60m+ commitment (5% for all other LPs)
-



Footnotes

Based in Bala Cynwyd, Pennsylvania, Franklin Park was formed in April 2003. Franklin Park is an independent, registered investment adviser with the U.S. Securities and Exchange Commission. Franklin Park assists its clients in building and managing customized investment portfolios of private market investments.

Vintage Year represents the year in which a private fund first called capital.

Fund Investments represents the number of underlying portfolio fund investments (the "Portfolio Funds")

Committed Capital represents the aggregate commitments to Portfolio Funds.

Invested Capital represents the amount of capital contributed to Portfolio Funds.

Distributed Capital represents the amount of capital distributed from Portfolio Funds.

Remaining Value represents the remaining unrealized value of Portfolio Funds.

ROI is the ratio of Distributed Capital plus Remaining Value to Invested Capital.

TVPI is the ratio of distributions plus remaining value to contributed capital.

IRR is the discount rate that results in a net present value of zero of a series of cash flows and considers both cash flow timing and amount.

Liquidity Risk:

Private fund investments such as the Fund are long-term, illiquid investments. Private funds such as the Fund generally have a term of ten years or more, and investors are generally not able to redeem their interests in private funds. Please refer to the Fund's governing documents for complete terms and conditions.

Valuation Risk:

There can be no assurance that investments with an unrealized value will be realized at the valuations shown, as actual realized returns will largely depend on the realized returns of the private fund investments which in turn will depend on, among other factors, future portfolio company operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations contained herein are based. Accordingly, the actual realized returns may differ materially from the returns indicated herein.

Risk of Loss:

Past performance is not a guarantee. Investments in private equity funds such as the Fund are speculative and involve a substantial risk of loss. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. Information about other investments made by Franklin Park, including the past performance of other Franklin Park vehicles and investments, is provided solely to illustrate Franklin Park's investment experience,

and processes and strategies used by Franklin Park in the past with respect to other Franklin Park vehicles and investments. The performance information relating to Franklin Park's previous investments is not intended to be indicative of the Fund's future results. Past performance is not necessarily indicative, or a guarantee, of future results. There can be no assurance that the Fund will achieve comparable results as those presented or that investors in the Fund will not lose any of their invested capital.

No Investment Advice:

References to the portfolio funds in this Presentation should not be considered a recommendation or solicitation for the portfolio funds mentioned, nor should individual portfolio fund performance be considered representative of portfolio funds held, or to be held, by the Fund.

Please refer to the Fund's Private Placement Memorandum and other governing documents for discussion of additional risk factors.

Model Performance:

In order to approximate the impact on performance utilizing the applicable fee structure of the Fund, had it been charged to other Franklin Park- managed vehicles, a model is utilized to calculate performance. The model is based on the investment activity of Franklin Park-managed vehicles (the "Gross Activity").

Gross Activity represents the cash flows and capital account balances of the Portfolio Funds as reported by the Portfolio Fund managers, and is net of the Portfolio Fund expenses, management fees and carried interest.

The model applies the expected management fee and carried interest rates of the Fund, and estimated annual expenses, to the Gross Activity to produce a resulting stream of cash flows net of estimated expenses, and anticipated investment advisory fees and carried interest (the "Net Activity"). The Net Activity is utilized to calculate TVPI and Net IRR performance returns ("Model Performance") approximating the impact of the Fund's fee structure to Franklin Park-managed vehicles. Model Performance is measured in U.S. dollars on an inception to date basis through June 30, 2023.

Model Performance does not consider such terms as may be applicable to the Fund such as management fee offsets, capital recycling, use of credit facilities, or other terms and conditions which may have an impact on performance results.

Model Performance is hypothetical performance. Hypothetical performance results have inherent limitations and no representation is being made that any Franklin Park investor, fund, or investment portfolio will or is likely to achieve profits similar to those shown. There will be differences between hypothetical performance and actual results achieved. Hypothetical performance is for illustrative purposes only and does not reflect the actual returns of any Franklin Park investor, fund, or investment portfolio. Additional information on the risks and limitations of using model performance calculations in making investment decisions is available upon request.

Footnotes

Track Record by Vehicle (p. 6):

The Fund is expected to follow the same strategy as the FPV Vehicles of making primary investments in venture capital funds.

The Franklin Park Venture Fund Series 2008 – 2019 represents a series of limited partnerships raised annually and offered only to client accounts to provide portfolio diversification on a no-fee, no-carry basis.

ROI and Gross IRR are based on the actual Gross Activity of the FPV Vehicles in U.S. Dollars since inception of each FPV Vehicle and in aggregate (January 31, 2008) through June 30, 2023.

TVPI and Net IRR are calculated using Model Performance as described above using the anticipated management fee and carried interest rate of the Fund. No individual investor received the performance results presented. Total aggregate TVPI and Net IRR hypothetical performance as presented is from more than one portfolio and may not be a meaningful comparison for a single investment fund due to a variety of reasons including vehicle specific investment criteria, diversification, investment allocation, risk, time horizon, leverage, certain commingled fund expenses and market conditions. The performance information is for illustrative purposes only and may not be a meaningful indicator of FP VC XV's performance.

Franklin Park Associates, LLC

251 St. Asaphs Road
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Bala Cynwyd, PA 19004

For more information, please contact us at info@franklinparkllc.com

Franklin Park Associates, LLC is an SEC registered investment advisor pursuant to the Investment Advisers Act of 1940

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201**

**RESOLUTION
No. 2023-49**

**Approving Investment in Franklin Park
Venture Fund XV, L.P.**

WHEREAS, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

WHEREAS, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Franklin Park Venture Fund XV, L.P.**, a fund of funds managed by Franklin Park investing in venture capital private equity funds.

THEREFORE, BE IT RESOLVED, that the ATRS Board approves an investment of up to **\$40 million dollars (\$40,000,000.00)** in **Franklin Park Venture Fund XV, L.P.** The total investment amount is to be determined by the private equity consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

FURTHER, BE IT RESOLVED, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement this investment, if acceptable terms are reached.

Adopted this 4th day of December 2023.

Mr. Danny Knight, *Chair*
Arkansas Teacher Retirement System

~~ATRS RULES OF ORGANIZATION AND OPERATION~~

~~A.C.A. §§ 25-15-203 and 25-15-703~~

~~I. INFORMATION FOR PUBLIC GUIDANCE~~

~~The Arkansas Teacher Retirement System (“ATRS”) is located at 1400 West Third Street, Little Rock, AR 72201. Questions about ATRS may be addressed by visiting the ATRS website (www.artrs.gov), emailing ATRS at info@artrs.gov; phoning ATRS at 1-800-666-2877 or 501-682-1517; or sending a fax to ATRS at 1-800-682-2663. Visits may be made to the ATRS office between 8:00 a.m. and 4:30 p.m. Monday through Friday, except on holidays. Appointments are not required but are suggested.~~

~~ATRS makes available a list of persons holding certain responsibilities for handling FOIA requests and requests by the public so that the public may obtain information about ATRS or make submissions or requests. The names, mailing addresses, telephone numbers, and electronic addresses can be obtained from the ATRS office or website.~~

~~The ATRS policies, rules and regulations, and official forms may be obtained from the ATRS office or from the ATRS website.~~

~~2. DESCRIPTION OF THE ARKANSAS TEACHER RETIREMENT SYSTEM~~

~~The Arkansas Teacher Retirement System (“ATRS”) is a cost-sharing multipleemployer, defined benefit pension plan established on March 17, 1937, by authority of the Arkansas General Assembly under Act 266 of 1937 (Ark. Code Ann. § 24-7-101 *et seq.*). ATRS is operated as a “qualified trust” under section 401(a) of the Internal Revenue Code. ATRS is a component unit of the State of Arkansas.~~

~~The General Assembly is responsible for setting benefits and contributions and amending plan provisions.~~

~~Ultimate authority, general administration and responsibility for the proper operation of ATRS, and for making effective the provisions of A.C.A. §§ 24-7-201 *et seq.* are vested in the fifteen-member Board of Trustees. Eleven members are elected, and four members serve as ex officio members by virtue of their elected~~

~~positions in state government. The Board appoints the executive director of ATRS who serves as its chief executive officer.~~

~~The Board of Trustees promulgates rules as it deems necessary from time to time in the transaction of its business and in administering the Arkansas Teacher Retirement System~~

~~For administrative purposes, the agency is comprised of several divisions: Administration, Membership Services, Data Processing, Investments, and Fiscal Affairs.~~

~~3. ORGANIZATION AND OPERATION OF THE ATRS BOARD OF TRUSTEES~~

~~The officers of the ATRS Board of Trustees are a chair and vice chair. Election of officers is held in the odd numbered years at the first regular meeting after the beginning of the fiscal year. These officers perform the duties prescribed by applicable law, this rule, and *Robert's Rules of Order*.~~

~~The business of ATRS is conducted in public meeting pursuant to *Robert's Rules of Order*. All meetings are conducted in conformity with the Arkansas Freedom of Information Act. Regular meetings are held at least quarterly. Special meetings may be held on the call of the chair or as scheduled by action of the Board in a regular meeting.~~

~~A quorum for the transaction of business is a majority of the number of voting members of the Board.~~

~~The ATRS Board of Trustees may create standing and ad hoc committees whose membership is determined by the chair of the Board. A quorum for the transaction of committee business is a majority of the number of voting members of the committee.~~

~~The Executive Director prepares the agenda for regular and special meetings. The agenda is distributed to Board members and made available to the public in advance of the meeting. The agenda may be amended by appropriate motion.~~

~~Trustees, members, and other individuals wishing to have additional items considered for the agenda should submit a request to the Executive Director prior to a regularly scheduled meeting.~~

~~4. RULEMAKING~~

~~The ATRS Board has been authorized by the Legislature to promulgate rules. ATRS follows the procedural requirements of the Arkansas Administrative Procedure Act, in particular A.C.A. § 25-15-203 and A.C.A. § 25-15-204. Additionally, ATRS is required to abide by the provisions of A.C.A. §10-3-309.~~

~~The process of adopting a new rule or amending or repealing an existing rule (hereinafter referred to as “rulemaking”) may be initiated by request of the Board or the ATRS staff. Additionally, persons outside the agency may petition for the issuance, amendment, or repeal of any rule.~~

~~ATRS will give public notice of proposed rulemaking to be published pursuant to A.C.A. § 25-15-204. The notice will set any written comment period and will specify the time, date, and place of a public hearing, if any.~~

~~Before finalizing language of a proposed new rule or an amendment to, or repeal of, an existing rule, ATRS will receive public input through written comments and/or oral submissions. ATRS will designate in the public notice the format and timing of public comment.~~

~~A public hearing may be held; if so, it will provide affected persons and other members of the public a reasonable opportunity for presentation of evidence, arguments, and oral statements within reasonable conditions and limitations imposed by the agency to avoid duplication, irrelevant comments, unnecessary delay, or disruption of the proceedings.~~

~~Thirty days before the public comment period ends, ATRS will file with the Bureau of Legislative Research the text of the proposed rule or amendment, as well as a financial impact statement and a Bureau of Legislative Research questionnaire as provided by A.C.A. § 10-3-309. In addition, a copy of the public notice, the text of the proposed rule or amendment, and a summary will be filed with the Secretary of State. Also, a copy of the public notice and the text of the proposed rule or amendment will be published on the ATRS website, if available.~~

~~Generally proposed rules or amendments will be reviewed by the appropriate committee of the ATRS Board of Trustees for recommendation prior to submission to the full Board for consideration and final action.~~

~~ATRS will not finalize language of the rule or decide whether to adopt a rule until the period for public comment has expired.~~

~~After the ATRS Board formally adopts a new rule or amends a current rule or repeals an existing rule, and after the rule change has been reviewed by the Legislative Council, ATRS staff will file final copies of the rule with the Secretary of State, the Arkansas State Library, and the Bureau of Legislative Research, or as otherwise provided by A.C.A. § 25-15-204(d).~~

~~Proof of filing a copy of the rule, amendment, or repeal with the Secretary of State, the Arkansas State Library, and the Bureau of Legislative Research will be kept in a file maintained by the Executive Director’s office.~~

Notice of the rule change will be posted on the agency website, if available, and rules will be made available to interested persons.

5. EMERGENCY RULEMAKING

Upon receipt of a written statement requesting emergency rulemaking or other evidence to support an assertion that an emergency exists, ATRS will make an independent judgment whether the circumstances and facts constitute an imminent peril to the public health, safety, or welfare requiring adoption of the rule with fewer than 30 days notice. If it is determined that the circumstances warrant emergency rulemaking, a written determination setting out the reasons for the finding that an emergency exists will be made. Upon making this finding, the ATRS Board may proceed to adopt the rule without any prior notice or hearing, or it may determine to provide an abbreviated notice and hearing.

The emergency rule will be effective immediately upon filing, or at a stated time less than thirty (30) days thereafter, if ATRS finds that this effective date is necessary because of imminent peril to the public health, safety, or welfare. ATRS will file with the rule its written findings justifying the determination that emergency rulemaking is appropriate and, if applicable, the basis for the effective date of the emergency rule being less than ten days after the filing of the rule pursuant to A.C.A. § 25-15-204(e).

6. APPEALS

An ATRS member, beneficiary, survivor, retiree, or employer may request a staff determination letter from an ATRS staff member responsible for staff decisions relating to the member's, beneficiary's, survivor's retiree's or employer's issues. If the member disagrees with the staff determination letter, then the member may seek a review by the executive director using the procedures set forth in Section 13 of the ATRS rules. The executive director's decision upon review may be appealed to the ATRS Board of Trustees using the procedures set forth in Section 13 of the ATRS rules. A description of the appeals process may be obtained by contacting ATRS or from the ATRS website.

NOTE: These are general rules for the organization and operation of the system. Additional and more specific information is provided in the Policies, Rules and Regulations of ATRS, which may be found on the ATRS website (www.arts.gov under "Publications") or which may be obtained by contacting the Executive Director's office at 501-682-1517 or 1-800-666-2877).

Adopted: _____ December 6, 2005

Amended: _____ April 26, 2007

Adopted by Board: February 6, 2012

Amended: _____ April 18, 2012

Effective: _____ May 29, 2012

ATRS Rule 1
Rules of Organization and Operation

§ 1-101. Information for Public Guidance.

(a)(1) This rule provides general rules for the organization and operation of the Arkansas Teacher Retirement System.

(2) Additional and more specific information on the policies, rules, and regulations of the system may be found under the Administration tab on the system's website at <https://www.artrs.gov/administration>, or obtained by contacting the office of the Executive Director of the Arkansas Teacher Retirement System at 501-682-1517.

(b) The system is located at 1400 West Third Street, Little Rock, AR 72201.

(c) A member of the public may obtain information about the system and make submissions or requests to the system by:

(1) Visiting the system's website (www.artrs.gov);

(2) E-mailing the system at info@artrs.gov;

(3) Phoning the system at 501-682-1517; or

(4) Sending a fax to the system at [501-682-2359](tel:501-682-2359).

(d)(1) Visits to the system may be made between the business hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except on holidays.

(2) Appointments are not required, but are encouraged.

(e)(1) The system maintains a list of persons holding certain responsibilities for handling FOIA requests and requests by the public, so that the public may obtain information about the system or make submissions or requests.

(2) This list is available to the public.

(3) The names, mailing addresses, telephone numbers, and electronic addresses can be obtained from the system office or the system's website.

(f) The system's policies, rules and regulations, and official forms may be obtained from the system's office or from the system's website, if operational.

§ 1-102. Description of the Arkansas Teacher Retirement System.

(a) The Arkansas Teacher Retirement System is a cost-sharing multiple-employer, defined benefit pension plan established on March 17, 1937, by authority of the Arkansas General Assembly under Arkansas Code § 24-7-101 et seq.

(b) The system is operated as a qualified trust under 26 U.S.C. § 401(a) of the Internal Revenue Code.

(c) The system is a component unit of the State of Arkansas.

(d) The General Assembly is responsible for setting benefits and contributions and amending plan provisions.

(e)(1) Ultimate authority, general administration and responsibility for the proper operation of the system, and for making effective the provisions of Arkansas Code § 24-7-201 et seq. are vested in the fifteen-member Board of Trustees of the Arkansas Teacher Retirement System.

(2) Eleven (11) members are elected and four (4) members serve as ex officio members by virtue of their [positions](#) in state government.

(3) The board appoints the Executive Director of the Arkansas Teacher Retirement System who serves as the chief executive officer of the system.

(f) The board promulgates rules as it deems necessary in the transaction of its business and in administering the system.

(g) For administrative purposes, the Executive Director may organize the system in a manner that he or she determines is most efficient for the operation of the system.

§ 1-103. Organization and Operation of the Board of Trustees of the Arkansas Teacher Retirement System.

(a) The officers of the Board of Trustees of the Arkansas Teacher Retirement System are the chair and vice chair.

(b) The election of officers is held in odd numbered years at the first regular meeting of the board after the beginning of the fiscal year.

(c) The officers perform the duties prescribed by Robert's Rules of Order and the law, rules, and policies applicable to the Arkansas Teacher Retirement System.

(d)(1) The business of the system is conducted in public meeting pursuant to Robert's Rules of Order.

(2) All meetings are conducted in conformity with the Arkansas Freedom of Information Act, § 25-19-101 et seq.

(3) Regular meetings are held at least quarterly.

(4) Special meetings may be held on the call of the chair or as scheduled by action of the board in a regular meeting.

(5) A quorum for the transaction of business is a majority of the number of voting members of the board.

(e)(1) The board may create standing and ad hoc committees the membership of which is determined by the chair.

(2) A quorum for the transaction of committee business is a majority of the number of voting members of the committee.

(f)(1) The Executive Director of the Arkansas Teacher Retirement System prepares the agenda for regular and special meetings of the board.

(2) The agenda is distributed to the board and made available to the public in advance of the meeting.

(3) The agenda may be amended by appropriate motion.

(h)(1) Trustees, members, and other individuals who wish to have a matter placed as additional item on an agenda for a regular meeting of the board should submit a request to the executive director to have the matter placed on the agenda.

(2) The request should be submitted to the executive director before the regular meeting of the board at which the matter will be included as an agenda item.

§ 1-104. Rulemaking.

(a) The Board of Trustees of the Arkansas Teacher Retirement System is authorized by the legislature to promulgate rules.

(b) The Arkansas Teacher Retirement System follows the requirements of the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq., and in particular Arkansas Code §§ 25-15-203 and 25-15-204.

(c) The system is required to abide by Arkansas Code §10-3-309, which establishes a method for continuing legislative review and approval of agency rules.

(d)(1) The board or the system's staff may request the initiation of the rulemaking process, which includes adopting a new rule or amending or repealing an existing rule.

(2) Persons outside the system may petition for the issuance, amendment, or repeal of any rule.

(3) However, staff of the system shall not proceed with the rulemaking process for a rule unless the rule is approved by the board.

Authority: Arkansas Code § 25-15-201 et seq.

History

<u>Adopted:</u>	<u>December 6, 2005</u>	
<u>Amended:</u>	<u>April 26, 2007</u>	
<u>Adopted by Board:</u>	<u>February 6, 2012</u>	
<u>Amended:</u>	<u>April 18, 2012</u>	
<u>Effective:</u>	<u>May 29, 2012</u>	
<u>Effective:</u>	<u>TBD</u>	<u>Rule 1</u>

ATRS RULE 4
ELECTION OF BOARD OF TRUSTEES
Arkansas Code §§ 24-7-301, 24-7-302, and 24-7-305

I. Definitions⁴

- a. ~~“Active member” for the purposes of eligibility for an active member trustee position and voting for an active member trustee position means:~~
 - 1. ~~An active member as defined in Arkansas Code § 24-7-202; or~~
 - 2. ~~A member who:~~
 - A. ~~Participates in the Teacher Deferred Retirement Option Plan (T-DROP);~~
 - B. ~~Is employed by a covered employer; and~~
 - C. ~~Receives T-DROP plan deposits;~~
- b. ~~“Administrator” for the purposes of eligibility for an administrator trustee position and voting for an administrator trustee position means a person who:~~
 - 1. ~~Has a current administrator’s license; and~~
 - 2. ~~Is either:~~
 - A. ~~An employee of a covered employer who is employed in one (1) of the following positions:~~
 - i. ~~Public school superintendent, assistant superintendent, principal, or vice principal;~~
 - ii. ~~Higher education president, chancellor, or director; or~~
 - iii. ~~Director, president, or vice president of a community college, vocational or technical school, or educational cooperative; or B. A classified or unclassified employee who is:~~
 - i. ~~An employee of an education-related agency that participates in ATRS; and~~
 - ii. ~~Employed in a GS13 grade position, its equivalent, or above.~~

⁴ A term that is not defined in these ATRS Rules shall have the same meaning as provided in Arkansas Code § 247-202.

- c. ~~“Licensure” for the purposes of eligibility for a licensed trustee position or voting for a licensed trustee position means a person who is:~~
 - 1. ~~Not an administrator; and~~
 - 2. ~~Either employed in:~~
 - A. ~~A position requiring state teaching licensure; or~~
 - B. ~~An education institution GS09-GS12 grade position or its equivalent;~~
- d. ~~“Nonlicensed” for the purposes of eligibility for a nonlicensed trustee position and voting for a nonlicensed trustee position means a person who is:~~
 - 1. ~~Employed in a position with a covered employer that does not require state teaching licensure;~~
 - 2. ~~Employed in a position with an education-related agency in a position that:~~
 - A. ~~Does not require state teaching licensure; and~~
 - B. ~~Is no higher than a GS08 grade position or its equivalent; and~~
 - 3. ~~Not an administrator as that term is defined in Arkansas Code § 24-7-202 and this ATRS Rule 4.~~

II. ~~Board of Trustees of the Arkansas Teacher Retirement System~~

- a. ~~The general administration and proper operation of the Arkansas Teacher Retirement System (ATRS) is vested in the Board of Trustees of the Arkansas Teacher Retirement System (Board).~~
- b. ~~The Board shall consist of eleven (11) elected members and four (4) ex officio members.~~
- c. ~~Pursuant to Arkansas Code § 24-7-301, the Board shall adopt rules and regulations regarding the election of a trustee and a vacancy on the Board.~~

III. ~~Candidacy and Voting in Trustee Elections — Generally~~

- a. ~~Candidates~~
 - 1. ~~If a candidate for a trustee position on the Board is employed in more than one (1) position with a covered employer, the candidate’s eligibility shall be determined based on the candidate’s primary position for which the candidate receives the greater percentage of covered salary.~~
- b. ~~Eligibility to Vote~~
 - 1. ~~Only members of ATRS shall vote in a trustee election.~~

- ~~2. Guardians, attorneys-in-fact, or others shall not vote on behalf of a member.~~
- ~~3. An employee working for ATRS is ineligible to be:
 - ~~A. Elected to the Board;~~
 - ~~B. Appointed to the Board; or~~
 - ~~C. A candidate for election or appointment to the Board.~~~~

~~IV. Qualifications and Voter Eligibility for Elected Trustee Positions~~

~~a. Active Member Trustee Positions 1-4 — Congressional Districts~~

~~1. Generally~~

- ~~A. The Arkansas congressional district boundaries as defined on the first day of the fiscal year in which an election for an active member trustee position occurs shall be used to determine:
 - ~~i. Whether a person is qualified to become a candidate for an active member trustee position; and~~
 - ~~ii. The eligibility of a member to vote in an election for active member trustee position.~~~~
- ~~B. There shall be four (4) active member trustees.~~
- ~~C. Each active member trustee shall represent one (1) of the four (4) congressional districts in Arkansas.~~

~~2. Qualifications for Candidacy~~

- ~~A. A person is qualified to become a candidate for active member trustee positions 1-4 if he or she is:
 - ~~i. An active member with a minimum of five (5) years of actual service;~~
 - ~~ii. Employed by a covered employer located in the congressional district for which he or she is seeking election; and~~
 - ~~iii. Employed in a position requiring state teaching licensure or the equivalent under this ATRS Rule 4.~~~~

~~3. Eligibility to Vote~~

- ~~A. A member is eligible to vote in an election for active member trustee positions 1-4 if he or she is:
 - ~~i. An active member, regardless of credited service;~~
 - ~~ii. Employed by a covered employer located in the respective congressional districts; and~~~~

~~iii. Otherwise eligible to be a candidate under this ATRS Rule 4.~~

~~b. Active Administrator Trustee Positions 5-6~~

~~1. Generally~~

~~A. There shall be two (2) active member trustee each of whom shall be employed as an administrator as defined in this ATRS Rule 4.~~

~~2. Qualifications for Candidacy~~

~~A. A person is qualified to become a candidate for active administrator trustee positions 5-6 if he or she is:~~

~~i. An active member with a minimum of five (5) years of actual service; and~~

~~ii. Employed in a position requiring an administrator's license.~~

~~a. Pursuant to Arkansas § 24-7-301, at least one (1) of the administrators serving as an active administrator trustee shall be employed by a covered employer as a school superintendent or an educational cooperative director.~~

~~b. If there is an open administrator active member trustee position and the other administrator active member trustee position is held by a person who is not a superintendent or an educational cooperative director, a candidate for the open administrator active member trustee position shall be a superintendent or an educational cooperative director and the notice of election shall state that a candidate for the open administrator active member trustee position is required to be a superintendent or an educational cooperative director.~~

~~3. Eligibility to Vote~~

~~A. A member is eligible to vote in an election for administrator active member trustee positions 5-6 if he or she is:~~

~~i. An active member, regardless of credited service; and~~

~~ii. Employed as a licensed administrator in a position requiring an administrator's license~~

~~c. Nonlicensed Trustee Position 7~~

~~1. Qualifications for Candidacy~~

~~A. A person is qualified to become a candidate for nonlicensed trustee position 7 if he or she is:~~

- ~~i. An active member with a minimum of five (5) years of actual service; and~~
- ~~ii. Employed in a position not requiring state licensure.~~

~~2. Eligibility to Vote~~

~~A. A member is eligible to vote in an election for nonlicensed trustee position 7 if he or she is:~~

- ~~i. An active member, regardless of credited service; and~~
- ~~ii. Employed by a covered employer in a nonlicensed position.~~

~~d. Minority Trustee Position 8~~

~~1. Generally~~

~~A. There shall be one (1) member trustee of a minority racial ethnic group.~~

~~2. Qualifications for Candidacy~~

~~A. A person is qualified to become a candidate for minority trustee position 8~~

~~if he or she is:~~

- ~~i. An active or retiree member with a minimum of five (5) years of actual service; and~~
- ~~ii. A member of a minority racial or ethnic group.~~

~~3. Eligibility to Vote~~

~~A. A member is eligible to vote in an election for minority trustee position 8 if he or she is:~~

- ~~i. An active member, regardless of credited service; or~~
- ~~ii. Retiree.~~

~~e. Retired Member Trustee (At-Large) Positions 9-11~~

~~1. Generally~~

~~A. There shall be three (3) retired member trustees who shall be retirees as defined under Arkansas Code § 24-7-202.~~

~~2. Qualifications for Candidacy~~

~~A. A person is qualified to become a candidate for retired member trustee positions 9-11 if he or she is a:~~

- ~~i. Retiree; and~~
- ~~ii. Resident of the State of Arkansas.~~

~~3. Eligibility to Vote~~

~~A. A retiree, regardless of present employment status or residency is eligible to vote in an election for retired member trustee positions 9-11.~~

~~V. Rules on Elected Trustee Nominations~~

~~a. Scheduling and Notice of Regular Election~~

- ~~1. ATRS may publish electronically a public notice required by this ATRS Rule 4.~~
- ~~2. During December in a year in which an elected trustee position is subject to election or a special election is required to fill a vacancy, ATRS shall publish public notice of an upcoming trustee position election in a statewide newspaper for at least five (5) consecutive days.~~
- ~~3. The notice shall be sent to each person of group that requests notice of a trustee vacancy.~~
- ~~4. The notice shall be posted on ATRS' website from December until the closing of the nomination period.~~

~~b. Candidate Petitions and Verification of Member Signatures~~

- ~~1. For all elected positions, a candidate shall submit a petition signed legibly by at least twenty five (25) ATRS members who are eligible to vote for the trustee position for which the candidate is seeking nomination.~~
- ~~2. The petition shall include the last four (4) digits of each signatory's Social Security number for verification of the member's eligibility to vote for the position.~~
- ~~3. The original petitions for nomination shall be submitted to the ATRS Executive Director no later than January 10.~~
- ~~4. Actual delivery of the original petitions for nomination shall be made by January 10, regardless of postmark date or other methods to attempt delivery.~~
- ~~5. Upon receipt of a petition, ATRS shall confirm receipt of the petition and shall verify the eligibility of the candidate for the trustee position under Arkansas Code § 24-7-301.~~
- ~~6. ATRS shall verify each signature of each member who signs the petition as an eligible voter.~~
- ~~7. ATRS shall:~~
 - ~~a. Notify each candidate who submits a petition for nomination if his or her petition is accepted; and~~
 - ~~b. Provide the candidate with a list of other members who were certified to participate in the election for the trustee position for which the nomination is sought.~~

~~c. Ballots~~

- ~~1. ATRS or its designee shall conduct a random drawing for a ballot position before ballots are mailed.~~
- ~~2. At least two (2) independent witnesses shall be present to certify the drawing of the ballot position.~~
- ~~3. ATRS shall notify each candidate of the order in which the candidate will be listed on the ballot.~~

~~d. Campaign Materials~~

- ~~1. A candidate's message shall not include information that:
 - ~~A. Would constitute defamation of another candidate; or~~
 - ~~B. Claims or appears to claim the endorsement of ATRS or the Board.~~~~
- ~~2. At the request of a candidate, ATRS shall provide a list of the mailing addresses of each eligible voter to the election vendor for the distribution of the candidate's campaign materials.~~
- ~~3. Campaign materials shall be mailed by the election vendor from the election vendor's place of business.~~
- ~~4. All postage for campaign materials shall be paid for by the candidate distributing the campaign materials.~~

~~VI Rules on Trustee Elections~~

~~a. Election Vendor~~

- ~~1. ATRS shall employ an independent election vendor to conduct the trustee elections.~~

~~b. Ballots~~

- ~~1. ATRS shall publish ballots and submit the published ballots to the election vendor by March 15 for mailing to the address of record for each member who is eligible to vote in the election.~~
- ~~2. A completed ballot shall be counted if it is received by the election vendor on or before April 15.~~
- ~~3. The election vendor shall count only ballots that are correctly completed.~~

~~c. Uncontested Elections~~

- ~~1. If any position receives only one (1) nomination and the position is uncontested, the Board at its next regular or special meeting may certify the~~

~~nomination and declare the candidate duly elected as a trustee before the trustee's term begins.~~

~~d. Run-off Elections~~

- ~~1. The election vendor shall certify to ATRS, by April 20, the election results for a position that is not subject to a run-off election.~~
- ~~2. A run-off election shall be held between the two (2) candidates who receive the highest number of votes for a trustee position if:
 - ~~A. The election vendor certifies the outcome of the trustee election; and~~
 - ~~B. A single candidate does not receive at least fifty percent (50%) of the votes cast by eligible voters.~~~~
- ~~3. The election vendor shall mail run-off ballots to each member who is eligible to vote in the election on or before May 1.~~
- ~~4. Completed ballots for a run-off election that are received by the election vendor after June 1 shall not be counted.~~
- ~~5. The election vendor shall certify the results of a run-off election to ATRS by June 5~~

~~e. Election Result Challenge~~

- ~~1. A candidate who is included on the ballot may challenge the election vendor's certified results for an elected trustee position by submitting a written challenge to the ATRS Executive Director within five (5) calendar days of the date on which the election results are certified by the election vendor.~~
- ~~2. A written challenge to the election vendor's certified results for an election shall not be considered if it is submitted more than (5) calendar days after the date on which the election results are certified by the election vendor.~~
- ~~3. If a candidate challenges the election results, the election process shall be suspended for the same number of days that the resolution of the challenge requires, and the remaining election schedule shall be adjusted accordingly.~~
- ~~4. After a written challenge to a certified election result is received by ATRS, the Board shall hold a special meeting to consider the challenge.~~
- ~~5. The ATRS Executive Director shall issue an ATRS recommendation to the Board along with the administrative record relating to the certified election results of the position being challenged.~~

~~f. Election Schedule — Official Dates~~

1. ~~For any fixed date in the election schedule that falls on a holiday or a weekend, the official date shall become the next business day.~~

~~g. Beginning of Elected Trustee Terms~~

1. ~~Upon completion of an election, all elected trustee terms, except for special elections, shall begin on July 1 following the election.~~

~~VII. Board Procedures to Fill Unexpired Terms for Elected Trustees~~

~~a. Notice~~

~~ATRS staff shall notify the Board of a resignation or vacancy by other cause in a trustee position as soon as possible after ATRS staff has knowledge of the resignation or vacancy by other cause.~~

~~b. Board Action Upon Receiving Vacancy Notice~~

1. ~~The Board shall take appropriate action authorized by law to fill the vacancy.~~
2. ~~The Board, by majority vote, may appoint a trustee until the next ATRS election.~~

~~c. Scheduling and Notice of Special Election~~

1. ~~A special election to fill a trustee position caused by resignation or vacancy by other cause shall be scheduled and held if the Board, by majority vote, determines that the vacancy should be filled by a special election.~~
2. ~~If an elected trustee position is declared vacant by the Board and the Board determines that the vacancy should be filled by a special election, ATRS shall:~~
 - A. ~~Publish notice that a special election shall be held; and~~
 - B. ~~Announce the schedule for the special election.~~
3. ~~The schedule for the special election shall include the following:~~
 - A. ~~The date the vacancy occurred and position being vacated;~~
 - B. ~~The time period for circulating petitions for nominating signatures;~~
 - C. ~~The deadline for filing petitions with ATRS;~~
 - D. ~~The date ATRS will verify the validity of petitions;~~
 - E. ~~The date ballots will be sent to eligible voters;~~
 - F. ~~The election date; and~~
 - G. ~~The date the term shall begin.~~

4. ~~ATRS may follow or use as a guideline the rules concerning the publishing of public notice in this ATRS Rule 4 VII for publishing notice during a special election.~~

~~VIII. Term of Elected Trustee Office and Vacancies~~

~~a. Duration of Term~~

1. ~~The term of office of each elected trustee shall be six (6) years unless the trustee is elected in a special election.~~
2. ~~A trustee who is elected in a special election shall serve for the remainder of the six-year term of the vacating trustee.~~
3. ~~A trustee who is appointed to the Board shall serve until the next system election that is held to fill the trustee position to which the trustee was appointed.~~
4. ~~Each trustee shall continue to serve as trustee until his or her term expires unless he or she resigns or is otherwise ineligible under this ATRS Rule 4.~~
5. ~~In a year in which a six-year term of a trustee expires, the position shall be filled under the regular election schedule in this rule.~~

~~IX. Rules on Elected Trustee Vacancies~~

~~a. Ineligibility of Active Member Trustee~~

1. ~~An active member trustee shall be ineligible to serve if he or she:~~
 - A. ~~Becomes inactive;~~
 - B. ~~Retires; or~~
 - C. ~~Changes his or her employment category during his or her term of office and the employment category is a requirement of the trustee position.~~

~~b. Ineligibility of Retiree Member Trustee~~

1. ~~A retiree member trustee shall be ineligible to serve after becoming an active member.~~

~~d. Trustee Absence from Board Meetings~~

1. ~~A trustee vacancy may occur if a trustee is absent from meetings.~~
2. ~~The Board or its designee shall notify the trustee after the trustee's second consecutive absence.~~
3. ~~The Board shall vote to declare, by resolution, a position vacant if:~~
 - A. ~~A trustee has three (3) consecutive unexcused absences from regular meetings of the Board.~~

- i. ~~An absence that is excused by a majority of the members of the Board shall not be counted towards a vacancy.~~
- ii. ~~Attendance on either day of a two-day meeting of the Board is sufficient to meet the attendance requirement for the two-day meeting of the Board;~~
- B. ~~A trustee becomes ineligible to serve on the Board due to a change in status under Arkansas Code § 24-7-302 that results in the trustee being absent from three (3) consecutive regular meetings of the Board before the expiration of the trustee's term; or C. A trustee resigns or dies.~~
- 4. ~~If the Board declares a vacancy by resolution as provided under this ATRS Rule 4 IX, the Board may vote to hold a special election to fill an unexpired term using the Board's procedures to fill unexpired terms for elected trustees.~~
- 5. ~~If the Board does not certify a vacancy by resolution under this ATRS Rule 4 IX, the vacancy shall be filled, using approved election procedures for the position, during the next annual ATRS election held after the expiration of the elected trustee's term.~~

HISTORY

Approved:	May 10, 2000	4-2
Amended:	April 26, 2007	4-1
	February 11, 2008	4-1, 4-2
	December 18, 2009	4-1, 4-2
	July 1, 2011	4-2 (Emergency)
Adopted:	August 8, 2011	4-2
Effective:	November 11, 2011	4-2
Approved by Board:	October 5, 2015	4-1
Amended:	February 1, 2016	4-1
Effective:	February 10, 2016	4-1
Effective:	August 5, 2019-May	Rule 4
Effective:	20, 2022	Rule 4

ATRS Rule 4
Election of Board of Trustees of the Arkansas Teacher Retirement System

§ 4-101. General rules for candidacy and voting in trustee elections – Definitions.

(a) An undefined term in the rules of the Arkansas Teacher Retirement System shall have the same meaning as provided in Arkansas Code § 24-7-202.

(b) As used in this rule:

(1) “Active member” for the purposes of eligibility for the active member trustee position and voting, means:

(A) An active member as defined in Arkansas Code § 24-7-202; or

(B) A member who:

(i) Participates in T-DROP;

(ii) Is employed by a covered employer; and

(iii) Receives T-DROP plan deposits;

(2) “Administrator” for the purposes of eligibility for the administrator trustee position and voting for an administrator trustee position means a person who has a current administrator’s license and is either:

(A) An employee of a covered employer who is employed in one (1) of the following positions:

(i) Public school superintendent, assistant superintendent, principal, or vice-principal;

(ii) Higher education president, chancellor, or director; or

(iii) Director, president, or vice-president of a community college, vocational or technical school, or educational cooperative; or

(B) An employee who is:

(i) An employee of an education-related agency participating in the system;

(ii) An active member of the system through his or her employment with the education-related agency; and

(iii) Employed in a GS13 grade position, its equivalent, or above;

(3) “Licensure” for the purposes of eligibility for the licensed trustee position or voting for the licensed trustee position means a person who is not an administrator and is employed either in:

(A) A position requiring a state teaching license; or

(B) An education institution GS09-GS12 grade position of its equivalent;

and:

(4) “Nonlicensed” for the purposes of eligibility for the nonlicensed trustee position and voting for the nonlicensed trustee position means a person who is:

(A) Employed in a position with a covered employer that does not require a state teaching license;

(B) Employed in a position with an education-related agency in a position that:

(i) Does not require a state teaching license; and

(ii) Is no higher than a GS08 grade position or its equivalent; and

(C) Not an administrator as that term is defined in Arkansas Code § 24-7-202 and this rule.

§ 4-102. Membership and Authority of the Board of Trustees of the Arkansas Teacher Retirement System.

(a) The general administration and proper operation of the Arkansas Teacher Retirement System is vested in the Board of Trustees of the Arkansas Teacher Retirement System. The board shall consist of eleven (11) elected members and four (4) ex officio members.

(b) In accordance with Arkansas Code § 24-7-301, the board shall adopt rules and regulations for the election of a trustee and a vacancy on the board.

§ 4-103. Candidacy and voting in trustee elections — Generally.

(a) A candidate who is employed in more than one (1) position with a covered employer shall have his or her eligibility determined based on his or her primary position for which he or she receives the greater percentage of covered salary.

(b)(1) Only members of the Arkansas Teacher Retirement System shall vote in a trustee election.

(2) Guardians, attorneys-in-fact, or others shall not vote on behalf of a member.

(c)(1) An employee of the system shall not be elected or appointed to the board.

(3) An employee of the system shall not be a candidate for election or appointment to the board.

§ 4-104. Qualifications and voter eligibility for elected trustee positions — Active Member Trustee Positions one through four.

(a) The Arkansas congressional district boundaries as defined on the first day of the fiscal year in which an election for an active member trustee position occurs shall be used to determine:

(1) Whether a person is qualified to become a candidate for an active member trustee position; and

(2) The eligibility of a member to vote in an election for an active member trustee position.

(b) There shall be four (4) active member trustees each of whom shall represent one (1) of the four (4) congressional districts in Arkansas.

(c) A person is qualified to become a candidate for an active member trustee position if the person is:

(1) An active member with at least five (5) years of actual service credit in the Arkansas Teacher Retirement System;

(2) Employed by a covered employer located in the congressional district for which he or she is seeking election; and

(3) Employed in a position requiring state teaching licensure or the equivalent under this rule.

(d) A member is eligible to vote in an election for an active member trustee if the member is:

(1) An active member, regardless of credited service;

(2) Employed by a covered employer located in the congressional district for which the active member trustee election is being held; and

(3) Otherwise eligible to be a candidate under this rule.

§ 4-105. Qualifications and voter eligibility for elected trustee positions — Active Administrator Trustee Positions five through six.

(a) There shall be two (2) active member trustees each of whom shall be employed as an administrator as defined in this rule.

(b) A person is qualified to become a candidate for an active administrator trustee position if the person is:

(1) An active member with at least five (5) years of actual service credit in the Arkansas Teacher Retirement System; and

(2)(A) Employed in a position requiring an administrator's license.

(B)(i) As provided in Arkansas Code § 24-7-301, at least one (1) of the administrators serving as an active administrator trustee shall be employed by a covered employer as a school superintendent or educational cooperative director;

(ii) If there is an open administrator active member trustee position and the other filled administrator active member trustee position is held by a person who is not a superintendent or an educational cooperative director, a candidate for the open administrator active member trustee position shall be a superintendent or an educational cooperative director and the notice of election shall state that a candidate for the open administrator active member trustee position is required to be a superintendent or an educational cooperative director.

(c) A member is eligible to vote in an election for an active administrator trustee position if the member is:

(1) An active member, regardless of the amount of credited service that the member has in the system; and

(2) Employed as a licensed administrator in a position requiring and administrator's license.

§ 4-106. Qualifications and voter eligibility for elected trustee positions — Nonlicensed trustee position seven.

(a) A person is qualified to become a candidate for the nonlicensed trustee position if the person is:

(1) An active member with at least five (5) years of actual service credit in the Arkansas Teacher Retirement System; and

(2) Employed in a position that does not require state licensure.

(b) A member is eligible to vote in an election for the nonlicensed trustee position if the member is:

(1) An active member, regardless of the amount of credited service that the member has in the system; and

(2) Employed by a covered employer in a nonlicensed position.

§ 4-107. Qualifications and voter eligibility for elected trustee positions — Minority trustee position eight.

(a) There shall be one (1) member trustee of a minority racial ethnic group.

(b) A person is qualified to become a candidate for the minority trustee position if the person is a member of a minority racial or ethnic group and either a retired member or an

active member with at least five (5) years of actual service credit in the Arkansas Teacher Retirement System.

(c) A member is eligible to vote in an election for the minority trustee position if the member is a retired member or an active member, regardless of the amount of credited service that the member has in the system.

§ 4-108. Qualifications and voter eligibility for elected trustee positions — At-large retired member trustee positions nine through eleven.

(a) There shall be three (3) retired member trustees who shall be retirees as defined by Arkansas Code § 24-7-202.

(b) A person is qualified to become a candidate for a retired member trustee position if the person is a retiree and a resident of the State of Arkansas.

(c) A member is eligible to vote in an election for a retired member trustee position if the member is a retiree, regardless of his or her present employment status or residency.

§ 4-109. Elected trustee nominations — Scheduling and notice of election.

(a) The Arkansas Teacher Retirement System may publish electronically any public notice required by this rule.

(b)(1) During December in a year in which an elected trustee position is subject to a regular or special election, the Arkansas Teacher Retirement System shall publish public notice of the upcoming trustee position election in a statewide newspaper for at least five (5) consecutive days.

(2) The notice will also be sent to each person or group that requests notice of a trustee vacancy.

(3) The notice shall also be posted on the system's website from December until the closing of the nomination period.

§ 4-110. Elected trustee nominations — Candidate petitions and verification of member signatures.

(a)(1) For all elected positions, a candidate must submit a petition signed legibly by at least twenty-five (25) system members who are eligible to vote for the trustee position for which the member is seeking nomination.

(2) The petition shall include the last four (4) digits of each signatory's Social Security number for verification of the member's eligibility to vote for the position.

(3)(A) The original petitions shall be submitted to the Executive Director of the Arkansas Teacher Retirement System no later than January 10.

(B) Actual delivery shall be made by January 10, regardless of postmark date or other methods used to attempt delivery.

(C) Upon receipt of a petition, the Arkansas Teacher Retirement System shall confirm receipt of the petition and verify the eligibility of the candidate for the trustee position.

(D) The system shall verify the signature of each member who signs the petition as an eligible voter.

(b) The system shall:

(1) Notify each candidate who submits a petition of whether or not his or her petition has been accepted; and

(2) Provide each candidate who submits a petition with a list of other candidates who were certified to participate in the election for the trustee position for which the candidate sought nomination.

§ 4-111. Elected trustee nominations — Ballots.

(a) Before ballots are mailed, the Arkansas Teacher Retirement System or its designee shall conduct a random drawing for ballot positions.

(b) At least two (2) independent witnesses shall witness and certify the drawing of the ballot positions.

(c) The system shall notify each candidate who was certified to participate in election for the trustee position of the order in which the candidate will be listed on the ballot.

§ 4-112. Elected trustee nominations — Campaign materials.

(a) Upon request of a candidate who is certified to participate in the election for the trustee position, the Arkansas Teacher Retirement System shall provide a list of mailing addresses of all eligible voters for the distribution of a candidate's campaign materials.

(b) The candidate's message shall not contain information that:

(1) Would constitute defamation of another candidate; or

(2) Claims or appears to claim the endorsement of the system or the Board of the Arkansas Teacher Retirement System.

(c) Campaign materials shall be mailed by the election vendor from the election vendor's place of business.

(d) All postage for campaign materials shall be paid for by the candidate distributing the campaign materials.

§ 4-113. Trustee elections.

(a) The Arkansas Teacher Retirement System shall employ an independent election vendor to conduct the trustee elections.

(b)(1) The system shall publish ballots and submit the published ballots to the election vendor to be mailed by March 15 to the address of record of each member who is eligible to vote in the election.

(2)(A) A completed ballot shall be counted if it is received by the election vendor on or before April 15, regardless of postmark date or other methods used to attempt delivery.

(B) Only ballots that are correctly completed shall be counted.

(c) If any position receives only one (1) nomination and the position is uncontested, the Board of Trustees of the Arkansas Teacher Retirement System, at its next regular or special meeting, may certify the nomination and declare the candidate duly elected as a trustee before the trustee's term begins.

(d) The election vendor shall certify the results for positions not subject to a runoff election to the system by April 20.

(e)(1) A run-off election shall be held between the two (2) candidates who receive the highest number of votes for a trustee position if:

(A) The election vendor certifies the outcome of the trustee election; and

(B) A single candidate does not receive at least fifty percent (50%) of the votes cast by eligible voters.

(2) The election vendor shall mail run-off ballots to each member who is eligible to vote in the election on or before May 1.

(3) Completed ballots for a run-off election that are received by the election vendor after June 1 shall not be counted.

(4) The election vendor shall certify the results of a run-off election to the system by June 5.

(f)(1) A candidate included on a ballot may challenge to the election vendor's certified results for an elected trustee position by submitting a written challenge to the Executive Director of the Arkansas Teacher Retirement System within five (5) calendar days of the date on which the election results are certified by the election vendor.

(2)(A) A written challenge to the election vendor's certified results for an election shall not be considered if it is submitted more than (5) calendar days after the date on which the election results are certified to the system by the election vendor.

(B) After a written challenge to a certified election result is received by the system, the board shall hold a special meeting to consider the challenge.

(C) The Executive Director of the Arkansas Teacher Retirement System shall issue a recommendation to the board along with the administrative record concerning the certified election results of the position being challenged.

(3) If a candidate challenges the election results, the election process shall be suspended for the same number of days that the resolution of the challenge requires and the remaining election schedule shall be adjusted accordingly.

(g) Upon completion of an election, all elected trustee terms, except for special elections, shall begin on July 1 following the election.

(h) For any fixed date in the election schedule that falls on a holiday or a weekend, the official date shall become the next business day.

§ 4-114. Unexpired terms of elected trustees.

(a) The Arkansas Teacher Retirement System staff shall notify the Board of Trustees of the Arkansas Teacher Retirement System of a resignation or vacancy by other cause in a trustee position as soon as possible after staff has knowledge of the resignation or vacancy.

(b) The board shall take appropriate action authorized by law to fill the vacancy.

(c)(1) The board by majority vote may appoint a trustee until the next system election.

(2) The appointment of a trustee shall be effective as of the date on which the trustee is appointed by the board.

(d)(1) A special election to fill a trustee position caused by resignation or vacancy by other cause shall be scheduled and held if the board by majority vote determines that the vacancy should be filled by a special election.

(2) If an elected trustee position is declared vacant by the board and the board determines that the vacancy should be filled by a special election, the system shall:

(A) Publish notice that a special election will be held; and

(B)(i) Announce the schedule for the special election.

(ii) The schedule for the special election shall include the following:

(a) The date the vacancy occurred and position being vacated;

(b) The time period for circulating petitions for nominating

signatures;

- (c) The deadline for filing petitions with the system;
- (d) The date the system will verify the validity of petitions;
- (e) The date ballots will be sent to eligible voters;
- (f) The election date; and
- (g) The date the term shall begin.

(3) The system may publish public notices related to a special election in accordance with the rules governing a regular election of the system.

§ 4-115. Elected and appointed trustee terms.

(a)(1) The term of office of each elected trustee shall be six (6) years unless the trustee is elected in a special election.

(2) Each trustee shall continue to serve as trustee until the expiration of his or her term unless he or she resigns or is otherwise ineligible to continue serving as a trustee under this rule.

(3) In a year in which a six-year term of a trustee expires, the trustee position shall be filled under the regular election schedule provided in this rule.

(b) A trustee who is elected in a special election shall serve for the remainder of the six-year term of the vacating trustee.

(c)(1) A trustee who is appointed to the Board of Trustees of the Arkansas Teacher Retirement System shall serve until the next election of the Arkansas Teacher Retirement System that is held to fill the trustee position to which the trustee was appointed.

(2) The term of office of the person who is elected to fill the trustee position to which a trustee was appointed shall be six (6) years.

§ 4-116. Elected trustee vacancies.

(a) An active member trustee shall be ineligible to serve if he or she:

(1) Becomes inactive;

(2) Retires; or

(3) Changes his or her employment category during his or her term of office and the employment category is a requirement of the trustee position.

(b) A retiree member trustee shall be ineligible to serve after becoming an active member.

(c)(1) A trustee vacancy may occur if a trustee is absent from meetings.

(2) The Board of the Arkansas Teacher Retirement System or its designee shall notify the trustee after the trustee's second consecutive absence.

(3) The board by resolution shall vote to declare a position vacant if:

(A)(i) A trustee has three (3) consecutive unexcused absences from regular meetings of the board.

(ii) An absence that is excused by a majority of the members of the board shall not be counted towards a vacancy.

(iii) Attendance on either day of a two-day meeting of the board is sufficient to meet the attendance requirement for the two-day meeting of the board;

(B) A trustee becomes ineligible to serve on the board due to a change in status under Arkansas Code § 24-7-302 that results in the trustee being absent from three

(3) consecutive regular meetings of the board before the expiration of the trustee's term;
or

(C) A trustee resigns or dies.

(d)(1) If the board by resolution declares a vacancy as provided under this rule, the board may vote to hold a special election to fill an unexpired term using the board's procedures to fill unexpired terms for elected trustees.

(2) If the board does not declare a vacancy by resolution under this rule, the vacancy shall be filled during the next regular system election held after the expiration of the vacating trustee's term.

Authority: Arkansas Code §§ 24-7-301, 24-7-302, and 24-7-305

History

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ATRS RULE 6
MEMBERSHIP AND EMPLOYER PARTICIPATION

~~Arkansas Code §§ 24-2-202, 24-2-401 — 24-2-408, 24-7-202, 24-7-406,
24-7-501, 24-7-502, and 24-7-1601 — 24-7-1607~~

I. Definitions

- a. ~~"Administrator" means:~~
1. ~~An employee of a covered employer in one (1) of the following positions:~~
 - A. ~~Public school superintendent, assistant superintendent, principal, or vice principal;~~
 - B. ~~A higher education president, chancellor, or director;~~
 - C. ~~A community college, vocational or technical school, or educational cooperative director, president, or vice president; or~~
 2. ~~An employee of an education-related agency participating in the Arkansas Teacher Retirement System (ATRS) who is an active member employed in a GS13 grade position, its equivalent, or above;~~
- b. ~~"Contributory service" means service on which a member makes or made member contributions to ATRS;~~
- c. ~~"Contributory election" means a member's written election to make member contributions to ATRS;~~
- d. ~~"Noncontributory service" means service on which a member does not make member contributions to ATRS and for which the member accepts a reduced retirement annuity for the member's years of noncontributory service;~~
- e. ~~"Nonteacher" means a member who is not a teacher or administrator;~~
- f. ~~"Organization" means:~~
1. ~~A private entity that:~~
 - A. ~~Provides services for a public school district; and~~
 - B. ~~Has employees who were previously employed by the public school district and members of ATRS; or~~
 2. ~~An educational nonprofit corporation licensed and regulated by the Division of Developmental Disabilities Services of the Department of Human Services;~~
- g. ~~"Preceding System" means a previous reciprocal retirement system of record;~~
- h. ~~"Post-secondary higher education plan" or "PSHE plan" means a plan establishing the right of a new employee of a post-secondary or higher education employer to participate in ATRS on or after July 1, 2011;~~
- i. ~~"Reciprocal System" means:~~

- ~~1. ATRS operations as of June 30, 1957, and continued by statutes;~~
 - ~~2. The Arkansas State Highway Employees' Retirement System (ASHERS), established by Arkansas Code § 24-5-103;~~
 - ~~3. The Arkansas Public Employees' Retirement System (APERS) established by Arkansas Code § 24-4-103;~~
 - ~~4. The Arkansas State Police Retirement System (ASPRS) established by Arkansas Code § 24-6-203;~~
 - ~~5. The Arkansas Judicial Retirement System (AJRS) established by Arkansas Code § 24-8-201;~~
 - ~~6. The Arkansas District Judge Retirement System (ADJRS) established by Arkansas Code §§ 24-8-801[repealed] 24-8-824 [repealed];~~
 - ~~7. The Arkansas Local Police and Fire Retirement System (ALOPFI) provided for under Arkansas Code § 24-10-101; or~~
 - ~~8. An alternate retirement plan for:

 - ~~A. A college, university, or the Division of Higher Education provided for under Arkansas Code § 24-7-801 et seq.;~~
 - ~~B. A vocational technical school or the Division of Career and Technical Education, the Adult Education Section of the Division of Workforce Services, the Division of Higher Education, and the Office of Skills Development provided for under Arkansas Code § 24-7-901 et seq.; or~~
 - ~~C. An agency that may be assigned the duties under one (1) or more of the agencies listed in this ATRS Rule 6 I.i. 1-8 through a state reorganization or transformation plan;~~~~
- ~~j. "State Employer" means:~~
- ~~1. A public employer whose employees are covered under the:

 - ~~A. ATRS;~~
 - ~~B. ASHERS (Arkansas Code § 24-5-103);~~
 - ~~C. APERS (Arkansas Code § 24-4-103);~~
 - ~~D. ASPRS (Arkansas Code § 24-6-203);~~
 - ~~E. AJRS (Arkansas Code § 24-8-201); or~~
 - ~~F. ADJRS (Arkansas Code §§ 24-8-801[repealed]— 24-8-824 [repealed]);~~

~~or~~~~
 - ~~2. A public employer that is:

 - ~~A. A college, university, or the Division of Higher Education whose employees are covered by an alternate retirement plan provided for under Arkansas Code § 24-7-801 et seq.;~~
 - ~~B. A vocational technical school of the Division of Career and Technical Education, the Adult Education Section, and the Office of Skills~~~~

~~Development, whose employees are covered by an alternate retirement plan provided for under Arkansas Code § 24-7-901 et seq.; or~~

~~G. An agency that may be assigned the duties of one (1) or more of the agencies listed in this ATRS Rule 6 I.j.1. and 2. through a state reorganization or transformation plan;~~

~~k. "Succeeding System" means the current reciprocal retirement system of record that follows a person's membership in a preceding retirement system; and~~

~~l. "Teacher" means a person employed by a school for the purpose of giving instruction and whose employment requires state teaching licensure.~~

II. Membership and Employer Participation Rules

~~a. Employee Membership in Another State Retirement System~~

~~1. Excluding service as a member of the General Assembly, an employee who is eligible for membership in ATRS is ineligible for membership in another state retirement system while he or she is employed in a position covered by ATRS.~~

~~b. Erroneous Membership of Employees~~

~~1. Erroneous Enrollment Before January 1, 1979 — Employees~~

~~A. An employee who was erroneously enrolled in ATRS before January 1, 1979, shall continue to be a member of ATRS if the employee's contributions were not refunded before July 1, 1979. B. The employee shall:~~

~~i. Receive service credit for all paid membership service in ATRS and any free service creditable under Acts 1973, No. 427 as amended; and~~

~~ii. Be entitled to reciprocal service credit as provided by Arkansas Code §§ 24-7-401 — 24-7-408.~~

~~2. Erroneous Enrollment on or after January 1, 1979 — Employees~~

~~A. An employee who is erroneously enrolled in a state retirement system on or after January 1, 1979, may:~~

~~i. Elect to remain a member of the system of record; or~~

~~ii. Become a member of the eligible retirement system.~~

~~3. Correction of Erroneous Enrollment Occurring Before January 1, 1979 — ATRS Obligations~~

~~A. Effective July 1, 1979, ATRS shall not:~~

~~i. Be required to correct the state retirement system membership of an employee who was erroneously enrolled in another state retirement system before January 1, 1979; and~~

~~ii. Accept an employee who was erroneously enrolled in another state retirement system before January 1, 1979, as a member of ATRS~~

~~unless the employee's contributions were refunded before July 1, 1979.~~

~~4. Correction of Erroneous Enrollment Occurring on or after January 1, 1979—
ATRS Obligations~~

~~A. If ATRS discovers that an employee is erroneously enrolled in a state retirement system on or after January 1, 1979, ATRS shall notify both the covered employer and employee that the:~~

~~i. Employee is erroneously enrolled in the state retirement system;
and~~

~~ii. Error may be corrected as provided by Acts 1991, No. 13 or
Arkansas Code § 24-2-302 et seq.~~

~~c. Employee Membership Eligibility— School Janitors, Bus Drivers, and
— Cafeteria Workers Employed Before July 1, 1989~~

~~1. An employee shall continue to be a member of APERS if the employee:~~

~~A. Was employed before July 1, 1989, as a school janitor, bus driver, or
cafeteria worker;~~

~~B. Was enrolled in APERS under the provision of Acts 1965, No. 63;~~

~~C. Was promoted to a position of school maintenance worker or supervisor,
bus mechanic or transportation supervisor, or cafeteria manager,
respectively; and~~

~~D. Remains employed in the position to which he or she was promoted.~~

~~d. Employee Membership Eligibility— Nonteaching Service Employees~~

~~1. Effective July 1, 2001, an employee whose nonteaching service began before
July 1, 1989, and is covered or coverable by APERS may elect to be covered
by ATRS.~~

~~2. An employee shall submit his or her election to be covered by ATRS before
May 31 on a form provided by ATRS.~~

~~3. An employee's timely submitted election to be covered by ATRS is effective
on July 1 of the following year. (Arkansas Code § 24-7-501(a)(2)(C))~~

~~e. Employee Membership Eligibility— College Plans~~

~~1. Employees of Nonmandatory Employers~~

~~A. A member of ATRS who was employed by a nonmandatory employer
before July 1, 2011, may continue to participate in ATRS instead of an
alternative program offered by the nonmandatory employer if the member
continues providing consistent service to the nonmandatory employer.~~

~~B. A nonmandatory employer shall be considered a post-secondary or higher
education employer (PSHE employer) if the nonmandatory employer
enrolls a new eligible member with ATRS on or after July 1, 2011.~~

~~C. If an eligible nonmandatory employer college elects to offer ATRS participation to its employees, the nonmandatory employer shall report information regularly to ATRS, on forms approved by ATRS, as required or permitted by the law applicable to ATRS.~~

~~2. Employees of PSHE Employers~~

~~A. A PSHE employer may elect to offer ATRS participation to its employees by fulfilling the requirements of Arkansas Code § 24-7-1605.~~

~~B. In addition to standard ATRS reporting forms, a PSHE Employer shall provide supplemental reports on any form required, approved, and adopted by the Board.~~

~~3. PSHE Employees Hired After July 1, 2011~~

~~A. The participation of new employees hired by a PSHE employer after July 1, 2011, is governed by Arkansas Code § 24-7-1601 et seq.~~

~~B. An employee of a PSHE employer who is hired after July 1, 2011, may participate in a PSHE plan if the employee:~~

~~i. Is benefits-eligible as determined by the PSHE employer;~~

~~ii. Is a vested member of ATRS at the time of initial employment;~~

~~iii. Is not a vested member of ATRS, but meets the requirements of a less restrictive PSHE plan adopted by the specific PSHE employer; and~~

~~iv. Signs an irrevocable PSHE plan participation form provided by ATRS~~

~~C. A PSHE plan employee shall remain a member of ATRS as long as he or she is employed by a PSHE employer.~~

~~D. A PSHE plan employee's election to participate in ATRS is irrevocable unless the PSHE plan employee obtains a termination refund from ATRS after his or her election to participate.~~

~~f. Employer Participation in ATRS~~

~~1. Executive Director Review of Employer Participation~~

~~A. This ATRS Rule 6 II.f.1. applies to an employer that participates in ATRS under the provisions of Arkansas Code § 24-7-202(D), (E), or (F).~~

~~B. Every five (5) years from the effective start date of an employer's participation in ATRS, the Executive Director of ATRS (executive director) shall review the employer's participation in ATRS to ensure that the employer meets both federal and state requirements for participation and continued participation in ATRS.~~

~~C. If the executive director determines that an employer no longer meets the requirements for continued participation in ATRS, the executive director shall notify the Board of Trustees of the Arkansas Teachers Retirement System (Board) to allow appropriate review and action by the Board.~~

~~2. Application for Employer Participation~~

~~A. An employer that would prefer to participate in and have its employees become members of ATRS may submit a written application to the executive director.~~

~~B. The application shall:~~

~~i. Specify a proposed effective date for participation in ATRS; and~~

~~ii. Include the following information and materials:~~

~~a. A certified copy of the articles of incorporation, bylaws, and other organizational documents of employer;~~

~~b. A copy of the employer's:~~

~~1. Most recent three (3) years' annual financial statements, including balance sheet, financial statements, and statement of cash flows; or~~

~~2. If the employer does not have audited financial statements, the year-end compilation reports or internal balance sheet and income statements for the employer;~~

~~c. A copy of the employer's most recent three (3) years' federal and state income tax returns;~~

~~d. A description of the employer's sources of funding, including the percentage of the funds that is provided by federal or state government and the type of government funding provided;~~

~~e. A description of how the employer's board of directors or board of trustees is selected and whether any governmental agency has input in the selection of the board members;~~

~~f. A description of the types of services provided by the employer; and~~

~~g. A description of each government agency that would be responsible for providing the types of services provided by the employer if the employer did not provide the services.~~

~~C. After ATRS reviews the employer's application and accompanying information and materials, ATRS shall:~~

~~i. Determine whether an Internal Revenue Service ruling (IRS Ruling) should be requested concerning whether or not the participation of the employees of the employer jeopardizes ATRS' status as a governmental plan; and~~

~~ii. Request any necessary additional information and statements from the employer if ATRS determines that an IRS Ruling should be requested.~~

- ~~D. The employer shall provide ATRS with any additional information and statements requested by ATRS in relation to the IRS Ruling.~~
- ~~E. The employer shall pay ATRS three thousand dollars (\$3,000) or the actual cost for fees and costs associated with obtaining the IRS Ruling if ATRS determines that an IRS Ruling should be requested.~~
- ~~F. The Board shall consider and vote on an application for employer participation.

 - ~~i. When considering an application for employer participation, the Board:

 - ~~a. Shall consider any relevant constitutional arguments brought to the attention of the executive director concerning the employer's application for employer participation;~~
 - ~~b. Shall consider Rev. Rul. 89-49; and~~
 - ~~c. May consider any other relevant rulings issued by the Internal Revenue Service or the Department of Labor.~~~~~~

~~3. Employer Participation — Education-Related Agency or Organization~~

- ~~A. Pursuant to Arkansas Code § 24-7-202(19)(D), an individual may be eligible to become a member of ATRS if the:

 - ~~i. Individual is employed in a position with an education-related agency or organization;~~
 - ~~ii. Individual's employment is related to:

 - ~~a. Training public school employees or school board members;~~
 - ~~b. Teaching public school students; or~~
 - ~~c. Adult education programs;~~~~
 - ~~iii. Individual's employment is unrelated to private schools;~~
 - ~~iv. Individual is or has been a member of ATRS for a minimum of five (5) years; and~~
 - ~~v. Individual elects to become or remain a member of ATRS.~~~~
- ~~B. A member described in this ATRS Rule 6.II.f.3 may become a member of ATRS if the:

 - ~~i. Board determines, pursuant to rules adopted by the Board, that the participation of employees employed by the education-related agency or organization will not:

 - ~~a. Impair ATRS' legal status, including:

 - ~~1. ATRS' tax-qualified and governmental plan status under the Internal Revenue Code, 26 U.S.C. § 1 et seq.; and~~~~~~~~

~~2. ATRS' governmental plan status under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.;~~

~~b. Subject ATRS to additional federal requirements;~~

~~c. Have a substantial adverse impact on ATRS' actuarial soundness; and~~

~~ii. Education-related agency or organization:~~

~~a. Elects to participate in ATRS;~~

~~b. Assumes responsibility for employer contributions;~~

~~c. Assumes responsibility for fees for obtaining IRS Rulings or Employee Retirement Income Security Act of 1974 opinions; and~~

~~d. Is approved as a covered employer by the Board according to rules adopted by the Board.~~

~~4. Employer Participation — Private Provider Employees~~

~~A. Pursuant to Arkansas Code § 24-7-202(19)(E), effective July 1, 1997, if a public school district privatizes any of its services, an individual who is or was employed by the public school district in one (1) or more of the privatized services and who is or has been a member of ATRS may elect to remain a member of ATRS if the:~~

~~i. Board determines, pursuant to rules adopted by the Board, that the participation of employees described in this ATRS Rule 6.II.f.4. will not:~~

~~a. Impair ATRS' legal status, including:~~

~~1. ATRS' tax-qualified and governmental plan status under the Internal Revenue Code, 26 U.S.C. § 1 et seq.; and~~

~~2. ATRS' governmental plan status under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.;~~

~~ii. Subject ATRS to additional federal requirements;~~

~~iii. Have a substantial adverse impact on ATRS' actuarial soundness; and~~

~~iv. Private provider assumes responsibility for:~~

~~a. Required employer contributions; and~~

~~b. Fees for obtaining IRS Rulings or Employee Retirement Income Security Act of 1974 opinions.~~

~~5. Employer Participation — Nonprofit Corporation Employees~~

~~A. Pursuant to Arkansas Code § 24-7-202(19)(F), effective July 1, 1997, an individual who meets the following requirements may be eligible to become a member of ATRS:~~

~~i. The individual is employed in a position with an educational nonprofit corporation that is licensed and regulated by the Division of Developmental Disabilities Services of the Department of Human Services; ii. The individual's employment is related to:~~

~~a. Training public school employees or school board members;~~

~~b. Teaching public school students; or~~

~~c. Adult education programs; and~~

~~iii. The individual's employment is unrelated to private schools.~~

~~B. A member described in this ATRS Rule 6.II.f.5 may become a member of ATRS if the:~~

~~i. Board determines, pursuant to rules adopted by the Board, that the participation of employees employed by the educational nonprofit corporation will not:~~

~~a. Impair ATRS' legal status, including:~~

~~1. ATRS' tax-qualified and governmental plan status under the Internal Revenue Code, 26 U.S.C. § 1 et seq.; and~~

~~2. ATRS' governmental plan status under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.;~~

~~b. Subject ATRS to additional federal requirements;~~

~~c. Have a substantial adverse impact on ATRS' actuarial soundness; and~~

~~ii. Nonprofit corporation:~~

~~a. Elects to participate in ATRS;~~

~~b. Assumes responsibility for employer contributions;~~

~~c. Assumes responsibility for fees for obtaining IRS Rulings or~~

~~Employee Retirement Income Security Act of 1974 opinions; and~~

~~d. Is approved as a covered employer by the Board according to rules adopted by the Board.~~

III. Contributory Election

a. Contributory Election — Generally

- ~~1. The year in which a person becomes a member of ATRS shall determine whether or not the person is considered a contributory or noncontributory member of ATRS.~~
 - ~~2. A member's contributory status is irrevocable once the member becomes a contributory member of ATRS.~~
 - ~~3. All service rendered before July 1, 1986, is contributory service.~~
 - ~~4. A contributory member shall not elect to become a noncontributory member.~~
 - ~~5. A contributory election is valid if the contributory election is:

 - ~~A. Made on an election form provided by ATRS; and~~
 - ~~B. Signed by both the member and the covered employer.~~~~
 - ~~6. If a member makes a contributory election before the preparation of his or her first salary payment in the fiscal year, the contributory election is effective immediately.~~
 - ~~7. If a member makes a contributory election after the preparation of his or her first salary payment in the fiscal year, the contributory election is effective July 1 of the next fiscal year.~~
- ~~b. Contributory Election — Member Contracts~~
- ~~1. Members Not Under Contract

 - ~~A. A member who is not under contract may make a contributory election.~~~~
 - ~~2. Members Under Contract

 - ~~A. A member under contract for one hundred eighty-five (185) days or more shall make contributions to ATRS.~~
 - ~~B. A member under contract for one hundred eighty-four (184) days or less may make a contributory election.~~~~
 - ~~3. Contributory Elections Based on Status Change from Nonteacher to Teacher or Administrator Under Contract

 - ~~A. Regardless of a member's earlier noncontributory election, an active member whose status changes from nonteacher to teacher or administrator under contract for one hundred eighty-five days (185) or more shall make member contributions to ATRS.~~
 - ~~B. An active member's change from noncontributory status to contributory status due to the status change described in this ATRS Rule III.b.3.A is effective on the first day of the next fiscal year if the active member:

 - ~~i. Changes status from nonteacher to teacher or administrator during a year in which the active member's service has already been reported as noncontributory; and~~
 - ~~ii. Is under contract for one hundred eighty-five (185) days or more.~~~~~~
- ~~c. Contributory Election – Noncontributory Members~~

- ~~1. A noncontributory member may make a contributory election.~~
 - ~~2. If a noncontributory member makes a contributory election before the preparation of the first salary payment to the noncontributory member in the fiscal year, the contributory election is effective immediately.~~
 - ~~3. If a noncontributory member makes a contributory election after the preparation of the first payroll containing the first salary payment to the noncontributory member in the fiscal year, the contributory election is effective July 1 of the next fiscal year.~~
 - ~~4. All service rendered after a contributory election is filed with ATRS shall be contributory.~~
 - ~~5. A noncontributory member's contributory election that is filed with ATRS is irrevocable.~~
- ~~d. Contributory Election — Noncontributory Inactive Members and Rescinding Retirees~~
- ~~1. Previously Contributory Inactive Members~~
 - ~~A. An inactive member shall make contributions on his or her full salary if the inactive member:

 - ~~i. Was contributory and earned a maximum salary of seven thousand eight hundred dollars (\$7,800); and~~
 - ~~ii. Returns to work on or after July 1, 1995.~~~~
 - ~~2. Previously Noncontributory Inactive Members and Retirees~~
 - ~~A. An inactive member or rescinding retiree may make a contributory election if the inactive member or rescinding retiree:

 - ~~i. Was noncontributory; and~~
 - ~~ii. Reenters ATRS after June 30, 2007.~~~~
 - ~~B. If the inactive member or rescinding retiree does not make a contributory election, the inactive member or rescinding retiree shall be enrolled in the plan that he or she was enrolled in before reentering ATRS.~~
- ~~e. Contributory Election — State Agency Employees~~
- ~~1. Full-time Employees~~
 - ~~A. A full-time employee of a state agency covered by ATRS shall be contributory.~~
 - ~~2. Part-time Employees~~
 - ~~A. A part-time employee of a state agency covered by ATRS shall be noncontributory.~~
 - ~~B. A part-time employee of a state agency covered by ATRS may make a contributory election.~~

~~f. Contributory Election—Employer Reporting Errors~~

~~1. Inactive Members~~

~~A. ATRS shall consider a member as noncontributory if the member:~~

- ~~i. Was an inactive member who returned to covered employment as an active member after July 1, 1999;~~
- ~~ii. Is reported incorrectly as noncontributory by his or her covered employer for his or her first year of service with the covered employer.~~

~~B. ATRS shall notify the covered employer of the member's contributory status.~~

~~C. Effective the next July 1, the member shall make contributions to ATRS.~~

~~2. New Members~~

~~A. ATRS shall consider a member as noncontributory for his or her first year of service with a covered employer if the member is a new member of ATRS and incorrectly reported as noncontributory by his or her covered employer for the first year.~~

~~B. ATRS shall notify the covered employer of the member's contributory status.~~

~~C. Effective the next July 1, the member shall make contributions to ATRS and the covered employer shall correctly report the member as contributory.~~

IV. Confidentiality of Member Accounts

~~a. In compliance with the ATRS Code of Ethics, ATRS shall keep each member's salary, employment history, retirement account, and other personal data or other information compiled by ATRS for purposes of establishing and maintaining the member's retirement account confidential.~~

~~b. Disclosure~~

~~1. All member information compiled by ATRS for the purpose of establishing and maintaining the member's retirement account shall not be disclosed to a third-party unless:~~

~~A. The member provides ATRS with his or her written consent; or~~

~~B. A valid legal process requires the disclosure of the member's information.~~

~~2. Individual member records that are kept for the purpose of compiling information for a member's retirement or Social Security records shall not be open to the public under Arkansas Code § 24-4-1003.~~

V. Reciprocal Service Credit

~~a. Generally~~

- ~~1. A member who leaves a position covered by ATRS, becomes employed by a reciprocal system, and files a reciprocal service agreement shall become an inactive member of ATRS and may be eligible for an annuity benefit according to the annuity benefit formula in effect at the time of the member's effective retirement date.~~
 - ~~2. Minimum benefits under Acts 1965, No. 488, Arkansas Code § 24-2402(5)(E), as amended, for reciprocal service shall not apply unless a member has five (5) or more years of credited service in ATRS.~~
 - ~~3. If ATRS is a member's preceding system, ATRS shall not pay annuity benefits to the member under reciprocity unless the member:
 - ~~A. Attains the normal retirement age; or~~
 - ~~B. Leaves his or her employment with his or her state employer.~~~~
 - ~~4. If ATRS is a member's preceding system, the member, after attaining the normal retirement age, is eligible to apply for retirement benefits without leaving his or her employment with his or her last state employer.~~
 - ~~5. The member's annuity benefit payments shall begin after the member attains the normal age of retirement or on the first day of the month following the month in which the member's application is filed, whichever occurs last.~~
 - ~~6. ATRS shall only consider service credited to the member and salaries earned by the member before the member's effective retirement date to calculate the member's annuity benefit.~~
- ~~b. Reciprocal Service Credit—Calculation of Service Credit~~
- ~~1. If a member of ATRS has service credited during the same fiscal year with another reciprocal system and the combined service is greater than one (1) year of service credit, ATRS shall credit service as follows:
 - ~~A. If credit by the reciprocal system is less than three (3) months, ATRS shall credit service for one (1) year;~~
 - ~~B. If credit by the reciprocal system is three (3) or more months but less than six (6) months, ATRS shall credit service for three-fourths (3/4) year;~~
 - ~~C. If credit by the reciprocal system is six (6) or more months but less than nine (9) months, ATRS shall credit service for one-half (1/2) year; and~~
 - ~~D. If credit by the reciprocal system is for nine (9) months but less than twelve (12) months, ATRS shall credit service for one-fourth (1/4) year.~~~~
- ~~c. Reciprocal Service Credit—Contributions and Repayments~~
- ~~1. While an employee participates in a reciprocal system, back contributions, additional contributions, and repayment of refund payments made to ATRS shall be made in accordance with the payment method provisions of ATRS Rule 8.~~

2. ~~Employer pick-up is prohibited while the employee works for a noncovered ATRS employer.~~

~~d. Reciprocal Service Credit— Concurrent Service~~

1. ~~Unless the reciprocal system is APERS or an alternate retirement plan, beginning July 1, 2013, ATRS shall allow a member who earns concurrent service in both ATRS and a reciprocal system to receive full service credit in ATRS without reduction of service credit due to the concurrent service.~~
2. ~~ATRS shall not recognize concurrent service added to a member's credited service in ATRS that, for the purpose of vesting, retirement eligibility, or calculating final average salary, either:
 - A. ~~Credits the member with more than one (1) year of credited service for a fiscal year; or~~
 - B. ~~Combines salary earned in ATRS and a reciprocal system in a fiscal year.~~~~
3. ~~A member may waive all or part of the concurrent service credited to him or her in ATRS and have the concurrent service credited to him or her under a reciprocal system if:
 - A. ~~The member acknowledges that the waiver is a voluntary surrender of the member's concurrent service credit in ATRS;~~
 - B. ~~The member acknowledges that the waiver cancels his or her concurrent service credit in ATRS; and~~
 - C. ~~The member submits an ATRS approved concurrent service credit waiver form to ATRS. (Arkansas Code § 24-7-601).~~~~
4. ~~If a member waives all or part of the concurrent service credited to him or her in ATRS and has the concurrent service credited to him or her under a reciprocal system, ATRS may refund the employer-accrued contributions and employee-accrued contributions.~~

~~e. Reciprocal Service Credit— Alternate Reciprocal Retirement System~~

1. ~~A member of ATRS may establish reciprocal service credit from an alternate retirement plan if he or she submits an appropriate, approved, and completed ATRS form concerning the reciprocal service credit to ATRS.~~
2. ~~Distributions from an alternate retirement plan may prevent reciprocal service from being established if ATRS is unable to verify that the withdrawals were made without penalty under Internal Revenue Service guidelines concerning rollovers to eligible plans, withdrawals, that are not subject to early withdrawal, etc.~~

~~f. Reciprocal Service Credit— Active Members of APERS~~

1. ~~From July 1, 1991, until December 31, 1991, an active member of APERS may establish reciprocity between APERS and ATRS and purchase out-of-state service rendered before January 1, 1978, in accordance with Arkansas Code §§ 24-7-601 and 24-7-603, if the active member:~~

- A. ~~Was an active member of ATRS before January 1, 1978; and~~
 - B. ~~Became a member of APERS within thirty (30) days of leaving ATRS.~~
- g. ~~Reciprocal Service Credit—Arkansas Rehabilitation Services Employees~~
- 1. ~~Effective July 1, 1993, for a ninety (90) day period, an employee of the Arkansas Rehabilitation Services may transfer his or her membership from APERS to ATRS under Acts 1993, No. 574.~~
 - 2. ~~An employee who transfers his or her membership from APERS to ATRS shall establish reciprocity between the two (2) systems and Acts 1977, No. 793 shall not apply to the employee.~~
- h. ~~Reciprocal Service Credit—Department of Human Services Employees~~
- 1. ~~The law applicable to ATRS shall be used to determine the annuity benefits to which an employee is entitled for service provided before or after Acts 1977, No. 793 if the employee:~~
 - A. ~~Was an employee of the Department of Human Services and became a member of APERS under the provisions of Acts 1977, No. 793, as amended; and~~
 - B. ~~Left employment with the Department of Human Services and became employed in a position covered by ATRS.~~
 - 2. ~~A member meeting the description of this ATRS Rule 6 V.H.1. may establish reciprocity under Acts 1965, No. 488, as amended.~~
- i. ~~Reciprocal Service Credit—Member Entitlement to Deferred Annuity~~
- 1. ~~Pursuant to Arkansas Code § 24-4-401 et seq., a member is entitled to a deferred annuity benefit if the member:~~
 - A. ~~Leaves his or her state employment in a position that is covered by one (1) of the reciprocal systems; and~~
 - B. ~~Enters subsequent state employment in a position that is covered by another of the reciprocal systems.~~
- j. ~~Reciprocal Service Credit—Age and Service Retirement~~
- 1. ~~Annuity Benefit Payments~~
 - A. ~~If ATRS is a member's preceding system, the member's annuity benefit payments shall begin after the member attains the normal age of retirement or on the first day of the month following the month in which the member's retirement application was filed, whichever is later.~~
 - B. ~~If the member has combined service of at least twenty-five (25) years, the normal retirement age requirement shall not apply.~~
 - C. ~~Deferred annuity benefit payments to the member shall not begin before the date on which the member leaves employment with his or her last state employer unless the member attains the normal retirement age.~~

~~2. Applying for Retirement Benefits Before Leaving Employment~~

- ~~A. If ATRS is member's preceding system, the member is eligible to apply for retirement benefits without leaving employment with his or her last state employer upon attaining the normal retirement age.~~
- ~~B. The member's annuity benefit payments shall begin after the member attains the normal retirement age or on the first day of the month following the month in which the member's retirement application is filed, whichever is later.~~
- ~~C. ATRS shall use only service credited to the member and salaries earned by the member before the member's effective retirement date to calculate the member's annuity benefit.~~

~~k. Reciprocal Service Credit — Disability Retirement~~

- ~~1. A member is eligible to apply for disability retirement benefits from each reciprocal system in which the member has credited service according to the rules for eligibility promulgated by that reciprocal system. (Arkansas Code § 24-2-405)~~
- ~~2. The member's disability retirement benefits payable by the preceding reciprocal system shall:
 - ~~A. Begin the first day of the month following the month in which the member's disability retirement application is filed with the preceding system; and~~
 - ~~B. Not begin before the date on which the member leaves employment with his or her last state employer.~~~~

~~l. Reciprocal Service Credit — Survivor Annuity Benefits~~

- ~~1. If survivor annuity benefits are payable by more than one (1) reciprocal system to an eligible survivor of a deceased member, a survivor who receives annuity benefit payments shall not receive, as a percentage of the deceased member's final salary or as a minimum dollar amount, more than the largest amount payable by a single reciprocal system.~~
- ~~2. ATRS shall prorate minimum benefits payable to a survivor with other reciprocal systems that have a minimum benefit provision in their plans.~~
- ~~3. Each reciprocal system shall pay a proportionate share of the minimum benefit based on the ratio of the member's service in that reciprocal system to the member's total service in all the reciprocal systems.~~
- ~~4. If the reciprocal system is an alternate retirement plan, survivor annuity benefits shall be contingent on whether the:
 - ~~A. Alternate retirement plan provides survivor annuity benefits; and~~
 - ~~B. Member selected survivor annuity benefits as a benefit under the alternate retirement plan. (Arkansas Code § 24-2-402(5)).~~~~

VI. Contributory and Noncontributory Service Chart by Year of Entry into System

(Elections and Re-entry may affect Individual Member Service Status)

All Members		
1937 - 1986	All Members	Contributory
1986 - 1991	All Members	Contributory unless elect Noncontributory
1991 - 1999	All Members	Noncontributory unless elect Contributory
School District Employees		
1999 - 2007	Active	One-time election to be Contributory or Noncontributory, no election made by 7/1/2000, status on 6/30/2000
	Inactive	One-time election to be Contributory or Noncontributory upon reentering system, no election then enrolled in the plan that he or she was enrolled in before reentering ATRS
	New	Contract one hundred eighty-one (181) days or more - Contributory - Contract one hundred eighty (180) days or less - Noncontributory, may elect Contributory, election must be made one (1) year from hire date - No contract, member must be noncontributory
2005 - 2021	Nonteacher to Teacher or Administrator	Contract one hundred eighty-one (181) days or more - Contributory. If position change happens during the year, election is effective first of next fiscal year - All Noncontributory members may elect Contributory
	All Members	May elect Contributory

2007 – 2021	New	Contract one hundred eighty-one (181) days or more – Contributory - Contract 180 days or less – <ul style="list-style-type: none"> • Noncontributory, may elect Contributory • No contract – Noncontributory, may elect Contributory
	Inactive	May elect Contributory
2021	Nonteacher to Teacher or Administrator	Contract one hundred eighty-five (185) days or more – Contributory. If position change happens during the year, election is effective first of next fiscal year. All Noncontributory members may elect Contributory
2021 –	All Members	May elect Contributory
	A member with	Contract one hundred eighty-five (185) days or more – Contributory Contract one hundred eight four (184) days or less – Noncontributory, may elect Contributory
	A member with	
	New	No contract – Noncontributory, may elect Contributory unless already Contributory
	Inactive	May elect Contributory
State Agency Employees		
1999 – 2007	Full-Time Employment	Must be Contributory
	Part-Time Employment	Must be Noncontributory
2007 –	Full-Time Employment	Must be Contributory
	Part-Time Employment	Noncontributory, may elect to be Contributory

HISTORY

Adopted:	August 11, 1998	6-10
Amended:	June 15, 2004	6-1
Amended:	July 18, 2005	6-1, 6-2, 6-10
	April 26, 2007	6-1, 6-2, 6-11
	July 1, 2011	(Emergency) 6-1, 6-12
Adopted:	August 8, 2011	6-1, 6-12
Effective:	November 11, 2011	6-1, 6-12
Adopted by Board:	April 2, 2012	6-1
Amended:	May 2, 2012	6-1
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Amended:	May 2, 2012	6-2
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Effective:	February 16, 2018	6-2
Effective:	May 28, 2020	Rule 6
Effective:	May 20, 2022	Rule 6

ATRS Rule 6

Membership and Employer Participation

§ 6-101. Definitions.

As used in this rule:

(1) "Administrator" means:

(A) An employee of a covered employer who is employed in one (1) of the following positions:

(i) Public school superintendent, assistant superintendent, principal, or vice-principal;

(ii) Higher education president, chancellor, or director; or

(iii) Director, president, or vice-president of a community college, vocational or technical school, or educational cooperative; or

(B) An employee who is:

(i) An employee of an education-related agency participating in the Arkansas Teacher Retirement System;

(ii) An active member of the system through his or her employment with the education-related agency; and

(iii) Employed in a GS13 grade position, its equivalent, or above;

(2) "Contributory service" means service on which a member makes or made member contributions to the Arkansas Teacher Retirement System;

(3) "Contributory election" means a member's written election to make member contributions to the Arkansas Teacher Retirement System;

(4) "Noncontributory service" means service on which a member does not make member contributions to the Arkansas Teacher Retirement System and for which the member accepts a reduced retirement annuity for the member's years of noncontributory service;

(5) "Nonteacher" means a member who is not employed as a teacher or administrator;

(6) "Organization" means:

(A) A private entity that:

(i) Provides services to a public school district; and

(ii) Has employees who were previously employed by the public-school district and members of ATRS; or

(B) An educational nonprofit corporation licensed and regulated by the Division of Developmental Disabilities Services of the Department of Human Services;

(7) "Preceding system" means a previous reciprocal retirement system of record;

(8) "Post-secondary higher education plan" or "PSHE plan" means a plan establishing the right of a new employee of a post-secondary or higher education employer to participate in the Arkansas Teacher Retirement System on or after July 1, 2011;

(9) "Reciprocal system" means:

(A) The Arkansas Teacher Retirement System operations as of June 30, 1957, and continued by statutes;

(B) The Arkansas State Highway Employees' Retirement System,

established by Arkansas Code § 24-5-103;

(C) The Arkansas Public Employees' Retirement System established by Arkansas Code § 24-4-103;

(D) The Arkansas State Police Retirement System established by Arkansas Code § 24-6-203;

(E) The Arkansas Judicial Retirement System established by Arkansas Code § 24-8-201;

(F) The Arkansas District Judge Retirement System established by Arkansas Code §§ 24-8-801[repealed] 24-8-824 [repealed];

(G) The Arkansas Local Police and Fire Retirement System provided for under Arkansas Code § 24-10-101; or

(H) An alternate retirement plan **as defined by Arkansas Code § 24-7-202** or an alternate retirement plan for an agency that, through a state reorganization or transformation plan, may be assigned the duties under one (1) or more of the agencies listed in § 6-101(a)(9)(A)-(H);

(10) "State employer" means:

(A) A public employer whose employees are covered under the:

(i) Arkansas Teacher Retirement System;

(ii) Arkansas State Highway Employees' Retirement System (Arkansas Code § 24-5-103);

(iii) Arkansas Public Employees' Retirement System (Arkansas Code § 24-4-103);

(iv) Arkansas State Police Retirement System (Arkansas Code § 24-6-203);

(v) Arkansas Judicial Retirement System (Arkansas Code § 24-8-201); or

(vi) Arkansas District Judge Retirement System (Arkansas Code §§ 24-8-801[repealed] — 24-8-824 [repealed]); or

(B) A public employer that **has an alternate retirement plan as defined by Arkansas Code § 24-7-202**; or

(C) A public employer that is an agency that, through a state reorganization or transformation plan, may be assigned the duties of one (1) or more of the agencies listed in this § 6-101(a)(9)(A)-(B);

(11) "Succeeding system" means the current reciprocal retirement system of record that follows a person's membership in a preceding retirement system; and

(12) "Teacher" means a person employed by a school for the purpose of giving instruction and whose employment requires state teaching licensure.

§ 6-102. Confidentiality of member accounts.

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

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

- (1) The member provides the system with his or her written consent;
 - (2) A valid legal process requires the disclosure of the member's information;
 - (3) Disclosure is necessary for the proper operation and administration of the system and a confidentiality agreement authorizing the disclosure has been executed by the system and the person or entity that will receive the information; or
 - (4) Disclosure of the member's information is authorized by statute.
- (c) Individual member records that are kept for the purpose of compiling information for a member's retirement or Social Security records shall not be open to the public under Arkansas Code § 24-4-1003.

§ 6-103. Submission deadlines.

- (a) Unless otherwise provided by the law, rules, or policy applicable to the Arkansas Teacher Retirement System, any application, form, or other document that is required to be submitted to the system by a specified deadline shall be accepted as timely submitted if the application, form, or other document is e-mailed, faxed, or has a postmark that is on or before the submission deadline.
- (b) If a deadline to submit an application, form, or other document to the system falls on a Saturday, Sunday, or Arkansas State Holiday, the deadline shall be extended to the next business day immediately following the Saturday, Sunday, or Arkansas State Holiday.

§ 6-104. Employee membership in another state retirement system.

Excluding service as a member of the General Assembly, an employee who is eligible for membership in the Arkansas Teacher Retirement System is ineligible for membership in another state retirement system while he or she is employed in a position covered by the Arkansas Teacher Retirement System.

§ 6-105. Erroneous employee membership enrollment.

(a)(1) An employee who was erroneously enrolled in the Arkansas Teacher Retirement before January 1, 1979, shall continue to be a member of the Arkansas Teacher Retirement System if the employee's contributions were not refunded before July 1, 1979.

(2) The employee shall:

(A) Receive service credit for all paid membership service in the Arkansas Teacher Retirement System and any free service creditable under Acts 1973, No. 427 as amended; and

(B) Be entitled to reciprocal service credit as provided by Arkansas Code §§ 24-7-401 — 24-7-408.

(b) Effective July 1, 1979, the Arkansas Teacher Retirement System shall not:

(1) Be required to correct the state retirement system membership of an employee who was erroneously enrolled in another state retirement system before January 1, 1979; and

(2) Accept an employee who was erroneously enrolled in another state retirement system before January 1, 1979, as a member of the Arkansas Teacher Retirement System unless the employee's contributions were refunded before July 1, 1979.

(c)(1) An employee who is erroneously enrolled in a state retirement system on or after January 1, 1979, may elect to remain a member of the system of record or become a member of the eligible retirement system.

(2) If the Arkansas Teacher Retirement System discovers that an employee is erroneously enrolled in another state retirement system on or after January 1, 1979, the Arkansas Teacher Retirement System shall notify both the state employer and employee that the:

(A) Employee is erroneously enrolled in the state retirement system; and

(B) Error may be corrected as provided by Acts 1991, No. 13 or Arkansas Code § 24-2-302 et seq.

§ 6-106. Membership eligibility — Janitors, bus drivers, and cafeteria workers.

An employee shall continue to be a member of the Arkansas Public Employees' Retirement System if the employee:

(1) Was employed before July 1, 1989, as a school janitor, bus driver, or cafeteria worker;

(2) Was enrolled in the Arkansas Public Employees Retirement System under the provision of Acts 1965, No. 63;

(3) Was promoted to a position of school maintenance worker or supervisor, bus mechanic or transportation supervisor, or cafeteria manager, respectively; and

(4) Remains employed in the position to which he or she was promoted.

§ 6-107. Membership eligibility — Nonteaching service employees.

(a) Effective July 1, 2001, an employee whose nonteaching service began before July 1, 1989, and is covered or coverable by the Arkansas Public Employees' Retirement System may elect to be covered by the Arkansas Teacher Retirement System.

(b) An employee shall submit his or her election to be covered by the Arkansas Teacher Retirement System before May 31 on a form provided by the Arkansas Teacher Retirement System.

(c) In accordance with Arkansas Code § 24-7-501, an employee's timely submitted election to be covered by the Arkansas Teacher Retirement System is effective on July 1 of the following year.

§ 6-108. Membership eligibility — College plans.

(a)(1) A member of the Arkansas Teacher Retirement System who was employed by a nonmandatory employer before July 1, 2011, may continue to participate in the system instead of an alternative program offered by the nonmandatory employer if the member continues providing consistent service to the nonmandatory employer.

(2) A nonmandatory employer shall be considered a post-secondary or higher education employer or PSHE employer if the nonmandatory employer enrolls a new eligible member with the system on or after July 1, 2011.

(3) If an eligible nonmandatory employer college elects to offer participation in the Arkansas Teacher Retirement System to its employees, the nonmandatory employer shall report information regularly to the system, on forms approved by the system, as required or permitted by the law applicable to the system.

(b)(1) A PSHE employer may elect to offer participation in the Arkansas Teacher

Retirement System to its employees by fulfilling the requirements of Arkansas Code § 24-7-1605.

(2) In addition to completing and submitting the standard reporting forms required by the system, a PSHE Employer shall provide supplemental reports on any form required, approved, and adopted by the Board of Trustees of the Arkansas Teacher Retirement System.

(c)(1) The participation of new employees hired by a PSHE employer after July 1, 2011, is governed by Arkansas Code § 24-7-1601 et seq.

(2) An employee of a PSHE employer who is hired after July 1, 2011, may participate in a PSHE plan if:

(A) The employee is benefits-eligible as determined by the PSHE employer;

(B) The employee is either:

(i) A vested member of the system at the time of initial employment;

or

(ii) A non-vested member of the system who meets the requirements of a less restrictive PSHE plan adopted by the specific PSHE employer; and

(C) The employee signs an irrevocable PSHE plan participation form provided by the system.

(3) A PSHE plan employee shall remain a member of the system as long as he or she is employed by a PSHE employer.

(4) A PSHE plan employee's election to participate in the system is irrevocable unless the PSHE plan employee obtains a termination refund from the system after his or her election to participate.

§ 6-109. Employer participation — Review of employer participation.

(a) This section applies to an employer that participates in the Arkansas Teacher Retirement System as provided under Arkansas Code § 24-7-202.

(b) Every five (5) years from the effective start date of an employer's participation in the system, the Executive Director of the Arkansas Teacher Retirement System shall review the employer's participation in the system to ensure that the employer meets both federal and state requirements for participation and continued participation in the system.

(c) The executive director's determination concerning whether or not an employer meets the requirements for continued participation in the system shall be presented to the Board of Trustees of the Arkansas Teacher Retirement System for review and appropriate action by the board.

§ 6-110. Employer participation — Application for participation.

(a) An employer that would prefer to participate in and have its employees become members of the Arkansas Teacher Retirement System may submit a written application to the Executive Director of the Arkansas Teacher Retirement System.

(b) An employer's application for participation in the system shall:

(1) Specify a proposed effective date for participation in the system; and

(2) Include the following information and materials:

(A) A certified copy of the articles of incorporation, bylaws, and other organizational documents of employer;

(B) A copy of the employer's:

(i) Most recent three (3) years' annual audited financial statements, including balance sheets, financial statements, and statements of cash flows; or

(ii) If the employer does not have audited financial statements, the year-end compilation reports or internal balance sheet and income statements for the employer;

(C) A copy of the employer's most recent three (3) years' federal and state income tax returns;

(D) A description of the employer's sources of funding, including the percentage of the funds that is provided by the federal or state government and the type of government funding provided;

(E) A description of how the employer's board of directors or board of trustees is selected and whether any governmental agency has input in the selection of the board members;

(F) A description of the types of services provided by the employer; and

(G) A description of each government agency that would be responsible for providing the types of services provided by the employer if the employer did not provide the services.

(c)(1) After the system reviews the employer's application and accompanying information and materials, the system shall:

(A) Determine whether an Internal Revenue Service ruling or IRS Ruling should be requested concerning whether or not the participation of the employees of the employer jeopardizes the system's status as a governmental plan; and

(B) Request any necessary additional information and statements from the employer if the system determines that an IRS Ruling should be requested.

(2) The employer shall provide the system with any additional information and statements requested by system in relation to the IRS Ruling.

(3) The employer shall pay the system three thousand dollars (\$3,000) or the actual cost for fees and costs associated with obtaining the IRS Ruling if the system determines that an IRS Ruling should be requested.

(d)(1) The Board of the Arkansas Teacher Retirement System shall consider and vote on an application for employer participation or continued participation.

(2) When considering an application for employer participation, the board:

(A) Shall consider any relevant constitutional arguments brought to the attention of the executive director concerning the employer's application for employer participation;

(B) Shall consider Rev. Rul. 89-49; and

(C) May consider any other relevant rulings issued by the Internal Revenue Service or the Department of Labor.

§ 6-111. Employer participation — Education-related agencies or organizations.

(a) A person who is employed by an education-related agency or organization is eligible to become a member of the Arkansas Teacher Retirement System if:

(1) The following applies to the person:

(A) The person is employed in a position with an education-related agency or organization;

(2) The person's employment is related to:

- (A) Training public school employees or school board members;
- (B) Teaching public school students; or
- (C) Adult education programs;
- (3) The person's employment is unrelated to private schools;
- (4) The person is or has been a member of the system for a minimum of five (5) years; and
- (5) The person elects to become or remain a member of the system;
- (2) The Board of the Arkansas Teacher Retirement System determines that the participation of the employees employed by the education-related agency or organization will not:
 - (A) Impair the system's legal status, including:
 - (i) The system's tax-qualified and governmental plan status under the Internal Revenue Code, 26 U.S.C. § 1 et seq.; and
 - (ii) The system's governmental plan status under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.;
 - (iii) Subject the system to additional federal requirements;
 - (iv) Have a substantial adverse impact on the system's actuarial soundness; and
 - (3) The education-related agency or organization:
 - (A) Elects to participate in the system;
 - (B) Assumes responsibility for employer contributions;
 - (C) Assumes responsibility for fees for obtaining IRS Rulings or Employee Retirement Income Security Act of 1974 opinions; and
 - (D) Is approved as a covered employer by the board.
- (b) An education-related agency or organization shall:
 - (1) Become a covered employer at the time that an employee elects to become or remain a member of the system; and
 - (2) Be considered a covered employer only for each employee who elects to become or remain a member of the system.

§ 6-112. Employer participation — Private providers.

Effective July 1, 1997, if a public school district privatizes any of its services, a person who is or was employed by the public school district in one (1) or more of the privatized services and who is or has been a member of the Arkansas Teacher Retirement System may elect to remain a member of the system if the:

- (1) The Board of the Arkansas Teacher Retirement System determines that the participation of employees hired by the private provider will not:
 - (A) Impair the system's legal status, including:
 - (i) The system's tax-qualified and governmental plan status under the Internal Revenue Code, 26 U.S.C. § 1 et seq.; and
 - (ii) The system's governmental plan status under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.;
 - (B) Subject the system to additional federal requirements; or
 - (C) Have a substantial adverse impact on the system's actuarial soundness;
- and
- (2) Private provider assumes responsibility for:

(A) Required employer contributions; and
(B) Fees for obtaining IRS Rulings or Employee Retirement Income Security Act of 1974 opinions.

§ 6-113. Employer participation — Educational nonprofit corporations.

Effective July 1, 1997, a person who is employed by a nonprofit corporation is eligible to become a member of the Arkansas Teacher Retirement System if:

(1) The following applies:

(A) The person is employed in a position with an educational nonprofit corporation that is licensed and regulated by the Division of Developmental Disabilities Services of the Department of Human Services;

(B) The person's employment is related to:

(i) Training public school employees or school board members;
Teaching public school students; or

(ii) Adult education programs; and

(C) The person's employment is unrelated to private schools;

(2) The Board of the Arkansas Teacher Retirement System determines that the participation of employees employed by the educational nonprofit corporation will not:

(A) Impair the system's legal status, including:

(i) The system's tax-qualified and governmental plan status under the Internal Revenue Code, 26 U.S.C. § 1 et seq.; and

(ii) The system's governmental plan status under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.;

(B) Subject the system to additional federal requirements; or

(C) Have a substantial adverse impact on the system's actuarial soundness;

and

(3) Nonprofit corporation:

(A) Elects to participate in the system;

(B) Assumes responsibility for employer contributions;

(C) Assumes responsibility for fees for obtaining IRS Rulings or Employee Retirement Income Security Act of 1974 opinions; and

(D) Is approved as a covered employer by the board.

§ 6-114. Contributory election.

(a)(1) A person's initial status as a contributory or noncontributory member of the Arkansas Teacher Retirement System shall be determined by the law in effect at the time the person became a member of the system.

(2) All service rendered before July 1, 1986, is contributory service.

(b)(1) A member's contributory status is irrevocable once the member becomes a contributory member of the system.

(2) A contributory member shall not elect to become a noncontributory member.

(c) A contributory election is valid if the contributory election is:

(1) Made on an election form provided by the system; and

(2) Signed by both the member and the covered employer.

(d)(1) If a member makes a contributory election before the preparation of his or her first salary payment in the fiscal year, the contributory election is effective immediately.

(2) If a member makes a contributory election after the preparation of his or her first salary payment in the fiscal year, the contributory election is effective July 1 of the next fiscal year.

§ 6-115. Contributory election — Noncontributory members.

(a)(1) A noncontributory member may make a contributory election.

(2) If a noncontributory member makes a contributory election before the preparation of the first salary payment to the noncontributory member in the fiscal year, the contributory election is effective immediately.

(3) If a noncontributory member makes a contributory election after the preparation of the first payroll containing the first salary payment to the noncontributory member in the fiscal year, the contributory election is effective July 1 of the next fiscal year.

(4) All service rendered after a contributory election is filed with the Arkansas Teacher Retirement System shall be contributory.

(5) A noncontributory member's contributory election that is filed with the system is irrevocable.

(b) An inactive member shall make contributions on his or her full salary if the inactive member:

(1) Was contributory and earned a maximum salary of seven thousand eight hundred dollars (\$7,800); and

(2) Returns to work on or after July 1, 1995.

(c)(1) An inactive member or rescinding retiree may make a contributory election if the inactive member or rescinding retiree:

(A) Was noncontributory; and

(B) Reenters the Arkansas Teacher Retirement System after June 30, 2007.

(2) If the inactive member or rescinding retiree does not make a contributory election, the inactive member or rescinding retiree shall be enrolled in the plan that he or she was enrolled in before reentering the system.

§ 6-116. Contributory election — Member contracts.

(a) A member who is not under contract may make a contributory election.

(b)(1) A member under contract for one hundred eighty-five (185) days or more shall make contributions to the Arkansas Teacher Retirement System.

(2) A member under contract for one hundred eighty-four (184) days or less may make a contributory election.

(3) If a member enters into a contract with a covered employer after the fiscal year starts, the system may prorate or adjust the number of contracted days to appropriately determine whether the member should be classified as a contributory member or a noncontributory member who may make an election to become a contributory member of the system.

(c)(1) Regardless of a member's earlier noncontributory election, an active member whose status changes from nonteacher to teacher or administrator under contract for one hundred eighty-five days (185) or more shall make member contributions to the system.

(2) An active member's change of status from noncontributory to contributory due to his or her status change from nonteacher to teacher or administrator is effective on the

first day of the next fiscal year if the active member:

(A) Changes status from nonteacher to teacher or administrator during a year in which the active member's service has already been reported as noncontributory; and

(B) Is under contract for one hundred eighty-five (185) days or more.

§ 6-117. Contributory election — State agency employees.

(a) A full-time employee of a state agency covered by the Arkansas Teacher Retirement System shall be contributory.

(b)(1) A part-time employee of a state agency covered by the system shall be noncontributory.

(2) A part-time employee of a state agency covered by the system may make a contributory election.

§ 6-118. Contributory election — Employer reporting errors.

(a)(1) A member shall be considered to be noncontributory for the first year of service with a covered employer if the member:

(A) Was an inactive member who returned to covered employment as an active member after July 1, 1999; and

(B) Is reported incorrectly as noncontributory by his or her covered employer for his or her first year of service with the covered employer.

(2) The Arkansas Teacher Retirement System shall notify the covered employer of the member's contributory status.

(3) The member shall begin making contributions to the system effective the next July 1 following the member's first year of service with the covered employer.

(b)(1) A member shall be considered to be noncontributory for his or her first year of service with a covered employer if the member is a new member of the system and incorrectly reported as noncontributory by his or her covered employer for the first year.

(2) The system shall notify the covered employer of the member's contributory status.

(3) The member shall begin making contributions to the system effective the next July 1 following the member's first year of service with the covered employer and the covered employer shall correctly report the member as contributory.

§ 6-119. Reciprocal service credit.

(a) A member who leaves a position covered by the Arkansas Teacher Retirement System, becomes employed by a reciprocal system, and files a reciprocal service agreement shall become an inactive member of the Arkansas Teacher Retirement System and may be eligible for an annuity benefit according to the annuity benefit formula in effect at the time of the member's effective retirement date.

(b) Minimum benefits under Acts 1965, No. 488, Arkansas Code § 24-2402(5)(E), as amended, for reciprocal service shall not apply unless a member has five (5) or more years of credited service in the Arkansas Teacher Retirement System.

(c)(1) If the Arkansas Teacher Retirement System is a member's preceding system, the Arkansas Teacher Retirement System shall not pay annuity benefits to the member under reciprocity unless the member:

(A) Attains the normal retirement age; or

(B) Leaves his or her employment with his or her state employer.

(2) If the Arkansas Teacher Retirement System is a member's preceding system, the member, after attaining the normal retirement age, is eligible to apply for retirement benefits without leaving his or her employment with his or her last state employer.

(3) The member's annuity benefit payments shall begin after the member attains the normal age of retirement or on the first day of the month following the month in which the member's application is filed, whichever occurs last.

(4) The Arkansas Teacher Retirement System shall only consider service credited to the member and salaries earned by the member before the member's effective retirement date to calculate the member's annuity benefit.

§ 6-120. Reciprocal service credit — Calculation of service credit.

If a member of the Arkansas Teacher Retirement System has service credited during the same fiscal year with another reciprocal system and the combined service is greater than one (1) year of service credit, the Arkansas Teacher Retirement System shall credit service as follows:

(1) If credit by the reciprocal system is less than three (3) months, the Arkansas Teacher Retirement System shall credit service for one (1) year;

(2) If credit by the reciprocal system is three (3) or more months but less than six (6) months, the Arkansas Teacher Retirement System shall credit service for three-fourths (3/4) year;

(3) If credit by the reciprocal system is six (6) or more months but less than nine (9) months, the Arkansas Teacher Retirement System shall credit service for one-half (1/2) year; and

(4) If credit by the reciprocal system is for nine (9) months but less than twelve (12) months, the Arkansas Teacher Retirement System shall credit service for one-fourth (1/4) year.

§ 6-121. Reciprocal service credit — Contributions and repayments.

(a) While an employee participates in a reciprocal system, back contributions, additional contributions, and repayment of refund payments made to the Arkansas Teacher Retirement System shall be made in accordance with the payment method provisions of ATRS Rule 8.

(b) Employer pick-up is prohibited while the employee works for an employer that is not a covered employer of the Arkansas Teacher Retirement System.

§ 6-122. Reciprocal service credit — Concurrent service.

(a) Unless the reciprocal system is the Arkansas Public Employees' Retirement System or an alternate retirement plan, beginning July 1, 2013, the Arkansas Teacher Retirement System shall allow a member who earns concurrent service in both the Arkansas Teacher Retirement System and a reciprocal system to receive full service credit in the Arkansas Teacher Retirement System without reduction of service credit due to the concurrent service.

(b) The Arkansas Teacher Retirement System shall not recognize concurrent service added to a member's credited service in the Arkansas Teacher Retirement System that,

for the purpose of vesting, retirement eligibility, or calculating final average salary, either:

(1) Credits the member with more than one (1) year of credited service for a fiscal year; or

(2) Combines salary earned in the Arkansas Teacher Retirement System and a reciprocal system in a fiscal year.

(c)(1) A member may waive all or part of the concurrent service credited to him or her in the Arkansas Teacher Retirement System and have the concurrent service credited to him or her under a reciprocal system if:

(A) The member acknowledges that the waiver is a voluntary surrender of the member's concurrent service credit in the Arkansas Teacher Retirement System;

(B) The member acknowledges that the waiver cancels his or her concurrent service credit in the Arkansas Teacher Retirement System; and

(C) The member submits to the Arkansas Teacher Retirement System a concurrent service credit waiver form approved by the Arkansas Teacher Retirement System.

(2) If a member waives all or part of the concurrent service credited to him or her in the Arkansas Teacher Retirement System and has the concurrent service credited to him or her under a reciprocal system, the Arkansas Teacher Retirement System may refund the employer-accrued contributions and employee-accrued contributions.

§ 6-123. Reciprocal service credit — Alternate retirement plans.

(a) A member of the Arkansas Teacher Retirement System may establish reciprocal service credit from an alternate retirement plan if he or she completes and submits a request to establish the reciprocal service credit on a form approved by the Arkansas Teacher Retirement System.

(b) Distributions from an alternate retirement plan may prevent reciprocal service from being established if the Arkansas Teacher Retirement System is unable to verify that the withdrawals were made without penalty under Internal Revenue Service guidelines concerning rollovers to eligible plans, withdrawals, that are not subject to early withdrawal, etc.

§ 6-124. Reciprocal service credit — Arkansas Public Employees' Retirement System.

From July 1, 1991, until December 31, 1991, an active member of the Arkansas Public Employees' Retirement System may establish reciprocity between the Arkansas Public Employees' Retirement System and the Arkansas Teacher Retirement System and purchase out-of-state service rendered before January 1, 1978, in accordance with Arkansas Code §§ 24-7-601 and 24-7-603, if the active member:

(1) Was an active member of the Arkansas Teacher Retirement System before January 1, 1978; and

(2) Became a member of the Arkansas Public Employees' Retirement System within thirty (30) days of leaving the Arkansas Teacher Retirement System.

§ 6-125. Reciprocal service credit — Arkansas Rehabilitation Services.

(a) Effective July 1, 1993, for a ninety (90) day period, an employee of the Arkansas Rehabilitation Services may transfer his or her membership from the Arkansas Public

Employees' Retirement System to the Arkansas Teacher Retirement System under Acts 1993, No. 574.

(b) An employee who transfers his or her membership from the Arkansas Public Employees' Retirement System to the Arkansas Teacher Retirement System shall establish reciprocity between the two (2) systems and Acts 1977, No. 793 shall not apply to the employee.

§ 6-126. Reciprocal service credit — Department of Human Services.

(a) The law applicable to the Arkansas Teacher Retirement System shall be used to determine the annuity benefits to which an employee is entitled for service provided before or after Acts 1977, No. 793 if the employee:

(1) Was an employee of the Department of Human Services and became a member of the Arkansas Public Employees' Retirement System under the provisions of Acts 1977, No. 793, as amended; and

(2) Left employment with the Department of Human Services and became employed in a position covered by the Arkansas Teacher Retirement System.

(b) A member meeting the description of § 6-125(a) may establish reciprocity under Acts 1965, No. 488, as amended.

§ 6-127. Reciprocal service credit — Effective date of benefits.

(a)(1) If the Arkansas Teacher Retirement System is a member's preceding system, the member's annuity benefit payments shall begin after the member attains the normal age of retirement or on the first day of the month following the month in which the member's retirement application was filed, whichever is later.

(2) If the member has combined service of at least twenty-five (25) years, the normal retirement age requirement shall not apply.

(3)(A) Deferred annuity benefit payments to the member shall not begin before the date on which the member leaves employment with his or her last state employer unless the member attains the normal retirement age.

(B) A member is entitled to a deferred annuity benefit if the member:

(i) Leaves his or her state employment in a position that is covered by one (1) of the reciprocal systems; and

(ii) Enters subsequent state employment in a position that is covered by another of the reciprocal systems.

(b)(1) If the Arkansas Teacher Retirement System is the member's preceding system, the member is eligible to apply for retirement benefits without leaving employment with his or her last state employer upon attaining the normal retirement age.

(2) The member's annuity benefit payments shall begin after the member attains the normal retirement age or on the first day of the month following the month in which the member's retirement application is filed, whichever is later.

(3) The Arkansas Teacher Retirement System shall use only service credited to the member and salaries earned by the member before the member's effective retirement date to calculate the member's annuity benefit.

(c)(1) A member is eligible to apply for disability retirement benefits from each reciprocal system in which the member has credited service according to the rules for eligibility promulgated by that reciprocal system.

(2) The member’s disability retirement benefits payable by the preceding reciprocal system shall:

(A) Begin the first day of the month following the month in which the member’s disability retirement application is filed with the preceding system; and

(B) Not begin before the date on which the member leaves employment with his or her last state employer.

§ 6-128. Reciprocal service credit — Survivor annuity benefits.

(a) If survivor annuity benefits are payable by more than one (1) reciprocal system to an eligible survivor of a deceased member, a survivor who receives annuity benefit payments shall not receive, as a percentage of the deceased member’s final salary or as a minimum dollar amount, more than the largest amount payable by a single reciprocal system.

(b)(1) The Arkansas Teacher Retirement System shall prorate minimum benefits payable to a survivor with other reciprocal systems that have a minimum benefit provision in their plans.

(2) Each reciprocal system shall pay a proportionate share of the minimum benefit based on the ratio of the member’s service in that reciprocal system to the member’s total service in all the reciprocal systems.

(c) If the reciprocal system is an alternate retirement plan, survivor annuity benefits shall be contingent on whether the:

(1) Alternate retirement plan provides survivor annuity benefits; and

(2) Member selected survivor annuity benefits as a benefit under the alternate retirement plan.

Contributory and Noncontributory Service Chart by Year of Entry into System

(Elections and Re-entry may affect Individual Member Service Status)

<u>All Members</u>		
<u>1937 - 1986</u>	<u>All Members</u>	<u>Contributory</u>
<u>1986 - 1991</u>	<u>All Members</u>	<u>Contributory unless elect Noncontributory</u>
<u>1991 - 1999</u>	<u>All Members</u>	<u>Noncontributory unless elect Contributory</u>
<u>School District Employees</u>		
<u>1999 - 2007</u>	<u>Active</u>	<u>One-time election to be Contributory or Noncontributory, no election made by 7/1/2000, status on 6/30/2000</u>

	<u>Inactive</u>	<u>One-time election to be Contributory or Noncontributory upon reentering system, no election then enrolled in the plan that he or she was enrolled in before reentering ATRS</u>
	<u>New</u>	<u>Contract one hundred eighty-one (181) days or more - Contributory</u> - <u>Contract one hundred eighty (180) days or less - Noncontributory, may elect Contributory, election must be made one (1) year from hire date</u> - <u>No contract, member must be noncontributory</u>
<u>2005 - 2021</u>	<u>Nonteacher to Teacher or Administrator</u>	<u>Contract one hundred eighty-one (181) days or more - Contributory. If position change happens during the year, election is effective first of next fiscal year</u> - <u>All Noncontributory members may elect Contributory</u>
<u>2007 - 2021</u>	<u>All Members</u>	<u>May elect Contributory</u>
	<u>New</u>	<u>Contract one hundred eighty-one (181) days or more - Contributory</u> - <u>Contract 180 days or less –</u> • <u>Noncontributory, may elect Contributory</u> • <u>No contract — Noncontributory, may elect Contributory</u>
	<u>Inactive</u>	<u>May elect Contributory</u>
<u>2021</u>	<u>Nonteacher to Teacher or Administrator</u>	<u>Contract one hundred eighty-five (185) days or more - Contributory. If position change happens during the year, election is effective first of next fiscal year.</u> <u>All Noncontributory members may elect Contributory</u>
<u>2021 -</u>	<u>All Members</u>	<u>May elect Contributory</u>

	<u>A member with</u>	<u>Contract one hundred eighty-five (185) days or more - Contributory</u>
	<u>A member with</u>	<u>Contract one hundred eight-four (184) days or less - Noncontributory, may elect Contributory</u>
	<u>New</u>	<u>No contract – Noncontributory, may elect Contributory unless already Contributory</u>
	<u>Inactive</u>	<u>May elect Contributory</u>
<u>State Agency Employees</u>		
<u>1999 - 2007</u>	<u>Full-Time Employment</u>	<u>Must be Contributory</u>
	<u>Part-Time Employment</u>	<u>Must be Noncontributory</u>
<u>2007 -</u>	<u>Full-Time Employment</u>	<u>Must be Contributory</u>
	<u>Part-Time Employment</u>	<u>Noncontributory, may elect to be Contributory</u>

Authority: Arkansas Code §§ 24-2-202, 24-2-401 — 24-2-408, 24-7-202, 24-7-406, 24-7-501, 24-7-502, and 24-7-1601 — 24-7-1607.

History

<u>Adopted:</u>	<u>August 11, 1998</u>	<u>6-10</u>
<u>Amended:</u>	<u>June 15, 2004</u>	<u>6-1</u>
<u>Amended:</u>	<u>July 18, 2005</u>	<u>6-1, 6-2, 6-10</u>
	<u>April 26, 2007</u>	<u>6-1, 6-2, 6-11</u>
	<u>July 1, 2011</u>	<u>(Emergency) 6-1, 6-12</u>
<u>Adopted:</u>	<u>August 8, 2011</u>	<u>6-1, 6-12</u>
<u>Effective:</u>	<u>November 11, 2011</u>	<u>6-1, 6-12</u>
<u>Adopted by Board:</u>	<u>April 2, 2012</u>	<u>6-1</u>
<u>Amended:</u>	<u>May 2, 2012</u>	<u>6-1</u>
<u>Effective:</u>	<u>September 4, 2012</u>	<u>6-1</u>
<u>Amended:</u>	<u>May 2, 2012</u>	<u>6-2</u>

<u>Effective:</u>	<u>September 4, 2012</u>	<u>6-2</u>
<u>Approved by Board:</u>	<u>July 26, 2013</u>	<u>6-2, 6-12</u>
<u>Amended:</u>	<u>October 9, 2013</u>	<u>6-2, 6-12</u>
<u>Effective:</u>	<u>November 8, 2013</u>	
<u>Approved by Board:</u>	<u>February 5, 2018</u>	<u>6-2</u>
<u>Effective:</u>	<u>February 16, 2018</u>	<u>6-2</u>
<u>Effective:</u>	<u>May 28, 2020</u>	<u>Rule 6</u>
<u>Effective:</u>	<u>May 20, 2022</u>	<u>Rule 6</u>
<u>Effective:</u>	<u>TBD</u>	<u>Rule 6</u>

ATRS RULE 7
SERVICE CREDIT, CONTRIBUTIONS, REPORTING, AND FINAL AVERAGE
SALARY

Arkansas Code §§ ~~24-2-701, 24-7-103, 24-7-202, 24-7-401, 24-7-406, 24-7-411,~~
~~24-7-601 — 24-7-611, 24-7-705, 24-7-708, 24-7-736, and 24-7-1303~~

I. Definitions

- a. ~~“Actual service” means service rendered in a position covered by the Arkansas Teacher Retirement System (ATRS), not including purchased service credit, free service credit, or reciprocal service;~~
- b. ~~“Credited service” means service that is creditable as service by ATRS;~~
- c. ~~“Covered employer” as it relates to outsourcing means a public school, public educational agency, or other eligible employer participating in ATRS;~~
- d. ~~“Eligible employee” for the purpose of salary or compensation limitations concerning the calculation of a final average salary means a person who was a member of ATRS before the first plan year beginning after December 31, 1995;~~
- e. ~~“Embedded Employee” means a person who:~~
 - 1. ~~Provides an outsourced service on the premises of a covered employer; and~~
 - 2. ~~Is employed and paid by an outsource contractor;~~
 - 3. ~~Is not employed by:~~
 - A. ~~A covered employer listed under Arkansas Code § 24-7-202; or~~
 - B. ~~An employer that offers ATRS as optional retirement plan as of the date of outsourcing;~~
- f. ~~“Full service year” means employment by with a covered employer for one hundred sixty (160) days or more in a fiscal year;~~
- g. ~~“Partial service year” means employment with a covered employer for less than one hundred sixty (160) days in a fiscal year;~~
- h. ~~“Participating employer” means a covered employer that outsources and opts for the embedded employees of all of the covered employer’s outsource contractors to become members of ATRS;~~
- i. ~~“Service” means employment rendered as an employee;~~
- j. ~~“Specialized support position” means a position requiring less than eight (8) working hours per day, including without limitation the positions of bus driver, custodial worker, and cafeteria worker;~~
- k. ~~“Surcharge employer” means a covered employer that outsources and pays a surcharge to ATRS in lieu of opting for the embedded employees of outsource contractors to accrue credited service in ATRS; and~~

~~I. "Youth participant" means an individual:~~

~~1. Who is:~~

~~A. Enrolled in a secondary public school as a student; and~~

~~B. Employed through his or her participation in a summer work program for a period between the first day of June and the last day of August; and~~

~~2. Whose compensation is disbursed by a covered employer as part of an agreement between the covered employer and an administrator of the summer work program that designates the covered employer as a passthrough fiscal agent.~~

II. Service Credit

~~a. Generally~~

~~1. The Board of the Arkansas Teacher Retirement System (Board) shall determine the:~~

~~A. Number of years and corresponding fractions for service that may be credited to a member; and~~

~~B. Amount of service to be credited to a member.~~

~~2. A member shall earn one (1) year of credited service if the member completes a full service year.~~

~~3. A member shall not earn more than one (1) year of credited service in a fiscal year.~~

~~4. ATRS shall certify proof of a member's service on forms and with documentation required by ATRS.~~

~~b. Unused Leave~~

~~1. Unless otherwise provided by law, paid or unpaid accrued, unused sick leave shall not be credited as service in ATRS.~~

~~2. If a member dies during active service on or after July 1, 2013, the member's unused catastrophic leave and unused donated leave shall not be credited as service.~~

~~c. Contract Buyouts, Settlements, Claims, Awards, and Court-Ordered Payments~~

~~1. A member shall not accumulate service credit in ATRS during the time that payments under a contract buyout agreement, settlement, claim, judgment, arbitration award, decree, or court-ordered payment are paid to the member by a covered employer unless the member continues to work on-site for the covered employer.~~

~~2. A member shall not receive service credit or additional salary from ATRS under a settlement agreement or court order unless purchased at actuarial cost.~~

~~d. Service Provided After July 1, 1971~~

- ~~1. Actual service credited to a member with service after July 1, 1971, shall be as follows:~~

Number of Days Worked in a Fiscal Year	Service Credit Earned
1-39	None
40-79	0.25 year
80-119	0.50 year
120-159	0.75 year
160 days or over	1.00 year

~~e. Members Employed for Less Than Forty (40) Days~~

- ~~1. Unless otherwise provided by the law applicable to ATRS or the ATRS Rules, a member who is employed for less than forty (40) days during a fiscal year is ineligible for credited service or retirement benefits for that fiscal year.~~

~~f. Rollover Service Days~~

- ~~1. Beginning in the 2011-2012 fiscal year, a contributory member's service days shall be carried forward from previous fiscal years until at least forty (40) days of service are earned by the member.~~
- ~~2. Service days shall not be carried forward for a contributory member if the member earns at least forty (40) days of service in a fiscal year by using regular service days, accumulated service days, or both regular service and accumulated service days.~~

~~g. Full-Time Employees~~

- ~~1. A member who is employed full-time or employed in a position for which a regular or typical work day includes at least eight (8) working hours shall earn one (1) day of credited service if the member works for at least four (4) hours of the eight-hour working day.~~

~~h. Employees in Specialized Support Positions~~

~~1. Employment with Less Than Eight-Hour Working Days~~

- ~~A. Beginning July 1, 2011, a member employed in a specialized support position shall earn one (1) day of credited service if the:~~

~~i. Specialized support position is certified as a specialized support position to ATRS; and~~

- ~~ii. Covered employer reasonably determines that the member performed the regular and usual service expected of an employee in that position during the work day.~~

~~2. Employment with Unspecified Contractual Work Days~~

~~A. A member who is employed in a specialized support position and does not have a contractual obligation to work a specified number of days shall earn one (1) day of credited service for each day of service provided by the member.~~

~~B. A member described in this ATRS Rule 7 II.h.2.A shall earn one (1) day of credited service for each day of service provided by the member regardless of whether the member works for less than four (4) hours on a work day.~~

~~i. Employees in Non-Specialized Support Positions~~

~~1. The credited service earned by a member who is employed in a nonspecialized support position and does not work for at least four (4) hours each working day shall be calculated by dividing the total number of hours worked by the member in a fiscal quarter by four (4).~~

III. Member and Employer Contributions

~~a. Contributions — Generally~~

~~1. The Board shall annually set member and employer contribution rates for the following fiscal year.~~

~~2. ATRS shall notify annually each covered employer of the contribution rates set by the Board.~~

~~3. A member's and covered employer's contributions are due monthly, regardless of the member's concurrent membership status.~~

~~b. Member Contributions~~

~~1. Authority of the Board~~

~~A. The Board shall not set the member contribution rate at less than six percent (6%).~~

~~B. The Board may increase the member contribution rate to maintain actuarial soundness.~~

~~2. Contribution Rate~~

~~A. A contributory member shall contribute the percentage of his or her salary that is set by the Board.~~

~~B. A member's contribution is due monthly, regardless of the member's concurrent membership status.~~

~~3. Remittance of Member Contributions by Covered Employer~~

~~A. A covered employer shall remit member contributions by pick-up from the salary earned by each member.~~

~~B. Member contributions shall be treated as employer contributions under the applicable provisions of the Internal Revenue Code and the Income Tax Act of 1929, Arkansas Code § 26-51-101 et seq.~~

- C. ~~A covered employer may remit a member's contributions by implementing a:
 - i. ~~Reduction in the cash salary of the member;~~
 - ii. ~~Setoff against the member's future salary increases;~~
 - iii. ~~Both a reduction in the cash salary of the member and a setoff against the member's future salary increases.~~~~

~~c. Employer Contributions — Public School Employers and Covered Employers~~

~~1. Covered Employers and Public School Employers~~

- A. ~~A covered employer's employer contributions shall be the sum of the current employer contribution rate set by the Board for the fiscal year multiplied by the total gross salaries of all the covered employer's employees.~~
- B. ~~A public school employer shall pay up to fourteen percent (14%) of the employer contribution rate.~~
- C. ~~Up to fifteen percent (15%) of any additional employer contributions required from a public school employer shall be paid from additional funds appropriated by the state for the purpose of paying employer contributions to ATRS.~~

~~2. Employer Contributions Not Paid by the Department of Education~~

- A. ~~A covered employer shall pay annually, for its employees, employer contributions that are not required to be paid by the Department of Education.~~
- B. ~~The employer contribution rate shall be the current state contribution percent multiplied by the total covered salaries of the covered employer's employees in the fiscal year.~~

~~3. Employer Contributions Paid by the Department of Education~~

- A. ~~In accordance with rules established by the Board and the Department of Education's appropriations act, the Department of Education shall pay employer contributions due for eligible employees of covered employers, including without limitation the following:
 - i. ~~State agencies as allowed under the Transformation and Efficiencies Act, Acts 2019, No. 910;~~
 - ii. ~~Cooperative Education Services Areas;~~
 - iii. ~~Vocational Centers;~~
 - iv. ~~Arkansas Easter Seals; and~~
 - v. ~~A school operated by the Corrections School System.~~~~
- B. ~~The Department of Education shall pay the employer contributions for eligible employees of covered employers from the Public School Fund.~~

~~C. At the close of each quarterly report, ATRS shall report the amount of employer contributions due from the Department of Education.~~

~~D. The employer contributions due from the Department of Education shall be based on the salaries of the eligible employees reported to ATRS by each covered employer.~~

~~d. Employer Contributions — Participating Employers~~

~~1. The Board shall annually notify each participating employer of the employer contribution rate established by the Board for the upcoming fiscal year.~~

~~e. Employer Contributions — Surcharge Employers 1. A surcharge employer's employer contributions shall be a monthly surcharge on the total salaries paid to all the surcharge employer's embedded employees on an aggregate basis as provided under Arkansas Code § 24-7506(c).~~

IV. Employer Reports

~~a. Generally~~

~~1. A covered employer shall submit:~~

~~A. Reports and supporting documentation required by ATRS on a monthly and quarterly basis; and~~

~~B. Reports and supporting documentation electronically to ATRS on forms approved by ATRS.~~

~~b. Covered Employers~~

~~1. Youth Participant — Summer Work Programs~~

~~A. At the request of ATRS, a covered employer shall provide ATRS with a memorandum of understanding, partnership agreement, or another similar document related to the covered employer's actions as a passthrough fiscal agent for a youth participant in a summer work program.~~

~~B. A covered employer shall provide ATRS with all documents related to the agreement designating the covered employer as a pass-through fiscal agent before disbursing compensation to a youth participant.~~

~~C. A covered employer that acts as a pass-through fiscal agent shall not report a youth participant as an employee for ATRS purposes.~~

~~2. Twenty-Six (26) Week Payroll~~

~~A. A covered employer that uses a twenty-six week payroll system shall report an employee's salary, contributions, and actual working days through the current fiscal year ending June 30 if the employee is a member of ATRS and retiring.~~

~~B. If an employee is a member of ATRS and retiring effective July 1, a covered employer shall not:~~

~~i. Withhold contributions on a salary earned by the member after the close of payroll for the current fiscal year; and~~

~~A. A report and supporting documentation submitted by a covered employer shall not be considered untimely if:~~

~~i. The report and supporting documentation are received by ATRS on the tenth (10th) day of the month in which the report and supporting documentation are due; or~~

~~ii. In the case of a covered employer that obtains a waiver as provided under this ATRS Rule 7 IV.d.2. or is unable to electronically submit a report and supporting documentation, the report and supporting documentation are mailed and postmarked by the fourteenth (14th) day of the month.~~

~~a. If the fourteenth (14th) day of the month falls on a Saturday, Sunday, or holiday, the postmarked date shall be the next business day.~~

~~4. Failure to Submit Report or Remit Contributions and Penalties~~

~~A. Late Fee for Untimely Reports~~

~~i. A one hundred fifty dollar (\$150) late fee shall be assessed on a covered employer for each occurrence in which a report and supporting documentation is untimely submitted to ATRS.~~

~~B. Interest Penalty~~

~~i. If a covered employer does not remit member or employer contributions, including surcharge contributions, by the monthly due date, ATRS shall assess an interest penalty equal to ATRS' actuarially assumed rate of return on investments and daily interest accrual against the covered employer until the member or employer contributions, whichever is applicable, are paid.~~

~~ii. The Board or its designee, in its discretionary authority, may waive an interest penalty assessed against a covered employer if:~~

~~a. The delinquency is not a result of the covered employer's nondisclosure, fraud, or other misrepresentation; and~~

~~b. Based on the facts and circumstances, payment of the penalty interest would be unduly penal, burdensome, or manifestly unjust.~~

~~iii. The Board shall not instruct the Executive Director of ATRS (executive director) to waive one (1) or more interest penalties assessed against a covered employer if the amount will exceed one thousand dollars (\$1,000) for the fiscal year.~~

~~iv. A covered employer may submit an interest penalty waiver request for one (1) or more interest penalties exceeding one thousand dollars (\$1,000) for the fiscal year to the Board.~~

~~v. The executive director shall report each interest penalty waived under this ATRS Rule 7 IV.d.4.B to the Board.~~

~~5. Report to Chief Fiscal Officer of the State~~

- ~~A. ATRS may certify the names of each covered employer that fails to timely report and remit member or employer contributions, including surcharge contributions, to the Chief Fiscal Officer of the State.~~
- ~~B. After receiving the certification from ATRS, the Chief Fiscal Officer of the State may direct a transfer of funds on deposit in the State Treasury for the payment of delinquent member or employer contributions and an assessed interest penalty. (Arkansas Code § 19-5-106)~~

~~6. Refunds~~

~~A. Service History Conflicts~~

- ~~i. A conflict in a member's service history due to concurrent service shall be resolved at the end of the fiscal year and ATRS shall issue refunds as appropriate.~~

~~B. Overpayments and Underpayments~~

- ~~i. ATRS shall return overpayments of employee contributions and employer contributions resulting from erroneous contribution submissions or incorrect reporting of Salary Option 2 member salaries (first seven thousand eight hundred dollars (\$7,800)) to the appropriate covered employer.~~
- ~~ii. Contribution Overpayments~~
 - ~~a. ATRS shall send written notification to a covered employer of a contribution overpayment that is less than the de minimis amount that may be refunded.~~
 - ~~b. A contribution overpayment that is less than the de minimis amount shall not be refunded to the appropriate covered employer unless the covered employer submits a written request for a refund to ATRS within fourteen (14) days of receiving the written notice of the contribution overpayment from ATRS.~~
 - ~~c. If a covered employer does not submit a written request for a refund within fourteen (14) days of receiving the written notice of the contribution overpayment from ATRS, the amount of the contribution overpayment shall be forfeited to the trust assets of ATRS.~~

~~iii. Contribution Underpayments~~

- ~~a. ATRS shall not collect a contribution underpayment of less than the de minimis amount from a covered employer.~~

V. Final Average Salary

a. Salary Limitations

1. Authority of the Board
 - A. The Board may adopt rules to modify the definition of salary for the purpose of calculating ATRS retirement benefits. (Arkansas Code § 24-7202)
2. Salary—Multiple Covered Employers
 - A. ATRS shall include the salary received from each of a member's covered employers when calculating the member's final average salary.
3. Internal Revenue Code § 401(a)(17)
 - A. Regardless of any provision in a state statute, rule, or regulation to the contrary, remuneration, salary, or other compensation that exceeds the limitations set forth provided in the Internal Revenue Code of 1986, 26 U.S.C. § 401(a)(17), as it existed on January 1, 2011, shall not be used for the purposes of calculating the final average salary on which ATRS benefits are based.
 - B. The limitation on remuneration, salary, or compensation for an eligible employee shall not be less than the amount that was allowed to be considered by ATRS as in effect on July 1, 1993.
4. Excluded Remuneration, Salary, or Compensation
 - A. ATRS shall not consider remuneration, salary, or compensation paid by a covered employer to a member as a salary earned by the member if the:
 - i. Remuneration, salary, or compensation is paid as an incentive payment, bonus, separation payment, additional salary, or special payment in consideration for the member's agreement to retire, terminate employment, or not renew a contract with the covered employer;
 - ii. Offer described in this ATRS Rule 7 V.a.4.A.i. is extended by the covered employer to two (2) or more members;
 - iii. Remuneration, salary, or compensation is not offered as an additional salary or payment for the purchase of service credit that is part of a separation agreement resulting from the resolution of a claim of wrongful termination;
 - iv. Remuneration, salary, or compensation is not payment for accumulated, unused sick leave that:
 - a. Accrued in the years immediately preceding the member's termination of covered employment; and
 - b. Were in excess of the number of sick days that the covered employer allowed the member to carry forward;

- v. ~~Covered employer offers a voluntary early retirement incentive plan, staff reduction plan, or buyout plan that would require the member as a participant of the plan to retire or terminate his or her employment with the covered employer; and~~
 - vi. ~~Member voluntarily participates in the plan in exchange for the remuneration, salary, or compensation offered by the covered employer.~~
- B. ~~A covered employer shall not withhold a member's contributions or pay employer contributions from a remuneration, salary, or compensation paid to a member if the remuneration, salary, or compensation is subject to a salary limitation as provided by this ATRS Rule 7.~~
- C. ~~A covered employer that offers an early retirement plan, separation, plan, or contract nonrenewal plan and intends to pay remuneration, salary, or compensation that is subject to a salary limitation as provided by this ATRS Rule 7 shall notify ATRS before making a payment under the plan.~~
- D. ~~At the request of a covered employer, ATRS shall:~~
- i. ~~Review a potential plan or payment that may be subject to a salary limitation as provided by this ATRS RULE 7; and~~
 - ii. ~~Provide guidance to the covered employer concerning the applicability of the salary limitation to the plan or payment.~~
- E. ~~A covered employer may appeal ATRS' decision concerning the applicability of a salary limitation to a plan or payment to the Board using ATRS' appeal procedures provided in ATRS Rule 13.~~
5. ~~Conflict of Laws~~
- A. ~~The law applicable to ATRS and the ATRS Rules shall be controlling if a conflict exists between ATRS' calculation of final average salary and a covered employer's laws or policies concerning the compensation of final average salary.~~
- b. ~~Service Years Included in Computation of Final Average Salary~~
- 1. ~~Unused Leave~~
 - A. ~~If a member dies during active service on or after July 1, 2013, the member's paid or unpaid accrued, unused sick leave, shall be credited as service in the fiscal year of the member's death for the purpose of determining the member's retirement eligibility, final average salary, and eligibility for other ATRS benefits.~~
 - 2. ~~Full Service and Partial Service Years~~
 - A. ~~A partial service year shall be excluded from the calculation of a member's final average salary unless the:~~
 - i. ~~Partial service year is higher than a full service year; or~~
 - ii. ~~Member has less than the required number of years to calculate a~~

final average salary.

3. ~~Number of Service Years Used to Calculate Final Average Salary~~
 - A. ~~The Board shall set annually the applicable number of years to be used in computing final average salary for retirement benefits at not less three (3) years and not more than five (5) years.~~
 - B. ~~Unless otherwise provided by law applicable to ATRS or the ATRS Rules, effective July 1, 2018, ATRS shall calculate a member's final average salary using the five (5) years in which the member received the highest salary from a covered employer.~~
 - C. ~~Members with Insufficient Credited Service or Full Service Years~~
 - i. ~~If a member has less than the minimum number of years of credited service that would be used to calculate a final average salary, the member's final average salary shall be the total salary paid to the member for his or her years of credited service divided by the member's total credited years of service.~~
 - ii. ~~If a member does not have full service years for the total years of service used in the calculation of final average salary, the Board may establish by rule a fair base salary for a member's final average salary for purposes of comparing the member's highest salary years.~~
 - D. ~~Active Members with Three (3) Full Service Years as of July 1, 2018~~
 - i. ~~For an active member who has three (3) or more full service years as of July 1, 2018, ATRS shall:~~
 - a. ~~Treat the active member as if he or she was retiring or entering the Teacher Deferred Retirement Option Plan (TDROP) as of June 30, 2018; and~~
 - b. ~~Determine the benchmark final average salary using the highest salary from the member's three (3) full service years through fiscal year 2018.~~
 - ii. ~~A final average salary calculation using three (3) full service years shall be the benchmark comparison for a five-year final average salary calculation to which the active member may be entitled.~~
 - iii. ~~ATRS shall calculate the active member's final average salary using the five (5) years in which the active member received the highest salary from a covered employer if at the time of the active member's retirement using a five-year calculation of the final average salary is higher than using a three-year calculation.~~
 - E. ~~Inactive Members Who May Have Three (3) Full Service Years of July 1, 2018~~
 - i. ~~ATRS shall not use a benchmark final average salary for an inactive member unless the inactive member provides ATRS with~~

appropriate documentation showing that the inactive member was active in a reciprocal system or alternate retirement plan during the 2018 fiscal year.

F. Members with Reciprocal Service Credit

- i. For a member with reciprocal service credit, ATRS shall use the highest final average salary calculated, at the time of the member's retirement, by ATRS or a reciprocal system in which the member has at least two (2) years of service credit pursuant to Arkansas Code § 24-2-402.

HISTORY		
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Amended:	June 17, 2003	7-4
Amended:	April 6, 2004	7-4
Reaffirmed:	June 15, 2004	7-4
Amended:	July 18, 2005	7-1, 7-2, 7-3, 7-4
Amended:	April 26, 2007	7-4
Amended:	February 11, 2008	7-3, 7-4
Amended:	June 16, 2009	7-1, 7-2 (Emergency)
Amended:	October 5, 2009	7-1, 7-2 (Permanent)
Amended:	December 18, 2009	7-3, 7-4
Amended:	July 1, 2011	7-1, 7-2 (Emergency)
Adopted:	August 8, 2011	7-1, 7-2
Effective:	November 11, 2011	7-1, 7-2
Board Approved:	February 6, 2012	7-2, 7-4
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~~Effective: May 28, 2020 Rule 7~~

~~Effective: May 20, 2022 Rule 7~~

ATRS Rule 7 Service Credit, Contributions, and Reporting

§ 7-101. Definitions.

As used in this rule:

(1) "Actual service" means service rendered in a position covered by the Arkansas Teacher Retirement System, not including purchased service credit, free service credit, or reciprocal service;

(2) "Credited service" means service that is credited as service by the system;

(3) "Covered employer" as it relates to outsourcing means a public school, public educational agency, or other eligible employer participating in the system;

(4) "Embedded Employee" means a person who:

(A) Provides an outsourced service on the premises of a covered employer;

(B) Is employed and paid by an outsource contractor; and

(C) Is not employed by:

(i) A covered employer listed under Arkansas Code § 24-7-202; or

(ii) An employer that offers the system as an optional retirement plan

as of the date of outsourcing;

(5) "Full service year" means employment with a covered employer for one hundred sixty (160) days or more in a fiscal year;

(6) "Participating employer" means a covered employer that outsources and opts for the embedded employees of all of the covered employer's outsource contractors to become members of the system;

(7) "Service" means employment rendered as an employee;

(8) "Specialized support position" means a position that:

(A) Requires less than eight (8) working hours per day, including without limitation the positions of bus driver, custodial worker, and cafeteria worker; and

(B) A covered employer certifies as a specialized support position to the system;

(9) "Surcharge employer" means a covered employer that outsources and pays a surcharge to the system; and

(10) "Youth participant" means a person:

(A) Who is:

(i) Enrolled in a secondary public school as a student; and

(ii) Employed through his or her participation in a summer work program for a period between the first day of June and the last day of August; and

(B) Whose compensation is disbursed by a covered employer as part of an agreement between the covered employer and an administrator of the summer work program that designates the covered employer as a passthrough fiscal agent.

§ 7-102. Service credit.

(a) The Board of the Arkansas Teacher Retirement System shall determine the:

(1) Number of years and corresponding fractions for service that may be credited to a member; and

(2) Amount of service to be credited to a member.

(b)(1) A member shall earn one (1) year of credited service if the member completes a full service year.

(2) A member shall not earn more than one (1) year of credited service in a fiscal year.

(3) The Arkansas Teacher Retirement System shall certify proof of a member's service on forms and with documentation required by the system.

(c)(1) Unless otherwise provided by law, paid or unpaid accrued, unused sick leave shall not be credited as service in the system.

(2) If a member dies during active service on or after July 1, 2013, the member's unused catastrophic leave and unused donated leave shall not be credited as service.

(d)(1) A member shall not accumulate service credit in the system during the time that payments under a contract buyout agreement, settlement, claim, judgment, arbitration award, decree, or court-ordered payment are paid to the member by a covered employer unless the member continues to work on-site for the covered employer.

(2) A member shall not receive service credit or additional salary from the system under a settlement agreement or court order unless purchased at actuarial cost.

(3) The system shall not permit a member to use unearned future service credit or nonqualified service credit purchased through a contract buyout settlement agreement with a school district to retire under age and service retirement before the member's employment contract with the school district would naturally have terminated.

(e) Actual service credited to a member with service after July 1, 1971, shall be as follows:

<u>Number of Days Worked in a Fiscal Year</u>	<u>Service Credit Earned</u>
<u>1 –39</u>	<u>None</u>
<u>40-79</u>	<u>0.25 year</u>
<u>80-119</u>	<u>0.50 year</u>
<u>120-159</u>	<u>0.75 year</u>
<u>160 days or over</u>	<u>1.00 year</u>

(f) Unless otherwise provided by the law or rules applicable to the system, a member who is employed for less than forty (40) days during a fiscal year is ineligible for credited service or retirement benefits for that fiscal year.

(g)(1) Beginning in the 2011-2012 fiscal year, a contributory member's service days shall be carried forward from previous fiscal years until at least forty (40) days of service are earned by the member.

(2) Service days shall not be carried forward for a contributory member if the member earns at least forty (40) days of service in a fiscal year by using regular service days, accumulated service days, or both regular service and accumulated service days.

(h) A member who is employed full-time or employed in a position for which a regular or typical work day includes at least eight (8) working hours shall earn one (1) day of credited service if the member works for at least four (4) hours of the eight-hour working day.

(i)(1) Beginning July 1, 2011, a member employed in a specialized support position shall

earn one (1) day of credited service for each day of service provided by the member if the:

(A) Specialized support position is certified as a specialized support position to the system by the covered employer at the time the covered employer first reports the employment of the member to the system; and

(B) Covered employer reasonably determines that the member performed the regular and usual service expected of an employee in that position during the work day.

(2)(A) A member who is employed in a specialized support position and does not have a contract specifying the number of service days shall earn one (1) day of service credit for each day of service provided by the member if the:

(i) Specialized support position is certified as a specialized support position to the system by the covered employer at the time the covered employer first reports the employment of the member to the system; and

(ii) Covered employer reasonably determines that the member performed the regular and usual service expected of an employee in that position during the days worked by the member.

(B) A member described in this § 7-102(g)(2) of this rule shall earn one (1) day of credited service for each day of service provided by the member regardless of whether the member works for less than four (4) hours on a work day.

(3) The credited service earned by a member who is employed in a nonspecialized support position and does not work for at least four (4) hours each working day shall be calculated by totaling the number of hours worked by the member in a fiscal quarter and then dividing the totaled number of hours worked by four (4).

§ 7-103. Member and employer contributions.

(a)(1) The Board of Trustees of the Arkansas Teacher Retirement System shall annually set member and employer contribution rates for the following fiscal year.

(2) The Arkansas Teacher Retirement System shall notify annually each covered employer of the contribution rates set by the board.

(3)(A) The board shall not set the member contribution rate at less than six percent (6%).

(B) The board may increase the member contribution rate to maintain actuarial soundness.

(4)(A) A member's and covered employer's contributions are due monthly, regardless of the member's concurrent membership status.

(B) A contributory member shall contribute the percentage of his or her salary that is set by the board.

(b)(1) A covered employer shall remit member contributions by pick-up from the salary earned by each member.

(2) Member contributions shall be treated as employer contributions under the applicable provisions of the Income Tax Act of 1929, Arkansas Code § 26-51-101 et seq. and the Internal Revenue Code.

(3) A covered employer may remit a member's contributions by implementing a:

(A) Reduction in the cash salary of the member;

(B) Setoff against the member's future salary increases; or

(C) Both a reduction in the cash salary of the member and a setoff against the member's future salary increases.

(c)(1) A covered employer's employer contributions shall be the sum of the current employer contribution rate set by the board for the fiscal year multiplied by the total gross salaries of all the covered employer's employees.

(2) A public school employer shall pay up to fourteen percent (14%) of the employer contribution rate.

(3) Up to fifteen percent (15%) of any additional employer contributions required from a public school employer shall be paid from additional funds appropriated by the state for the purpose of paying employer contributions to the system.

(d)(1) A covered employer shall pay employer contributions **monthly** for all employees of the covered employer for whom the Department of Education does not pay employer contributions.

(2) The employer contribution rate shall be the current state contribution percent multiplied by the total covered salaries of the covered employer's employees in the fiscal year.

(3)(A) In accordance with rules established by the board and the department's appropriations act, the department shall pay employer contributions due for eligible employees of covered employers, including without limitation the following:

(i) State agencies as allowed under the Transformation and Efficiencies Act, Acts 2019, No. 910;

(ii) Cooperative Education Services Areas;

(iii) Vocational Centers;

(iv) Arkansas Easter Seals; and

(v) A school operated by the Corrections School System.

(B) The department shall pay the employer contributions for eligible employees of covered employers from the Public School Fund.

(C) At the close of each quarterly report, ATRS shall report the amount of employer contributions due from the department.

(D) The employer contributions due from the department shall be based on the salaries of the eligible employees reported to ATRS by each covered employer.

(e) The board shall annually notify each participating employer of the employer contribution rate established by the board for the upcoming fiscal year.

(f) A surcharge employer's employer contributions shall be a monthly surcharge applied on the total salaries paid to all the surcharge employer's embedded employees on an aggregate basis as provided under Arkansas Code § 24-7-506(c).

§ 7-104. Member and employer contributions — Overpayments, underpayments, and refunds.

(a) A conflict in a member's service history due to concurrent service shall be resolved at the end of the fiscal year and the Arkansas Teacher Retirement System shall issue refunds as appropriate.

(b)(1) The system shall return overpayments of employee contributions and employer contributions resulting from erroneous contribution submissions or incorrect reporting of Salary Option 2 member salaries (first seven thousand eight hundred dollars (\$7,800)) to the appropriate covered employer.

(2)(A) The system shall send written notification to a member or covered employer, as appropriate, of a contribution overpayment that is less than the de minimis amount that may be refunded.

(B) The de minimis amount shall be periodically set by the Board of Trustees of the Arkansas Teacher Retirement System and shall remain the same amount until adjusted by the board.

(C)(i) A contribution overpayment that is less than the de minimis amount shall not be refunded to the covered employer unless the covered employer submits a written request for a refund to the system within fourteen (14) days of receiving the written notice of the contribution overpayment from the system.

(ii) If a covered employer does not submit a written request for a refund within fourteen (14) days of receiving the written notice of the contribution overpayment from the system, the amount of the contribution overpayment shall be forfeited to the trust assets of the system.

(D)(i) A contribution overpayment that is less than the de minimis amount shall not be refunded to the member unless the member submits a written request for a refund to the system within fourteen (14) days of receiving the written notice of the contribution overpayment from the system.

(ii) If the member does not submit a written request for a refund within fourteen (14) days of receiving the written notice of the contribution overpayment from the system, the amount of the contribution overpayment shall be forfeited to the trust assets of the system.

(3) The total amount of contributions reported by the covered employer shall be credited to contributions.

(c)(1) For refunded contributions, the rate of regular interest compounded annually after the first year of contributions shall be credited as follows:

<u>Service</u>	<u>Regular Interest Rate</u>
<u>Before July 1, 1984</u>	<u>3%</u>
<u>For July 1, 1984 through June 30, 2009</u>	<u>6%</u>
<u>For July 1, 2010, through June 30, 2011</u>	<u>2%</u>
<u>For July 1, 2012, through June 30, 2017</u>	<u>1%</u>
<u>For July 1, 2017 and after</u>	<u>0.08%</u>

(2) Payable regular interest shall be computed:

(A) On each member's individual account on June 30; and

(B) By multiplying the balance in the member's individual account as of July 1, including contributions and regular interest credit from previous years, plus one-half (1/2) of the contributions for the year ending June 30 by the annual applicable regular interest percentage rate.

(3) The board by resolution, may change the regular interest rate on refunded contributions for subsequent years by stating the new regular interest rate, the date that the new regular interest rate is effective, and any other features necessary for implementing the regular interest rate.

(4) Regular interest shall not be paid on contributions made in the year in which a

refund of contributions is paid to a member.

(5) The system shall issue a refund for a member's contributions that are closed on the system's books after receiving the member's properly completed refund application.

(6) If a second refund payment is required to complete the refund of contributions, the second payment shall be made when all quarters of service the member works are closed on the system's books.

(7) A rollover payment shall be made in one (1) payment when all quarters of service the member works are closed on the system's books.

(8) A refund is effective on the date on which the system first issues a payment of the refund.

(d) The system shall not collect a contribution underpayment of less than the de minimis amount from a covered employer.

§ 7-105. Employer reports — Submission requirements.

(a) A covered employer shall submit:

(1) Reports and supporting documentation required by the Arkansas Teacher Retirement System on a monthly and quarterly basis; and

(2) Reports and supporting documentation electronically to the system on forms approved by the system.

(b)(1) At the request of the system, a covered employer shall provide the system with a memorandum of understanding, partnership agreement, or another similar document related to the covered employer's actions as a passthrough fiscal agent for a youth participant in a summer work program.

(2) A covered employer shall provide the system with all documents related to the agreement designating the covered employer as a pass-through fiscal agent before disbursing compensation to a youth participant.

(3) A covered employer that acts as a pass-through fiscal agent shall not report a youth participant as an employee for system purposes.

(c)(1) A covered employer that uses a twenty-six-week payroll system shall report an employee's salary, contributions, and actual working days through the current fiscal year ending June 30 if the employee is a member of the system and retiring.

(2) If an employee is a member of the system and retiring effective July 1, a covered employer shall not:

(A) Withhold contributions on a salary earned by the member after the close of payroll for the current fiscal year; and

(B) Report any salary paid to the member or actual working days performed by the member after the close of payroll for the current fiscal year.

(3) The system shall refund employee contributions and employer contributions remitted to the system from a salary paid to the employee after the end of the current fiscal year or payroll period for the current fiscal year.

(d) A covered employer may submit a request to the system for a determination on whether a service or position is subject to the provisions of Arkansas Code § 24-7-506.

(e)(1) A surcharge employer shall submit a surcharge report monthly to the system with all other reports required by the system.

(2) A participating employer shall submit a contribution report monthly to the system with all other reports required by the system.

(f) Beginning on July 1, 2022, a covered employer shall:

(1) Electronically report employee contributions and employer contributions made by the covered employer through the system portal; and

(2) Pay employee contributions and employer contributions through electronic transfer.

§ 7-106. Employer reports — Reporting deadline and penalties.

(a) A report and supporting documentation submitted by a covered employer shall not be considered untimely if the report and supporting documentation are received by Arkansas Teacher Retirement System on the tenth (10th) day of the month in which the report and supporting documentation are due.

(b)(1) A one hundred fifty dollar (\$150) late fee shall be assessed on a covered employer for each occurrence in which a report and supporting documentation is untimely submitted to the system.

(2) In their discretionary authority, the Board of Trustees of the Arkansas Teacher Retirement System or the Executive Director of the Arkansas Teacher Retirement System may waive any late fees assessed against a covered employer for their untimely submission of a report and supporting documentation to the system if the requirements of Arkansas Code § 24-7-411(c) are met.

(c)(1) If a covered employer does not remit member or employer contributions, including surcharge contributions, by the monthly due date, the system shall assess an interest penalty equal to the system's actuarially assumed rate of return on investments and daily interest accrual against the covered employer until the member or employer contributions, whichever is applicable, are paid.

(2)(A) In their discretionary authority, the board or the executive director may waive any interest penalty assessed against a covered employer if the requirements of Arkansas Code § 24-7-411(c) are met.

(B) One (1) or more interest penalties assessed against a covered employer shall not be waived if the amount of the interest penalties assessed against the covered employer will exceed one thousand dollars (\$1,000) for the fiscal year.

(C) A covered employer may submit an interest penalty waiver request for one (1) or more interest penalties exceeding one thousand dollars (\$1,000) for the fiscal year to the board.

(4) The executive director shall report each interest penalty waived under this rule to the board.

(d)(1) The system may certify the names of each covered employer that fails to timely report and remit member or employer contributions, including surcharge contributions, to the Chief Fiscal Officer of the State.

(2) After receiving the certification from the system, the Chief Fiscal Officer of the State may direct a transfer of funds on deposit in the State Treasury for the payment of delinquent member or employer contributions and an assessed interest penalty.

§ 7-107. Employer reports — Payments after member’s death.

(a)(1) A salary earned by a member before the member’s death and paid after the member’s death is subject to deductions by the Arkansas Teacher Retirement System and the member’s covered employer shall report the member’s total salary and days of service in the covered employer’s quarterly report.

(2) Gratuitous payments made by a covered employer to a member after the death of the member shall not be:

- (A) Considered the salary of the member;
- (B) Subject to contribution requirements; and
- (C) Included in the covered employer’s quarterly report to the system.

Authority: Arkansas Code §§ 24-2-701, 24-7-103, 24-7-202, 24-7-401, 24-7-406, 24-7-411, 24-7-601 — 24-7-611, 24-7-705, 24-7-708, and 24-7-1303.

History

<u>Amended:</u>	<u>August 11, 1998</u>	<u>7-1, 7-3</u>
<u>Amended:</u>	<u>June 17, 2003</u>	<u>7-4</u>
<u>Amended:</u>	<u>April 6, 2004</u>	<u>7-4</u>
<u>Reaffirmed:</u>	<u>June 15, 2004</u>	<u>7-4</u>
<u>Amended:</u>	<u>July 18, 2005</u>	<u>7-1, 7-2, 7-3, 7-4</u>
<u>Amended:</u>	<u>April 26, 2007</u>	<u>7-4</u>
<u>Amended:</u>	<u>February 11, 2008</u>	<u>7-3, 7-4</u>
<u>Amended:</u>	<u>June 16, 2009</u>	<u>7-1, 7-2 (Emergency)</u>
<u>Amended:</u>	<u>October 5, 2009</u>	<u>7-1, 7-2 (Permanent)</u>
<u>Amended:</u>	<u>December 18, 2009</u>	<u>7-3, 7-4</u>
<u>Amended:</u>	<u>July 1, 2011</u>	<u>7-1, 7-2 (Emergency)</u>
<u>Adopted:</u>	<u>August 8, 2011</u>	<u>7-1, 7-2</u>
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<u>Board Approved:</u>	<u>February 6, 2012</u>	<u>7-2, 7-4</u>
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<u>Effective:</u>	<u>May 20, 2022</u>	<u>Rule 7</u>
<u>Effective:</u>	<u>TBD</u>	<u>Rule 7</u>

ATRS RULE 8
FREE SERVICE CREDIT, PURCHASABLE SERVICE CREDIT, AND
PURCHASE ACCOUNTS

Arkansas Code §§ 24-1-107, 24-7-406, 24-7-601, 24-7-602, 24-7-607, 24-7-711,
24-7-719, and 24-7-735

I.—Definitions

- a. ~~“Armed forces reserve” means one (1) of the reserve components of the United States Armed Forces;~~
- b. ~~“Domestic federal service” means service rendered as a teacher or administrator in a school or similar institution located on a military base or installation that is administered by the United States Department of Defense;~~
- c. ~~“Out-of-state service” means service performed in a state other than Arkansas and in a position that would have been covered by the Arkansas Teacher Retirement System (ATRS) if the service had been actual service performed in Arkansas and covered by ATRS;~~
- d. ~~“Overseas service” means service in:~~
 - 1. ~~An American-related overseas school that is sponsored and approved by either the United States Department of State or the United States Department of Defense; or~~
 - 2. ~~The Peace Corps or AmeriCorps VISTA, Volunteers in Service to America;~~
- e. ~~“Private school service” means:~~
 - 1. ~~Service rendered in a private school, or agency that would have been covered by ATRS if the:~~
 - A. ~~Service had been rendered in a public school; and~~
 - B. ~~Private school or agency:~~
 - i. ~~Has positions that would require the issuance of a teaching license in a public school based on a determination by ATRS; or~~
 - ii. ~~Is recognized as a private education-related entity by resolution adopted by the Board of Trustees of the Arkansas Teacher Retirement System (Board); and~~
- f. ~~“Uniformed Services of the United States” means service in the:~~
 - 1. ~~United States Armed Forces;~~
 - 2. ~~Army National Guard;~~
 - 3. ~~Air National Guard when engaged in active duty for training, state active duty, inactive duty training, or full-time National Guard duty;~~

- ~~4. United States Commissioned Corps of the Public Health Service; and~~
- ~~5. Any other category of persons designated by the President of the United States in time of war or emergency.~~

~~II. Free Service Credit~~

~~a. Military Service Credit~~

~~1. Generally~~

- ~~A. A person may establish military service credit with ATRS at any time after becoming a member.~~
- ~~B. Military service credit established with ATRS is effective after the member completes five (5) years of actual service in ATRS, excluding military service credit.~~
- ~~C. ATRS shall provide a member with military service credit after the member:
 - ~~i. Completes and submits Form M-1 to ATRS; and~~
 - ~~ii. Submits official military documentation listing the entry and discharge dates of the member's first enlistment or induction into the United States Armed Forces.~~~~
- ~~D. Military service credited to a member before July 1, 1986, shall be considered contributory service.~~
- ~~E. Military service credited to a member shall not exceed five (5) years unless the member is entitled to service credit for service in the uniformed services of the United States. (Arkansas Code § 24-7-602(c)).~~
- ~~F. Military service shall be credited in order of the years that are chronologically closest to the member's service with a covered employer.~~
- ~~G. A member shall not receive military service credit for military service years resulting from the member's reenlistment or voluntary extension of his or her initial enlistment.~~
- ~~H. Free military service shall be credited to a member's account on a prorated basis if the member has both contributory and noncontributory service.~~

~~2. Federal Military Draft~~

~~A. New Members~~

- ~~i. A member who is first employed after serving in the United States Armed Forces during a period of time in which the military draft was in effect is eligible to receive free military service credit if the member:
 - ~~ii. Completes five (5) or more years of actual service in ATRS; and~~
 - ~~iii. Receives an honorable discharge.~~~~

~~B. Active Members~~

- ~~i. An active member who enters the United States Armed Forces during any period that a federal military draft was in effect and who becomes an active member after an honorable discharge from the United States Armed Forces may receive free military service credit regardless of whether the member has five (5) or more years of credited service at the time of his or her reemployment.~~
- ~~ii. An active member who enters the United States Armed Forces during a period that a federal military draft was in effect and obtains a refund of member contributions from ATRS may receive free military service credit if the member:
 - ~~a. Receives an honorable discharge from the United States Armed Forces; and~~
 - ~~b. Repays the actuarial equivalent of the member's refunded service to ATRS before retiring.~~~~

III. Purchasable Service Credit

~~a. Military Service Credit~~

~~1. Service in the United States Armed Forces~~

- ~~A. A member shall receive service credit for service in the United States Armed Forces that cannot be credited to the member under Arkansas Code § 24-7-602(a) if the member pays ATRS the actuarial equivalent for the service credit.~~

~~2. Service in the Uniformed Services of the United States~~

- ~~A. Effective December 12, 1994, a member shall be treated as not having incurred a break in service with a covered employer if the member:
 - ~~i. Leaves employment with a school to voluntarily or involuntarily serve in the uniformed services of the United States; and~~
 - ~~ii. Returns to employment with a school.~~~~
- ~~B. A member's absence from his or her employment with a school due to his or her service in the uniformed services of the United States shall not exceed five (5) years.~~
- ~~C. A member described in this ATRS Rule 8 III.a.2.A shall accrue benefits for the time he or she served in the uniformed services of the United States if:
 - ~~i. The member pays the employee contributions as provided in Arkansas Code § 24-7-406; and~~
 - ~~ii. Employer contributions are paid for the time the member served in the uniformed services of the United States.~~~~

~~b. Service in National Guard and Armed Forces~~

- ~~1. A member may purchase up to five (5) years of service for his or her service in the National Guard or armed forces reserve.~~
 - ~~2. A member shall receive credit for service in the National Guard or armed forces reserve if the member:

 - ~~A. Submits an application for National Guard or armed forces reserve service credit to the Board;~~
 - ~~B. Provides ATRS with satisfactory proof of his or her service in the National Guard or armed forces reserve;~~
 - ~~C. Pays ATRS, in full, the actuarial equivalent of the member's benefits for each year of National Guard or armed forces reserve service credit being purchased; and~~
 - ~~D. Has established at least five (5) years of actual service with ATRS, excluding National Guard or armed forces reserve service.~~~~
 - ~~3. ATRS shall not credit a member with more than five (5) years of service for service in the National Guard or armed forces reserve.~~
- ~~c. Domestic Federal Service~~
- ~~1. Beginning January 1, 2003, a member may purchase up to ten (10) years of domestic federal service that shall be credited if:

 - ~~i. The member:

 - ~~i. Has contributions left on deposit with another system and the domestic federal service credit being purchased is limited to service for which another system similar in purpose to ATRS, except for Social Security, could not pay a benefit;~~
 - ~~ii. Pays ATRS, in full, the actuarial equivalent of benefits for each year of domestic federal service credit being purchased; and~~
 - ~~iii. Has established at least five (5) years of actual service, excluding federal domestic service; and~~~~
 - ~~ii. All other requirements set by rules adopted by the Board are met.~~~~
 - ~~2. A member may purchase a fraction of a year of domestic federal service that shall be credited if the:

 - ~~A. Member has at least one-fourth (1/4) of a year of domestic federal service in a fiscal year; and~~
 - ~~B. Fraction of a year of domestic federal service can be credited in accordance with Arkansas Code § 24-7-601.~~~~
- ~~d. Out-of-State Service~~
- ~~1. Out-of-State Service — Purchased Before July 1, 1987

 - ~~A. Out-of-state service purchased before July 1, 1987, shall be credited as service in accordance with the law in effect before July 1, 1987.~~~~
 - ~~2. Out-of-State Service — Purchased on and after July 1, 1987~~

~~A. A member may purchase up to fifteen (15) years of out-of-state service.~~

~~B. Out-of-state service shall be credited if:~~

~~i. The member:~~

~~a. Has contributions left on deposit with another system and the out-of-state service credit being purchased is limited to service for which another system similar in purpose to ATRS, except for Social Security, could not pay a benefit;~~

~~b. Pays ATRS, in full, the actuarial equivalent of benefits for each year of out-of-state service credit being purchased; and~~

~~c. Has established at least five (5) years of actual service, excluding out-of-state service; and~~

~~ii. All other requirements set by rules adopted by the Board are met.~~

~~C. A member may purchase a fraction of a year of out-of-state service that shall be credited if the:~~

~~i. Member has at least one-fourth (1/4) of a year of out-of-state service in a fiscal year; and~~

~~ii. Fraction of a year of out-of-state service can be credited in accordance with Arkansas Code § 24-7-601.~~

~~e. Overseas Service~~

~~1. A member may purchase service credit for service in an overseas school if:~~

~~A. The member:~~

~~i. Has at least five (5) years of service in a position covered by ATRS; and~~

~~ii. Performs the minimum days of service at the overseas school required for a fiscal year of service credit;~~

~~B. The overseas service credit is limited to service for which another system similar in purpose to ATRS, except Social Security, could not pay a benefit; and~~

~~C. The actuarial equivalent of the member's benefits is paid to ATRS~~

~~2. ATRS shall not credit a member with more than ten (10) years of overseas service credit.~~

~~f. Service in the General Assembly~~

~~1. A member of the Senate or House of Representatives of the General Assembly who is a member of ATRS shall receive credited service and salary in ATRS for his or her full contract salary if the:~~

~~A. School district requires the member's salary to be reduced during the member's attendance at:~~

- i. ~~Regular or extraordinary sessions of the General Assembly; or~~
 - ii. ~~Interim meetings of regular or special committees of the General Assembly;~~
- B. ~~Member submits an application for General Assembly service credit to ATRS;~~
- C. ~~Member pays ATRS the necessary member contributions; and~~
- D. ~~Required employer contributions are paid to ATRS for the amount of the salary reduction during periods of the member's attendance at regular or extraordinary sessions of the General Assembly or sessions of legislative committees.~~
- 2. ~~A member of the Senate or House of Representatives who currently serves in the General Assembly or has served in the legislative committees for any year that is within five (5) years of July 6, 1977, shall receive credited service and salary for his or her full contract if the:~~
 - A. ~~Member submits an application for General Assembly service credit to ATRS and pays the employee contributions; and~~
 - B. ~~Required employer contributions are paid from the Public School Fund to ATRS for the portion of the contractual period in which the member's salary was reduced during the member's legislative service.~~
- 3. ~~A member of the Senate or House of Representatives of the General Assembly who is an employee and member of ATRS shall receive credited service and salary for his or her full contract salary if:~~
 - A. ~~Either the member or school district decides it is in the best interest of the member to take a leave of absence for up to one (1) full calendar year at a time in order for the member to attend his or her duties as a member of the General Assembly; and~~
 - B. ~~Both the required employee and employer contributions are paid to ATRS for the amount of the member's contract salary during periods in which the member attended sessions of the General Assembly or legislative committees.~~
- g. ~~Advanced Degree Service~~
 - 1. ~~Beginning June 28, 1985, a member who is a public school teacher or administrator and takes a leave of absence from a school in order to obtain an advanced degree at an institution of higher learning or to fulfill the requirements of a scholarship or grant shall receive credited service for the time of the member's actual enrollment in the institution if the member:~~
 - A. ~~Submits an application for the advanced degree service credit to ATRS; and~~
 - B. ~~Pays the actuarial equivalent of the member's benefits to the system for each year of service credit being purchased.~~

~~h. Private School Service~~

~~1. Head Start Programs~~

~~A. Employment with a Head Start program shall be considered private school service.~~

~~2. Certified Private School Service Credit~~

~~A. A member may purchase up to fifteen (15) years of private school service to be credited as certified service if:~~

~~i. The member:~~

- ~~a. Has contributions left on deposit with another system and the private school service credit being purchased is limited to service for which another system similar in purpose to ATRS, except for Social Security, could not pay a benefit;~~
- ~~b. Pays ATRS, in full, the actuarial equivalent of benefits for each year of private school service credit being purchased; and~~
- ~~c. Has established at least five (5) years of actual service, excluding private school service; and~~

~~ii. All other requirements set by rules adopted by the Board are met.~~

~~2. Noncertified Private School Service Credit~~

~~A. A member may purchase up to five (5) years of noncertified private school service that shall be credited as noncertified service if:~~

~~i. The member:~~

- ~~a. Submits an application to purchase noncertified private school service to ATRS;~~
- ~~b. Has contributions left on deposit with another system and the noncertified service credit being purchased is limited to service for which another state-supported pension system or system similar in purpose to ATRS could not pay a benefit;~~
- ~~c. Pays ATRS, in full, the actuarial equivalent of benefits for each year of service credit being purchased; and~~
- ~~d. Has established at least five (5) years of actual service; and~~

~~ii. All other requirements set by rules adopted by the Board are met.~~

~~B. A member may purchase a fraction of a year of private school service that shall be credited if the:~~

- ~~i. Member has at least one-fourth (1/4) of a year of private school service in a fiscal year; and~~
- ~~ii. Fraction of a year of private school service can be credited in accordance with Arkansas Code § 24-7-601.~~

~~3. Private Education-Related Entity Private School Service~~

~~A. A member may purchase up to five (5) years of private education-related entity private school service that shall be credited as noncertified service if:~~

~~i. The member:~~

- ~~a. Submits an application to purchase private education-related entity private school service to ATRS;~~
- ~~b. Has contributions left on deposit with another system and the private education-related entity private school service credit being purchased is limited to service for which another statesupported pension system or system similar in purpose to ATRS could not pay a benefit;~~
- ~~c. Pays ATRS, in full, the actuarial equivalent of benefits for each year of service credit being purchased;~~
- ~~d. Has established at least five (5) years of actual service; and~~

~~ii. All other requirements set by rules adopted by the Board are met.~~

~~—— i. Federal Retirement Service~~

~~1. An active member may purchase up to ten (10) years of federal retirement service that shall be credited if the:~~

- ~~A. Federal retirement service being purchased is limited to service for which the federal retirement system could not pay a benefit to the member;~~
- ~~B. Member submits an application to purchase federal retirement service to ATRS;~~
- ~~C. Member provides certification of his or her federal retirement service to ATRS on a form approved by ATRS;~~
- ~~D. Member pays ATRS, in full, the actuarial equivalent of benefits for each year of service credit being purchased; and~~
- ~~E. Member has established at least five (5) years of actual service, excluding federal retirement service.~~

~~2. A member shall complete at least one hundred sixty (160) working days before the member may establish one (1) year of federal retirement service credit.~~

~~3. One (1) month of federal service shall be considered twenty (20) days of service.~~

~~4. A member may purchase a fraction of a year of federal retirement service that shall be credited if the:~~

- ~~A. Member has at least one-fourth (1/4) of a year of federal retirement service in a fiscal year; and~~

~~B. Fraction of a year of federal retirement service can be credited in accordance with Arkansas Code § 24-7-601.~~

- ~~5. Federal retirement service credit shall be considered contributory service.~~
- ~~6. Purchased federal retirement service shall be credited to the fiscal year in which the service was rendered.~~
- ~~7. If a member is not an active member before establishing federal retirement service with ATRS, the member's contribution payments and regular interest shall be refunded.~~
- ~~8. Purchase account payments made through employer pick-up are subject to restrictions specified in this ATRS Rule 8, regulations, and the Internal Revenue Code.~~

IV. ~~Cost of Service and Purchase Accounts~~

~~a. Generally~~

- ~~1. A member shall purchase service using ATRS approved forms.~~
- ~~2. A member who purchases service shall receive credit for the purchased service if the actuarial equivalent of both the employee and employer contributions, as calculated by ATRS, are paid to ATRS.~~
- ~~3. The requirement for service to be purchased at the actuarial cost shall not apply to free military service credit established with ATRS.~~
- ~~4. A salary earned for service purchased at the actuarial cost:
 - ~~A. Shall not be used to calculate a member's final average salary; and~~
 - ~~B. May be used to determine repaid refunds for service that is required to be reported within the refunded service.~~~~

~~b. Contact Buyouts, Settlements, and Court Ordered Payments~~

- ~~1. A member shall only earn service credit for actual, on-site work performed for a covered employer for the period specified in a contract buyout, settlement, or court ordered payment unless the member purchases service or salary that would have been received by the member if the member had been successful in his or her legal claim.~~
- ~~2. A member shall purchase service or salary at the actuarial cost for service and salary that the member would have earned if the member had not been terminated.~~
- ~~3. If a member is on call with a covered employer and not subject to either a contract buyout, settlement, or court ordered payment, the salary paid to the member as a regular employee shall be credited to the member.~~
- ~~4. On call credit shall not be added to a member's salary with another covered employer.~~
- ~~5. ATRS shall not adjust a member's service history until the:~~

~~A. Member or the member's covered employer provides a copy of the settlement, a file-marked court order, or a certified copy of the contract buyout to ATRS; and~~

~~B. Actuarial cost to purchase the service has been paid in full to ATRS.~~

~~c. Actuarial Cost of Service — Purchase Formula~~

~~1. A member's highest salary shall be used as the base year when calculating the actuarial cost for service being purchased by the member.~~

~~2. A member's base year shall be the member's highest salary year unless the highest salary year is more than one hundred fifty percent (150%) greater than the next highest salary year.~~

~~3. If a member's highest salary year is more than one hundred fifty percent (150%) greater than the next highest salary year, the highest two (2) salary years shall be added together and divided by two (2) to determine the base year to be used for calculating the actuarial cost for service being purchased.~~

~~4. If a member does not have enough full service years to determine a base year for the purchase formula, a full year salary shall be used to determine the base year.~~

~~5. A full year salary shall be calculated by dividing each partial year's service percentage into each partial year's salary.~~

~~6. The actuarial cost for service to be purchased shall not include adjustments to salary and service that are made in order to properly reflect the member's mandatory salary and service record.~~

~~7. Service purchased at the actuarial cost shall be contributory.~~

~~d. Purchase Accounts~~

~~1. Purchase Account Commitment Statement~~

~~A. A purchase account established before July 1, 2011, shall have an approved Purchase Account Commitment Statement (PACS) on file with ATRS detailing the member's payment plan.~~

~~B. A PACS may be modified with the agreement of the member and ATRS.~~

~~C. A modification of a PACS may include changes to the type of payment, the duration of the service purchase agreement, and a decrease of the service purchased policy.~~

~~D. The service purchased under a PACS shall not be increased.~~

~~E. ATRS shall cancel a service purchase agreement with a member if the member fails to comply with the terms of the agreement.~~

~~F. Purchase account payments shall be applied to the member's account on the date the payment is received by ATRS.~~

~~2. Rollover Payments~~

- ~~A. ATRS shall accept participant rollover contributions and direct rollovers for the purchase of service credit from a qualified retirement plan.~~
- ~~B. A depository trustee from a qualified retirement plan shall certify to ATRS that the rollover deposit account is qualified and eligible to receive rollover distributions before a distribution of a member's account monies.~~
- ~~C. If the depository trustee is unable to certify the rollover deposit account as qualified and eligible to receive rollover distributions, ATRS shall accept a certification from a public accountant who has an active certified public accountant's license.~~
- ~~D. A public accountant shall not certify a rollover deposit account as qualified and eligible to receive rollover distributions if the public accountant has an interest in the rollover deposit account as a member, spouse, or designated beneficiary.~~

~~3. Deceased Member~~

- ~~A. If a member with an active purchase account dies, the member's spouse, beneficiary, or legal representative shall have up to six (6) months from the member's date of death to pay the balance of the purchase account unless the deadline is extended by ATRS for good cause.~~
- ~~B. If the member's purchase account is not paid in full within six (6) months of the member's date of death, the purchase account shall be closed and payments made towards the purchase account shall be considered as part of the member's residual account balance.~~

~~4. Cancellation of Purchase Accounts~~

- ~~A. A purchase account that is paid in full after a final payment has been tendered shall not be cancelled.~~
- ~~B. A member's purchase account may be cancelled if:
 - ~~i. The member submits a written cancellation request to ATRS; and~~
 - ~~ii. ATRS approves the cancellation request.~~~~
- ~~C. ATRS may approve a cancellation request and refund a member's purchase account if the purchase account:
 - ~~i. Is an account that has been paid only with after tax contributions;~~
 - ~~ii. Is an account that has been paid only with employer pick-up contributions and one (1) of the following applies:
 - ~~a. All payments on the irrevocable payroll authorization have been completed;~~
 - ~~b. The member terminates employment with the employer; or~~
 - ~~c. The member retires; or~~~~
 - ~~iii. Is an account that has been paid only with rollover or transfer contributions and the rollover or transfer contributions may be rolled~~~~

~~over or transferred to another qualified plan or refunded to the member after the deduction and payment of federal taxes.~~

~~D. If a member's cancellation request is approved by ATRS, ATRS shall refund the balance of the member's purchase account without interest to the member.~~

~~E. ATRS shall refund interest to a member if a refund of interest is statutorily mandated under Arkansas Code § 24-7-612 or another applicable provision of the Arkansas Code.~~

V. Refunds

~~a. Purchase of Refunded Service~~

- ~~1. A member shall not purchase refunded service unless he or she purchases the total credited service forfeited by a refund.~~
- ~~2. A repayment of refunded contributions shall be made in inverse order if the member has received more than one (1) refund of contributions.~~
- ~~3. The most recent refund account shall be paid in full before a member may purchase a previous refund account.~~

~~b. Refund of Member and Employer Contributions~~

~~1. Overpayments~~

~~A. ATRS shall send written notification to a member or covered employer, as appropriate, of a contribution overpayment that is less than the de minimis amount that may be refunded.~~

~~B. ATRS shall not refund an overpayment of the member's contributions that is equal to or less than the de minimis amount unless the member submits a written request for a refund to ATRS within fourteen (14) days of receiving the written notice of the contribution overpayment from ATRS.~~

~~C. ATRS shall not refund an overpayment of employee contributions and employer contributions paid by the covered employer that is equal to or less than the de minimis amount unless the covered employer submits a written request for a refund to ATRS within fourteen (14) days of receiving the written notice of the contribution overpayment from ATRS.~~

~~D. If the member or covered employer does not submit a written request for a refund within fourteen (14) days of receiving the written notice of the contribution overpayment from ATRS, the amount of the contribution overpayment shall be forfeited to the trust assets of ATRS.~~

- ~~2. The total amount reported by the covered employer shall be credited to contributions.~~
- ~~3. The de minimis amount shall be periodically set by the Board, by board resolution, and shall remain the same amount until adjusted by the Board.~~
- ~~4. For refunded contributions, the rate of regular interest compounded annually after the first year of contributions shall be credited as follows:~~

Service	Regular Interest Rate
Before July 1, 1984	3%
For July 1, 1984 through June 30, 2009	6%
For July 1, 2010, through June 30, 2011	2%
For July 1, 2012, through June 30, 2017	1%
For July 1, 2017 and after	0.08%

5. ~~Payable regular interest shall be computed:

 - A. ~~On each member's individual account on June 30; and~~
 - B. ~~By multiplying the balance in the member's individual account as of July 1, including contributions and regular interest credit from previous years, plus one-half (1/2) of the contributions for the year ending June 30 by the annual applicable regular interest percentage rate.~~~~
6. ~~The Board, by board resolution, may change the regular interest rate on refunded contributions for subsequent years by stating the new regular interest rate, the date that the new regular interest rate is effective, and any other features necessary for implementing the regular interest rate.~~
7. ~~Regular interest shall not be paid on contributions made in the year in which a refund of contributions is paid to a member.~~
8. ~~ATRS shall issue a refund for a member's contributions that are closed on ATRS' books after receiving the member's properly completed refund application.~~
9. ~~If a second refund payment is required to complete the refund of contributions, the second payment shall be made when all quarters of service the member works are closed on ATRS' books.~~
10. ~~A rollover payment shall be made in one (1) payment when all quarters of service the member works are closed on ATRS' books.~~
11. ~~A refund is effective on the date on which ATRS first issues a payment of the refund.~~

HISTORY

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Adopted:	June 15, 2004	8-1, 8-4, 8-5, 8-6
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Amended:	April 26, 2007	8-1, 8-4, 8-7
Adopted:	February 11, 2008	8-19
	October 6, 2008	8-7
	February 1, 2010	8-2 under emergency rules.
	June 7, 2010	8-2 Permanent

	July 1, 2011	8-1, 8-2, 8-4, 8-7, 8-19, 8-20 (Emergency)
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Amended:	April 2, 2012	8-2 (Emergency)
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ATRS Rule 8
Free Service Credit, Purchasable Service Credit, and Purchase
Accounts

§ 8-101. Definitions.

As used in this rule:

(1) "Armed forces reserve" means one (1) of the reserve components of the United States Armed Forces;

(2) "Domestic federal service" means service rendered as a teacher or administrator in a school or similar institution located on a military base or installation that is administered by the United States Department of Defense;

(3) "Gap year" means a period of time:

(A) In which a member was an inactive member and either:

(i) Unemployed; or

(ii) Did not provide qualified service; and

(B) For which the Arkansas Teacher Retirement System may grant the member permissive service credit;

(4) "Out-of-state service" means service performed in a state other than Arkansas and in a position that would have been covered by the Arkansas Teacher Retirement System if the service had been actual service performed in Arkansas and covered by the system;

(5) "Overseas service" means service in:

(A) An American-related overseas school that is sponsored and approved by either the United States Department of State or the United States Department of Defense; or

(B) The Peace Corps or AmeriCorps VISTA, Volunteers in Service to America;

(6) "Permissive service credit" means service:

(A) That is credited under the system for the purpose of calculating a member's benefit;

(B) That has not previously been credited under the system; and

(C) For which a member contributes or pays the amount necessary to fund the benefit attributable to the service as required by the system;

(7) "Private school service" means:

(A) Service rendered in a private school, or agency that would have been covered by the system if the:

(i) Service had been rendered in a public school; or

(ii) Private school or agency;

(B) Has positions that would require the issuance of a teaching license in a public school based on a determination by the system; or

(C) Is recognized as a private education-related entity by resolution adopted by the Board of Trustees of the Arkansas Teacher Retirement System;

(8) "Qualified service" means the service described in 46 U.S.C. § 415(n)(3)(C)(i)-(iv), as it existed on January 1, 2023; and

(9) "Uniformed Services of the United States" means service in the:

- (A) United States Armed Forces;
- (B) Army National Guard;
- (C) Air National Guard when engaged in active duty for training, state active duty, inactive duty training, or full-time National Guard duty;
- (D) United States Commissioned Corps of the Public Health Service; and
- (E) Any other category of persons designated by the President of the United States in time of war or emergency.

§ 8-102. Free service credit - Military service.

(a)(1) A person may establish free military service credit with the Arkansas Teacher Retirement System at any time after becoming a member.

(2) Free military service credit established with the system is effective after the member completes five (5) years of actual service in the system, excluding military service credit.

(b) A member who by draft or voluntary enlistment entered the United States Armed Forces during a period that a federal military draft was in effect and obtained a refund of contributions from the system may establish free military service credit with the system if the member:

(1) Is honorably discharged from the United States Armed Forces; and

(2) Before retirement, repays the system the actuarial equivalent of the member's refunded service.

(c) A member who by draft or voluntary enlistment entered the United States Armed Forces during any period that a federal military draft was in effect and becomes an active member after an honorable discharge from the United States Armed Forces is eligible to establish free military service credit with the system, regardless of whether or not the member has five (5) or more years of credited service in the system at the time of the member's reemployment.

(d) A member who is first employed after serving in the United States Armed Forces during a period of time in which the military draft was in effect is eligible to establish free military service credit with the system if the member:

(1) Completes five (5) or more years of actual service in the system; and

(2) Receives an honorable discharge.

(d) The system shall provide a member with free military service credit after the member:

(1) Applies to establish free military service credit with the system by submitting a completed application form approved by the system; and

(2) Submits official military documentation listing the entry and discharge dates of the member's first enlistment or induction into the United States Armed Forces.

(e)(1) Free military service credited to a member before July 1, 1986, shall be considered contributory service.

(2) Free military service shall be credited to a member's account on a prorated basis if the member has both contributory and noncontributory service.

(f) Military service credited to a member shall not exceed five (5) years unless the member is entitled to service credit for service in the uniformed services of the United States.

(g) Military service shall be credited in order of the years that are chronologically closest to the member's service with a covered employer.

(h) A member shall not receive military service credit for military service years resulting

from the member's reenlistment or voluntary extension of his or her initial enlistment.

§ 8-103. Purchasable service credit — Military service.

(a) A member shall receive service credit for service in the United States Armed Forces that cannot be credited to the member under Arkansas Code § 24-7-602(a) if the member pays the Arkansas Teacher Retirement System the actuarial equivalent for the service credit.

(b)(1) Effective December 12, 1994, a member shall be treated as not having incurred a break in service with a covered employer if the member:

(A) Leaves employment with a school to voluntarily or involuntarily serve in the uniformed services of the United States; and

(B) Returns to employment with a school.

(2) A member described in § 8-103(b)(1) of this rule shall accrue benefits for the time he or she served in the uniformed services of the United States if:

(A) The member pays the employee contributions as provided in Arkansas Code § 24-7-406; and

(B) Employer contributions are paid for the time the member served in the uniformed services of the United States.

(c) A member's absence from his or her employment with a school due to his or her service in the uniformed services of the United States shall not exceed five (5) years.

(d) At the member's request, a member's payment for United States Armed Forces service credit shall be refunded by the system if the:

(1) Member ceased to be an active member before the United States Armed Forces service credit is established as credited service in the system; or

(2) United States Armed Forces service credit is not otherwise used to establish the member's eligibility for retirement under the system.

§ 8-104. Purchasable service credit — National Guard and armed forces reserve.

(a) A member may purchase up to five (5) years of service for his or her service in the National Guard or armed forces reserve.

(b) A member shall receive credit for service in the National Guard or armed forces reserve if the member:

(1) Applies to the Board of Trustees of the Arkansas Teacher Retirement System to purchase National Guard or armed forces reserve service credit by submitting a completed application form approved by the Arkansas Teacher Retirement System;

(2) Provides the system with satisfactory proof of his or her service in the National Guard or armed forces reserve;

(3) Pays the system, in full, the actuarial equivalent of the member's benefits for each year of National Guard or armed forces reserve service credit being purchased; and

(4) Has established at least five (5) years of actual service with the system, excluding National Guard or armed forces reserve service.

(c) The system shall not credit a member with more than five (5) years of service for service in the National Guard or armed forces reserve.

(d) At the member's request, a member's payment for National Guard or armed forces reserve service credit shall be refunded by the system if the:

(1) Member ceased to be an active member before the National Guard or armed

forces reserve service credit is established as credited service in the system; or
(2) National Guard or armed forces reserve service credit is not otherwise used to establish the member's eligibility for retirement under the system.

§ 8-105. Purchasable service credit — Domestic federal service.

(a) Beginning January 1, 2003, a member may purchase up to ten (10) years of domestic federal service that shall be credited if:

(1) The member:

(A) Has contributions left on deposit with another system and the domestic federal service credit being purchased is limited to service for which another system similar in purpose to the Arkansas Teacher Retirement System, except for Social Security, could not pay a benefit;

(B) Pays the system, in full, the actuarial equivalent of benefits for each year of domestic federal service credit being purchased; and

(C) Has established at least five (5) years of actual service, excluding federal domestic service; and

(2) All other requirements set by rules adopted by the Board of Trustees of the Arkansas Teacher Retirement System are met.

(b) A member may purchase a fraction of a year of domestic federal service that shall be credited if the:

(1) Member has at least one-fourth (1/4) of a year of domestic federal service in a fiscal year; and

(2) Fraction of a year of domestic federal service can be credited in accordance with Arkansas Code § 24-7-601.

(c) At the member's request, a member's payment for domestic federal service credit shall be refunded by the system if the:

(1) Member ceased to be an active member before the domestic federal service credit is established as credited service in the system; or

(2) Domestic federal service credit is not otherwise used to establish the member's eligibility for retirement under the system.

§ 8-106. Purchasable service credit — Out-of-state service.

(a)(1) Out-of-state service purchased before July 1, 1987, shall be credited as service in accordance with the law in effect before July 1, 1987.

(2) A member may purchase up to fifteen (15) years of out-of-state service if the out-of-state service is purchased on and after July 1, 1987.

(b) Out-of-state service shall be credited if:

(1) The member:

(A) Has contributions left on deposit with another system and the out-of-state service credit being purchased is limited to service for which another system similar in purpose to the Arkansas Teacher Retirement System, except for Social Security, could not pay a benefit;

(B) Pays the system, in full, the actuarial equivalent of benefits for each year of out-of-state service credit being purchased; and

(C) Has established at least five (5) years of actual service, excluding out-of-state service; and

(2) All other requirements set by rules adopted by the Board of Trustees of the Arkansas Teacher Retirement System are met.

(c) A member may purchase a fraction of a year of out-of-state service that shall be credited if the:

(1) Member has at least one-fourth (1/4) of a year of out-of-state service in a fiscal year; and

(2) Fraction of a year of out-of-state service can be credited in accordance with Arkansas Code § 24-7-601.

(d) At the member's request, a member's payment for out-of-state service credit shall be refunded by the system if the:

(1) Member ceased to be an active member before the out-of-state service credit is established as credited service in the system; or

(2) Out-of-state service credit is not otherwise used to establish the member's eligibility for retirement under the system.

§ 8-107. Purchasable service credit — Overseas service.

(a) A member may purchase service credit for service in an overseas school if:

(1) The member:

(A) Has at least five (5) years of service in a position covered by the Arkansas Teacher Retirement System; and

(B) Performs the minimum days of service at the overseas school required for a fiscal year of service credit;

(2) The overseas service credit is limited to service for which another system similar in purpose to the system, except Social Security, could not pay a benefit; and

(3) The actuarial equivalent of the member's benefits is paid to the system.

(b) The system shall not credit a member with more than ten (10) years of overseas service credit.

(c) At the member's request, a member's payment for overseas service credit shall be refunded by the system if the:

(1) Member ceased to be an active member before the overseas service credit is established as credited service in the system; or

(2) Overseas service credit is not otherwise used to establish the member's eligibility for retirement under the system.

§ 8-108. Purchasable service credit — General Assembly.

(a) A member of the Senate or House of Representatives of the General Assembly who is a member of the Arkansas Teacher Retirement System shall receive credited service and salary in the system for his or her full contract salary if the:

(1) School district requires the member's salary to be reduced during the member's attendance at:

(A) Regular or extraordinary sessions of the General Assembly; or

(B) Interim meetings of regular or special committees of the General Assembly;

(2) Member applies for General Assembly service credit by submitting to the system a completed application form approved by the system;

(3) Member pays the system the necessary member contributions; and

(4) Required employer contributions are paid to the system for the amount of the salary reduction during periods of the member's attendance at regular or extraordinary sessions of the General Assembly or sessions of legislative committees.

(b) A member of the Senate or House of Representatives who currently serves in the General Assembly or has served in the legislative committees for any year that is within five (5) years of July 6, 1977, shall receive credited service and salary for his or her full contract if the:

(1) Member applies for General Assembly service credit by submitting to the system a completed application form approved by the system;

(2) Member pays the employee contributions; and

(3) Required employer contributions are paid from the Public School Fund to the system for the portion of the contractual period in which the member's salary was reduced during the member's legislative service.

(c) A member of the Senate or House of Representatives of the General Assembly who is an employee and member of the system shall receive credited service and salary for his or her full contract salary if:

(1) Either the member or school district decides it is in the best interest of the member to take a leave of absence for up to one (1) full calendar year at a time in order for the member to attend his or her duties as a member of the General Assembly; and

(2) Both the required employee and employer contributions are paid to the system for the amount of the member's contract salary during periods in which the member attended sessions of the General Assembly or legislative committees.

(d) At the member's request, a member's payment for General Assembly service credit shall be refunded by the system if the:

(1) Member ceased to be an active member before the General Assembly service credit is established as credited service in the system; or

(2) General Assembly service credit is not otherwise used to establish the member's eligibility for retirement under the system.

§ 8-109. Purchasable service credit — Advanced degree service.

(a) A member who is a public school teacher or administrator and takes a leave of absence from a school in order to obtain an advanced degree at an institution of higher learning or to fulfill the requirements of a scholarship or grant shall receive credited service for the time of the member's actual enrollment in the institution if the member:

(1) Applies for advanced degree service credit by submitting to the system a completed application form approved by the Arkansas Teacher Retirement System; and

(2) Pays the actuarial equivalent of the member's benefits to the system for each year of service credit being purchased.

(b) At the member's request, a member's payment for advanced degree service credit shall be refunded by the system if the:

(1) Member ceased to be an active member before the advanced degree service credit is established as credited service in the system; or

(2) Advanced degree service credit is not otherwise used to establish the member's eligibility for retirement under the system.

§ 8-110. Purchasable service credit — Private school service.

(a) Employment with a Head Start program shall be considered private school service.

(b)(1) A member may purchase up to fifteen (15) years of private school service to be credited as certified service if:

(A) The member:

(i) Has contributions left on deposit with another system and the private school service credit being purchased is limited to service for which another system similar in purpose to the Arkansas Teacher Retirement System, except for Social Security, could not pay a benefit;

(ii) Pays the system, in full, the actuarial equivalent of benefits for each year of private school service credit being purchased; and

(iii) Has established at least five (5) years of actual service, excluding private school service; and

(B) All other requirements set by rules adopted by the Board of Trustees of the Arkansas Teacher Retirement System are met.

(2) At the member's request, a member's payment for certified private school service credit shall be refunded by the system if the:

(A) Member ceased to be an active member before the certified private school service credit is established as credited service in the system; or

(B) Certified private school service credit is not otherwise used to establish the member's eligibility for retirement under the system.

(c)(1) A member may purchase up to five (5) years of noncertified private school service that shall be credited as noncertified service if:

(A) The member:

(i) Applies for noncertified private school service credit by submitting to the system a completed application form approved by the system;

(ii) Has contributions left on deposit with another system and the noncertified service credit being purchased is limited to service for which another state-supported pension system or system similar in purpose to the system could not pay a benefit;

Pays the system, in full, the actuarial equivalent of benefits for each year of service credit being purchased; and

(iii) Has established at least five (5) years of actual service; and

(B) All other requirements set by rules adopted by the board are met.

(2) At the member's request, a member's payment for noncertified private school service credit shall be refunded by the system if the:

(A) Member ceased to be an active member before the noncertified private school service credit is established as credited service in the system; or

(B) Noncertified private school service credit is not otherwise used to establish the member's eligibility for retirement under the system.

(d)(1) A member may purchase up to five (5) years of private education-related entity private school service that shall be credited as noncertified service if:

(A) The member:

(i) Applies for private education-related entity private school service by submitting to the system a completed application approved by the system;

(ii) Has contributions left on deposit with another system and the

private education-related entity private school service credit being purchased is limited to service for which another state-supported pension system or system similar in purpose to the system could not pay a benefit;

(iii) Pays the system, in full, the actuarial equivalent of benefits for each year of service credit being purchased;

(iv) Has established at least five (5) years of actual service; and

(B) All other requirements set by rules adopted by the Board are met.

(2) At the member's request, a member's payment for private education-related entity private school service credit shall be refunded by the system if the:

(A) Member ceased to be an active member before the private education-related entity private school service is established as credited service in the system; or

(B) Private education-related entity private school service credit is not otherwise used to establish the member's eligibility for retirement under the system.

(e) A member may purchase a fraction of a year of private school service that shall be credited if the:

(1) Member has at least one-fourth (1/4) of a year of private school service in a fiscal year; and

(2) Fraction of a year of private school service can be credited in accordance with Arkansas Code § 24-7-601.

§ 8-111. Purchasable service credit — Federal retirement service.

(a) An active member may purchase up to ten (10) years of federal retirement service that shall be credited if the:

(1) Federal retirement service being purchased is limited to service for which the federal retirement system could not pay a benefit to the member;

(2) Member applies for federal retirement service by submitting to the Arkansas Teacher Retirement System a completed application form approved by the system;

(3) Member provides certification of his or her federal retirement service to the system on a form approved by the system;

(3) Member pays the system, in full, the actuarial equivalent of benefits for each year of service credit being purchased; and

(4) Member has established at least five (5) years of actual service, excluding federal retirement service.

(b)(1) A member shall complete at least one hundred sixty (160) working days before the member may establish one (1) year of federal retirement service credit.

(2) One (1) month of federal service shall be considered twenty (20) days of service.

(c) A member may purchase a fraction of a year of federal retirement service that shall be credited if the:

(1) Member has at least one-fourth (1/4) of a year of federal retirement service in a fiscal year; and

(2) Fraction of a year of federal retirement service can be credited in accordance with Arkansas Code § 24-7-601.

(d) Federal retirement service credit shall be considered contributory service.

(e) Purchased federal retirement service shall be credited to the fiscal year in which the service was rendered.

(f) If a member is not an active member before establishing federal retirement service with the system, the member's contribution payments and regular interest shall be refunded.

(g) At the member's request, a member's payment for federal retirement service credit shall be refunded by the system if the:

(1) Member ceased to be an active member before the federal retirement service is established as credited service in the system; or

(2) Federal retirement service credit is not otherwise used to establish the member's eligibility for retirement under the system.

(h) Purchase account payments made through employer pick-up are subject to restrictions specified in this rule, regulations, and the Internal Revenue Code.

§ 8-112. Purchasable service credit — Gap year service.

(a) A member may purchase permissive service credit for one (1) or more consecutive or nonconsecutive gap years if:

(1) The member:

(A) Has five (5) years of actual service in the system;

(B) Has left his or her position as a classroom teacher immediately before each nonconsecutive gap year or the initial gap year of consecutive gap years;

(C) Returns to his or her position as a classroom teacher after one (1) or more gap years;

(D) Accrues at least one-half (1/2) year of service credit after returning to his or her position as a classroom teacher;

(E) Was inactive during the gap year or gap years; and

(F) Is ineligible to receive free service credit for each gap year under another provision of the law applicable to the system; and

(2) Each gap year amounts to an entire fiscal year.

(b)(1) A member shall not:

(A) Be permitted to purchase permissive service credit unless the total gap year service for which permissive service credit is being purchased amounts to one (1) fiscal year;

(B) Purchase more than five (5) years of permissive service credit; or

(C) Purchase one (1) or more gap years after the member retires from the system.

(2) A member's purchased permissive service credit shall be credited in accordance with Arkansas Code § 24-7-601.

(c)(1) A member shall purchase permissive service credit for one (1) or more gap years at the actuarial cost.

(2) At the member's request, a member's payment for permissive service credit shall be refunded by the system if the:

(A) Member ceased to be an active member before the permissive service is established as credited service in the system; or

(B) Permissive service credit is not otherwise used to establish the member's eligibility for retirement under the system.

§ 8-113. Purchasable service credit — Contract Buyouts, Settlements, and Court Ordered Payments.

(a)(1) A member shall only earn service credit for actual, on-site work performed for a covered employer for the period specified in a contract buyout, settlement, or court ordered payment unless the member purchases service or salary that would have been received by the member if the member had been successful in his or her legal claim.

(2)(A) If a member is on call with a covered employer and not subject to either a contract buyout, settlement, or court ordered payment, the salary paid to the member as a regular employee shall be credited to the member.

(B) On call credit shall not be added to a member's salary with another covered employer.

(c) The Arkansas Teacher Retirement System shall not adjust a member's service history until the:

(1) Member or the member's covered employer provides a copy of the settlement, a file-marked court order, or a certified copy of the contract buyout to the system; and

(2)(A) Actuarial cost to purchase the service has been paid in full to the system.

(B) A member shall purchase service or salary at the actuarial cost for service and salary that the member would have earned if the member had not been terminated.

(d)(1) Service credit purchased under a settlement agreement or court order shall offset service credit that is earned through covered employment with another covered employer during the same period of time covered by the service credit purchased under the settlement agreement or court order.

(2) Service credit purchased under a settlement agreement or court order shall not be applied in a manner that allows a member to earn more than one (1) year of service credit in a fiscal year.

(e)(1) The system shall credit a member with additional salary credit purchased through a settlement agreement or court order only if the:

(A) Additional salary being purchased is being paid to the member in order to resolve a claim of wrongful termination or employment discrimination that culminated in a settlement agreement or court order; and

(B) Additional salary is salary that the member would have been paid but for the employment discrimination.

(2) Only qualifying additional salary credit purchased through a contract buyout may be used in the final average salary calculation.

(f) The system shall not permit a member to use unearned future service credit or nonqualified service credit purchased through a contract buyout settlement agreement with a school district to retire under age and service retirement before the member's employment contract with the school district would naturally have terminated.

§ 8-114. Cost of purchased service.

(a) A member shall purchase service using forms approved by the Arkansas Teacher Retirement System.

(b)(1) A member who purchases service shall receive credit for the purchased service if the actuarial equivalent of both the employee and employer contributions, as calculated by the system, are paid to the system.

(2) Service purchased at the actuarial cost shall be contributory.

(3) The requirement for service to be purchased at the actuarial cost shall not apply to free military service credit established with the system.

(c) The actuarial cost for service to be purchased shall not include adjustments to salary and service that are made in order to properly reflect the member's mandatory salary and service record.

(d) A salary earned for service purchased at the actuarial cost:

(1) Shall not be used to calculate a member's final average salary; and

(2) May be used to determine repaid refunds for service that is required to be reported within the refunded service.

(e)(1) A member's highest salary shall be used as the base year when calculating the actuarial cost for service being purchased by the member.

(2) A member's base year shall be the member's highest salary year unless the highest salary year is more than one hundred fifty percent (150%) greater than the next highest salary year.

(3) If a member's highest salary year is more than one hundred fifty percent (150%) greater than the next highest salary year, the highest two (2) salary years shall be added together and divided by two (2) to determine the base year to be used for calculating the actuarial cost for service being purchased.

(4) If a member does not have enough full service years to determine a base year for the purchase formula, a full year salary shall be used to determine the base year.

(5) A full year salary shall be calculated by dividing each partial year's service percentage into each partial year's salary.

§ 8-115. Purchase accounts.

(a) Purchase account payments shall be applied to the member's account on the date the payment is received by the system.

(b)(1) The system shall accept participant rollover contributions and direct rollovers for the purchase of service credit from a qualified retirement plan.

(2) A depository trustee from a qualified retirement plan shall certify to the system that the rollover deposit account is qualified and eligible to receive rollover distributions before a distribution of a member's account monies.

(3)(A) If the depository trustee is unable to certify the rollover deposit account as qualified and eligible to receive rollover distributions, the system shall accept a certification from a public accountant who has an active certified public accountant's license.

(B) The system shall not accept a certification from a public accountant that certifies a rollover deposit account as qualified and eligible to receive rollover distributions if the public accountant has an interest in the rollover deposit account as a member, spouse, or designated beneficiary.

(c)(1) If a member with an active purchase account dies, the member's spouse, beneficiary, or legal representative shall have up to six (6) months from the member's date of death to pay the balance of the purchase account unless the deadline is extended by the Executive Director of the Arkansas Teacher Retirement System for good cause.

(2) If the member's purchase account is not paid in full within six (6) months of the member's date of death, the purchase account shall be closed and payments made

towards the purchase account shall be considered as part of the member's residual account balance.

(d)(1) A purchase account that is paid in full after a final payment has been tendered shall not be cancelled.

(2) A member's purchase account may be cancelled if:

(A) The member submits a written cancellation request to the system; and

(B)(i) The system approves the cancellation request.

(ii) The system may approve a cancellation request and refund a member's purchase account if the purchase account:

(a) Is an account that has been paid only with after-tax contributions;

(b) Is an account that has been paid only with employer pick-up contributions and one (1) of the following applies:

(1) All payments on the irrevocable payroll authorization have been completed;

(2) The member terminates employment with the employer; or

(3) The member retires; or

(c) Is an account that has been paid only with rollover or transfer contributions and the rollover or transfer contributions may be rolled over or transferred to another qualified plan or refunded to the member after the deduction and payment of federal taxes.

(iii)(a) If a member's cancellation request is approved, the system shall refund the balance of the member's purchase account without interest to the member.

(b) The system shall refund interest to a member if a refund of interest is statutorily mandated under Arkansas Code § 24-7-612 or another applicable provision of the Arkansas Code.

§ 8-116. Purchase of refunded service.

(a) A member shall not purchase refunded service unless he or she purchases the total credited service forfeited by a refund.

(b)(1) A repayment of refunded contributions shall be made in inverse order if the member has received more than one (1) refund of contributions.

(2) The most recent refund account shall be paid in full before a member may purchase a previous refund account.

Authority: Arkansas Code §§ 24-1-107, 24-7-406, 24-7-601, 24-7-602, 24-7-607, 24-7-711, 24-7-719, and 24-7-735.

History

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	<u>June 7, 2010</u>	<u>8-2 Permanent</u>
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<u>Effective:</u>	<u>TBD</u>	<u>Rule 8</u>

ATRS RULE 9
RETIREMENT AND BENEFITS

Arkansas Code §§ ~~24-7-202, 24-7-205, 24-7-502, 24-7-701 — 24-7-707, 24-7709, 24-7-710, 24-7-727, 24-4-732, 24-7-734, and Acts 1987, No. 808~~

I. Definitions

- a. ~~"Act 808 Employee" means an employee of a state agency who:~~
 - 1. ~~On April 8, 1987, was an active member of the Arkansas Teacher Retirement System (ATRS);~~
 - 2. ~~Qualified to retire before January 1, 1988, under the Early Retirement Incentive Law of 1987 (Acts 1987, No. 187); and~~
 - 3. ~~Could elect to become a member of the Arkansas Public Employees Retirement System (APERS) and have his or her credited service in ATRS transferred to APERS;~~
- b. ~~"Annuity options" means one (1) or more options that:~~
 - 1. ~~Concern how an annuity benefit shall be paid, in accordance with Arkansas Code § 24-7-706, to a member for his or her lifetime after the member's retirement; and~~
 - 2. ~~Are available for a member's election at the time of the member's retirement;~~
- c. ~~"Application" for the purposes of retirement eligibility means an application form and any other documents required by ATRS to establish a member's eligibility to retire;~~
- d. ~~"Covered employer" or "employer" means an employer who participates in ATRS and whose employees are eligible for membership under Arkansas Code §§ 247-202, 24-7-501, or other applicable law;~~
- e. ~~"Dependent child" means a child of a member or retiree who:~~
 - 1. ~~Is a minor;~~
 - 2. ~~Is between eighteen (18) and twenty-three (23) years of age and continuously enrolled as a full-time student at an accredited secondary school, college, or university; or~~
 - 3. ~~Has been adjudged physically or mentally incapacitated by a court of competent jurisdiction;~~
- f. ~~"Effective retirement date" means, for purposes of ATRS' retirement benefits, the first day of the month in which a member requests to receive retirement benefits and for which the member submits a timely retirement application;~~

- g. ~~"Incapacitated child" means a child who has been adjudged physically or mentally incapacitated by a court of competent jurisdiction;~~
- h. ~~"Marriage dissolution" means a final decree of divorce, separate maintenance, or annulment executed by a court of competent jurisdiction and filed of record in the Office of the Ex Officio Recorder;~~
- i. ~~"Medical committee" means the committee of three (3) physicians appointed by the Board of Trustees of the Arkansas Teacher Retirement System (Board) under Arkansas Code § 24-7-303 for the purpose of evaluating disability retirement applications;~~
- j. ~~"Option beneficiary" means a person who: 1. A member nominates by written designation, before or after the member's retirement, to receive annuity payments after the member's death in accordance with the annuity option selected by the member; and~~
 - 2. ~~If eligible, shall receive annuity payments after the member's death in accordance with the annuity option selected by the member;~~
- k. ~~"Person" means an individual, trust, estate, corporation, partnership, or other legal entity;~~
- l. ~~"Residue" means a member's accumulated contributions, including regular interest standing in the member's credit at the time of his or her retirement;~~ m. ~~"Residue beneficiary" means a person who a member nominates by written designation to receive the member's residue, if any, under Arkansas Code § 247-709;~~
- n. ~~"Receivable" means monies due to ATRS from a member, former member, covered employer, contributor, retiree, beneficiary, or alternate payee under a qualified domestic relations order (QDRO) as a result of an overpayment of any payment or benefit by ATRS; and~~
- o. ~~"Retiree" means a retired member who receives an annuity from ATRS.~~

~~II. Age and Service Retirement Eligibility~~

- a. ~~If eligible, an active or inactive member who attains age sixty (60) and has five (5) or more years of actual and reciprocal service credit may voluntarily retire by filing a written application with ATRS.~~
- b. ~~If eligible, an active or inactive member who has not reached age sixty (60) and has twenty-five (25) or more years of actual and reciprocal service credit, including purchased or free credited service, may voluntarily retire by filing a written application with ATRS.~~
- c. ~~To be eligible for retirement, a member shall:~~
 - 1. ~~Satisfy the credited service requirements under one of ATRS' retirement statutes, Arkansas Code §§ 24-7-701—707;~~

- ~~2. Be credited with all required covered employer and member contributions in the member's deposit account, with no amounts owed to ATRS;~~
- ~~3. Pay all amounts owed to ATRS for underpayments or purchase service accounts; and~~
- ~~4. Terminate employment with each of his or her covered employers or reach the normal retirement age.~~

III. Benefits

a. Benefits Formula

- ~~1. The retirement benefits payable to a retiree shall be the total number of contributory years of credited service, multiplied by a factor between one and seventy-five hundredths percent (1.75%) and two and fifteen hundredths percent (2.15%) of the final average salary as set by the Board, plus the total number of noncontributory years of credited service multiplied by a factor between five-tenths percent (0.5%) and one and thirty-ninth hundredths percent (1.39%) of the final average salary, as set by the Board.~~
- ~~2. The Board shall modify the standard multipliers for credited service of ten (10) years as necessary to maintain actuarial soundness. (Arkansas Code § 24-7705).~~

b. B. Effective Date of Retirement (Arkansas Code § 24-7-701)

- ~~1. If a member meets all eligibility requirements for retirement and is approved for retirement, annuity benefits shall be effective on the month proposed in the member's application.~~
- ~~2. If the member does not file an application at least one (1) calendar month before the proposed effective retirement date, then the proposed retirement effective date in the member's application shall not be used, and the member's effective retirement date shall be the following month.~~
- ~~3. If a member has signed an employment contract for the fiscal year and has been paid in full without providing service for the full period of the employment contract, the member's effective retirement date shall not be before July 1 of the subsequent fiscal year.~~
- ~~4. If a member has accrued a full year of service credit equal or greater to one hundred sixty (160) days in a fiscal year, the member's retirement date shall not begin earlier than July 1 of the subsequent fiscal year. year unless the member:
 - ~~A. Has attained the normal retirement age and is not separating from employment; or~~
 - ~~B. Is not licensed or otherwise certified as a classroom teacher and vacating a classroom.~~~~

c. Normal Retirement Age

- ~~1. A member who attains the normal retirement age may:~~

- A. ~~Apply for retirement benefits without terminating employment; and~~
 - B. ~~Begin drawing retirement benefits.~~
2. ~~The retirement benefits of a member who attains the normal retirement age shall not be affected if the member applies for and draws retirement benefits.~~
- d. ~~Compound Cost of Living Adjustment (Arkansas Code § 24-7-727)~~
- 1. ~~The Board may, by resolution, reverse a compound cost of living adjustment as needed to maintain the actuarial soundness of ATRS.~~
 - 2. ~~A reversal may be phased in as the Board determines appropriate.~~
- e. ~~Change of Marital Status (Arkansas Code § 24-7-706)~~
- 1. ~~If the marital status of a retiree changes due to the death of the retiree's spouse or a marriage dissolution, the retiree may choose to:~~
 - A. ~~Cancel his or her designation of the former spouse as a beneficiary; or~~
 - B. ~~Designate a dependent child as a replacement beneficiary if the:~~
 - i. ~~Retiree previously designated the former spouse as his or her Option A or Option B beneficiary; and~~
 - ii. ~~Former spouse predeceases the retiree.~~
 - 2. ~~If the retiree chooses to cancel the designation of his or her former spouse as his or her Option A or Option B beneficiary or chooses to designate a dependent child as a replacement Option A or Option B beneficiary, the retiree shall file with ATRS a change of option beneficiary on an ATRS approved form, and any change in the benefit amount shall become effective the month after ATRS receives the approved form.~~
- f. ~~Alternative Residue Beneficiary Designation~~
- 1. ~~If a member designates one (1) or more alternative residual beneficiaries in lieu of his or her spouse, the member shall submit the names of each alternative residue beneficiary on ATRS approved form to ATRS.~~
 - 2. ~~If a member designates one (1) or more alternative residue beneficiaries in lieu of his or her spouse, each alternative residue beneficiary shall receive an appropriate lump-sum payment of the greater of either:~~
 - A. ~~The member's residue from the Teacher Deferred Retirement Option Plan (T-DROP); or~~
 - B. ~~The member's contributions.~~
- g. ~~Final Benefit Payments and Lost Payees (Arkansas Code § 24-7-734)~~
- 1. ~~Benefits are payable through the month in which the retiree's death occurs.~~
 - 2. ~~If a final benefit payment is not delivered in the normal course of business, the benefit payment shall be sent in the following order until delivered:~~

- A. ~~To the member's residue beneficiary, if any;~~
 - B. ~~To the member's lump-sum death beneficiary, if any;~~
 - C. ~~To the member's estate' if any; or~~
 - D. ~~To the trust assets of ATRS.~~
3. ~~The Board shall direct a benefit payment amount forfeited to the trust assets of ATRS if the:~~
- A. ~~Benefit payment cannot be made five (5) years after the benefit payment is due because the location of the member or the identity and location of the member's beneficiary or personal representative cannot be ascertained by mailing the benefit payment to the last known address of the member, beneficiary, or personal representative in ATRS' records; and~~
 - B. ~~Neither the member, beneficiary, or personal representative submitted paperwork or forms approved by ATRS updating his or her location or last known address to ATRS before the expiration of five (5) years from when the benefit payment is due.~~

~~IV—Retirement Application and Other Documents~~

~~a.—Generally~~

- 1. ~~A copy of the ATRS retirement application may be downloaded from the ATRS website or requested from ATRS.~~
- 2. ~~For a member who is inactive, vested, and immediately eligible to retire, retirement benefits shall be payable the month after ATRS receives the member's retirement application.~~

~~b.—Time Period for Filing Retirement Application~~

- 1. ~~In order for a retirement application to be timely filed, there is a three-month "window" to apply for retirement benefits.~~
- 2. ~~An active member who is currently employed by a covered employer shall file his or her retirement application:~~
 - A. ~~No sooner than four (4) months before the active member's effective retirement date; and~~
 - B. ~~No later than one (1) month before the active member's effective retirement date.~~

~~3.—Procedure for Handling Received Retirement Applications~~

- A. ~~ATRS' procedure for handling a retirement application received by ATRS shall be as follows:~~
 - i. ~~If a retirement application is received by ATRS before the threemonth window begins for the member's anticipated effective retirement date, ATRS shall:~~

- a. ~~Consider the retirement application untimely;~~
 - b. ~~Reject the retirement application;~~
 - c. ~~Notify the member of one (1) or more dates on which the member may timely file a retirement application; and~~
 - d. ~~Notify the member of the procedure to use in order to timely file a retirement application.~~
- ii. ~~If a retirement application is received after the three-month window ends for the member's anticipated effective retirement date, ATRS shall:~~
- a. ~~Consider the retirement application untimely; and~~
 - b. ~~Provide the member with a new effective retirement date that begins on the first day of the month following the member's previously anticipated effective retirement date.~~
4. ~~This ATRS Rule 9 IV.b. does not apply to a disability retirement application or an application for survivor benefits.~~
5. ~~The following table shows examples of the windows for filing a retirement application:~~

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

September 1	May, June or July	August 31	End of September
October 1	June, July or August	September 30	End of October
November 1	July, August or September	October 31	End of November
December 1	August, September or October	November 30	End of December

6. The following table is the only "window" for filing a T-DROP application:

Effective Date of Retirement	Retirement Application Must be Filed In:
July 1	March, April, or May

~~c. Retirement Application and Other Documents Required by ATRS~~

~~1. In addition to a complete retirement application, the following documents required by ATRS in order to begin making benefit payments shall be submitted to ATRS within six (6) months of the effective date of retirement unless an extension is granted by ATRS: A. Member elects a straight life annuity:~~

- ~~i. Proof of member's birthdate from a birth certificate or other authenticating documents.; and~~
- ~~ii. Proof of member's taxpayer identification number from a Social Security card or other authenticating documents.~~

~~B. Member elects Option A or Option B benefit with Spouse as the beneficiary:~~

- ~~i. Proof of the member's birthdate from a birth certificate or other authenticating documents.;~~
- ~~ii. Proof of the member's taxpayer identification number from a Social Security card or other authenticating documents.;~~ ~~iii. Proof of the spouse's birthdate from a birth certificate or other authenticating documents.;~~
- ~~iv. Proof of the spouse's taxpayer identification number from a Social Security card or other authenticating documents.;~~ and
- ~~v. Proof of the marriage between the member and spouse from a marriage license or equivalent, marriage license recording document, or other legally acceptable proof of the existence of the marriage.~~

~~C. Member elects Option A or Option B benefit with a dependent child as the beneficiary:~~

- ~~i. Proof of the member's birthdate from a birth certificate or other authenticating documents;~~
- ~~ii. Proof of the member's taxpayer identification number from a Social Security card or other authenticating documents;~~
- ~~iii. Proof of Guardianship

 - ~~A. Adequate proof of the existence of a guardianship due to the incapacity of the member's dependent child that preexists the member's official retirement date.~~
 - ~~B. Authenticating documents may include the order appointing guardianship of the person, letters of guardianship, or other adequate proof of the existence of the guardianship;~~~~
- ~~iv. Proof of the dependent child's birthdate from a birth certificate or other authenticating documents; and~~
- ~~v. Proof of the dependent child's taxpayer identification number from a Social Security card or other authenticating documents.~~
- ~~D. Member elects Option C annuity:

 - ~~i. Proof of the member's birthdate from a birth certificate or other authenticating documents; and~~
 - ~~ii. Proof of the member's taxpayer identification number from a Social Security card or other authenticating documents.~~~~
- ~~d. Submission Deadlines — Age and Service Retirement and Early Retirement Applications — Additional Documents

 - ~~1. If a member files an age and service retirement application or early retirement application, all additional documents required by ATRS in order to begin making benefit payments shall be submitted within six (6) calendar months after the member's effective retirement date unless an extension is granted by ATRS.~~
 - ~~2. If all additional documents required by ATRS are not submitted by the sixmonth deadline or any extension granted by ATRS, the retirement application shall be void and without effect.~~~~

~~V. State Employee Transfers to APERS (Act 808) Rules~~

- ~~a. An Act 808 employee shall make the election to transfer to APERS on a form approved by ATRS.~~
- ~~b. The transfer from ATRS to APERS shall be effective on the employee's effective date of retirement.~~
- ~~c. ATRS shall certify to APERS a record of the Act 808 employee's service credit in ATRS.~~
- ~~d. If an Act 808 employee is a non-contributory member of ATRS at the time of his or her retirement, the Act 808 employee shall retire under the non-contributory~~

~~provisions of Acts 1987, No. 187 and shall be entitled to a refund of his or her Act 808 employee contributions made since January 1, 1978, to ATRS.~~

- ~~e. If an Act 808 employee was a contributory member of ATRS at the time of his or her retirement, the Act 808 employee shall retire under the contributory provisions of Acts 1987, No. 187.~~
- ~~f. APERS shall pay the monthly benefits of an Act 808 employee who elects to transfer to APERS.~~
- ~~g. APERS shall certify monthly to ATRS the amount of monthly benefits paid and ATRS shall transfer its pro-rata portion to APERS.~~
- ~~h. Upon receipt of a death certificate from APERS for a retiree who chose straight life annuity and has a balance remaining in his or her account, ATRS shall transfer the remaining balance in the retiree's account to APERS for refunding to the retiree's designated beneficiary.~~

VI. Disability Retirement Rules

- ~~a. Submission Deadlines and Commencement of Disability Retirement Benefit Payments~~
 - ~~1. A member has six (6) calendar months from the date of the member's disability retirement application to submit a completed application and all accompanying documentation required by ATRS.~~
 - ~~2. If a member does not submit all accompanying documentation required by ATRS within the six-month deadline, ATRS shall:~~
 - ~~i. Submit the disability retirement application to the medical committee for review as complete; or~~
 - ~~ii. Withdraw the application at the request of the member unless an extension is granted by ATRS.~~
 - ~~3. Disability retirement benefits shall begin on the first of the month in which a member files a disability retirement application with ATRS if the:~~
 - ~~A. Member is eligible for disability retirement under Arkansas Code § 24-7704 and the ATRS Rules;~~
 - ~~B. Member is no longer employed by a covered employer at the time he or she files the disability retirement application; and~~
 - ~~C. Medical committee determines that the member has a disability.~~
 - ~~4. If the member is still employed a covered employer at the time the member files the disability retirement application, then, once approved by the medical committee and then the Board, the disability retirement shall begin on the first of the month following the last day of the member's covered employment.~~
- ~~b. Effective Retirement Date and Employment After Disability Retirement~~
 - ~~1. Effective Retirement Date~~

- a. ~~A member's disability retirement is effective from the date the member files a disability retirement application with ATRS and terminates employment with each of his or her covered employers.~~

~~2. Leave~~

- A. ~~A member is considered active if the member is using earned sick leave, Family Medical Leave Act (FMLA) leave, annual leave, and catastrophic leave.~~
- B. ~~Worker's compensation, which may or may not include the use of leave granted by an employer, shall not:~~
 - i. ~~Be considered leave by which a member is considered active; and~~
 - ii. ~~Extend the date of active membership.~~

~~3. Direct or Indirect Employment~~

- A. ~~A member shall not receive disability retirement benefit payments if the member indirectly performs work for an ATRS covered employer as described in Arkansas Code § 24-7-704(a)(4)(B).~~
- B. ~~If a member is approved for disability retirement and continues to work either directly or indirectly for a covered employer, the member shall:~~
 - i. ~~Terminate direct or indirect employment with the covered employer by the proposed disability effective retirement date; or~~
 - ii. ~~If the member is finalizing work for the covered employer, terminate employment no later than two (2) full calendar months after the medical committee's final decision.~~
- C. ~~If the member does not terminate employment under the ATRS Rules and the termination requirement under Arkansas Code § 24-7-502, the member's disability retirement application shall be considered rescinded and the member may reapply if eligible.~~

~~4. Continued Employment Under Age Sixty (60)~~

- A. ~~A retiree under the age of sixty (60) may be employed by an ATRS covered employer and also receive ATRS disability retirement benefit payments if the retiree performs less than eighty (80) days of actual service during a fiscal year.~~

~~5. Return to Employment~~

- A. ~~After receiving ATRS approval for disability retirement a retiree may choose to return to covered employment with an ATRS covered employer and relinquish his or her disability retirement.~~
- B. ~~If a retiree chooses to return to covered employment, the member shall:~~
 - i. ~~Not receive disability retirement benefit payments;~~
 - ii. ~~Be considered an active member; and~~

~~iii. Comply with Arkansas Code § 24-7-738 (Acts 2017, No. 549).~~

~~C. A retiree shall become an active member and his or her disability retirement shall be immediately terminated if:~~

~~i. The retiree notifies ATRS in writing of his or her intent to perform more than eighty (80) days of actual service during a fiscal year; or~~

~~ii. ATRS receives written notification of the retiree's intent to perform more than eighty (80) days of actual service during a fiscal year through a termination and status sheet, membership data form, or any other reasonably reliable documentation.~~

~~c. Social Security Determination Letter~~

~~1. Deadlines—Generally~~

~~A. A deadline imposed by this ATRS Rule 9 VI may be extended as provided by this ATRS Rule 9 and Arkansas Code § 24-7-704.~~

~~2. Thirty-Six-Month Deadline~~

~~A. A retiree shall submit to ATRS a Social Security Administration (SSA) determination letter that finds the retiree disabled within thirty-six (36) months from:~~

~~i. July 1, 2015, if the retiree's effective retirement date is before July 1, 2015; or~~

~~ii. The retiree's effective retirement date if the effective date of retirement is on or after July 1, 2015.~~

~~B. A retiree may apply for an extension of the thirty-six-month deadline to submit the SSA determination letter to ATRS if:~~

~~i. The retiree demonstrates through an administrative or judicial confirmation of an active SSA claim that the claim is:~~

~~a. Still under review; and~~

~~b. Part of a continuous claim without voluntary dismissal or withdrawal; and~~

~~ii. The SSA disability claim was filed and remained active for at least twenty-four (24) months before the thirty-six-month deadline.~~

~~3. Suspension of Disability Retirement Benefit Payments~~

~~A. ATRS shall suspend disability retirement benefit payments to a retiree if the retiree does not:~~

~~i. Provide ATRS with a SSA determination letter finding the retiree disabled within the thirty-six-month deadline;~~

~~ii. Receive an extension of the thirty-six-month deadline to provide~~

~~ATRS with a SSA determination letter finding the retiree disabled; or
iii. Apply to the medical committee for a review within three (3) months
of ATRS suspending disability retirement benefit payments to the retiree
due to the retiree's failure to provide ATRS with a SSA determination
letter finding the retiree disabled.~~

~~4. Inability to Obtain SSA Determination Letter — Medical Committee Review~~

~~A. A retiree who attempts and is unable to receive a SSA determination
letter finding the retiree disabled may apply for a review by the medical
committee.~~

~~B. A retiree may apply for a review by the medical committee:~~

~~i. No earlier than three (3) months before the date on which the
retiree's disability retirement benefit payment would otherwise be
suspended; and~~

~~ii. No later than three (3) months after disability retirement benefit
payments to the retiree is suspended.~~

~~C. A review performed by the medical committee shall follow the standards
and procedures in Arkansas Code § 24-7-704(a)(1)(E).~~

~~D. A member's option to request a second review as provided by Arkansas
Code § 24-7-704(a)(1)(H) shall not apply to a retiree who seeks disability
review under Arkansas Code § 24-7-704(b)(3)(D).~~

~~5. Denial of Disability Review~~

~~1. After a disability review is held due to the SSA finding that a member is
not disabled, the medical committee's recommendations shall be
submitted to the Board for a final order.~~

~~2. If a member is denied further disability benefits after a disability review by
the medical committee, the member may:~~

~~i. Offer additional medical information within thirty (30) days of the
date of the disability review; and~~

~~ii. Request that the Board return the matter to the medical committee
for reconsideration.~~

~~6. SSA Determination Letter No Longer Required~~

~~A. A retiree shall begin receiving regular retirement benefits as if the retiree
voluntarily retired and a SSA determination letter shall not be required if
the retiree~~

~~i. Attains fifty-seven (57) years of age in the month the retiree's
disability retirement benefits become effective; or~~

~~ii. Attains sixty (60) years of age.~~

~~d. Denial of Disability Retirement~~

- ~~1. If a member's initial application for disability retirement is denied and the member elects and qualifies for voluntary retirement, the member's effective retirement date shall be determined by the date the member's initial disability retirement application is filed.~~
 - ~~2. A member may request a second review if the member's initial disability retirement application is denied and the member submits additional medical documentation for the medical committee's consideration.~~
 - ~~3. A member may only request a second review one (1) time.~~
 - ~~4. If a member requests a second review, unless an extension is granted by ATRS, the member has six (6) calendar months from the date of the letter notifying the member of the denial of his or her initial disability retirement application to submit additional medical documentation.~~
 - ~~5. If a member's initial disability retirement application is denied after the second review, the member may file another subsequent disability retirement application and submit additional information for consideration if the member is active and eligible for disability retirement under Arkansas Code § 24-7-704.~~
 - ~~6. If a member's initial disability retirement application is denied and the member is ineligible to apply for disability retirement benefits under Arkansas Code § 24-7-704 or is inactive, the member may apply for age and service retirement or early voluntary retirement if the member meets the requirements for age and service retirement or early voluntary retirement.~~
- ~~e. Member Death Before Determination on Disability Retirement Application~~
- ~~1. If the member dies after the disability application is received by ATRS, but before his or her disability retirement application is approved, then the: A. Member shall be considered as having died in active service; and~~
 - ~~B. Survivor benefits under Arkansas Code § 24-7-710 shall be paid, unless the member designated one (1) or more alternative residual beneficiaries.~~
- ~~f. Disability Retirement Benefit Formula~~
- ~~1. The annuity formula for computing disability retirement benefits is shall be the same annuity formula used to compute voluntary age and service retirement benefits.~~
- ~~g. Beneficiary Designation After Approval of Disability Retirement~~
- ~~1. If a disability retirement application is approved by the medical committee after May 31, 2011, the Board shall allow the member to designate an Option A or Option B beneficiary at the time of retirement.~~
 - ~~2. An Option C beneficiary shall not be designated by a member who applies for disability retirement or a disability retiree. (Arkansas Code § 24-7-706(a)(3))~~
 - ~~3. The same rules that apply to an active member's surviving spouse under Arkansas Code § 24-7-710(b) shall apply to a disability retiree's surviving spouse if the disability retiree:~~

- ~~A. Designates his or her spouse as Option A or Option B beneficiary at the time of retirement; and~~
- ~~B. Dies before reaching sixty (60) years of age.~~
- ~~4. The same rules that apply to a surviving spouse of an active member under Arkansas Code § 24-7-710(b) shall apply to the surviving spouse of a disability retiree if the disability retiree:~~
 - ~~A. Dies after disability retirement benefit payments to the disability retiree begin;~~
 - ~~B. Does not designate his or her spouse as an Option A or Option B beneficiary; and~~
 - ~~C. Does not designate a residue beneficiary.~~
- ~~5. The same rules that apply to a surviving spouse of an active member under Arkansas Code § 24-7-710(b)(1)(B) shall apply to the surviving spouse of a disability retiree if the disability retiree:~~
 - ~~A. Dies after disability retirement benefit payments to the disability retiree began;~~
 - ~~B. Does not designate his or her spouse as an Option A or Option B beneficiary; and~~
 - ~~C. Designates his or her spouse as a residue beneficiary.~~
- ~~6. If a disability retiree designates his or her dependent child as an Option A or Option B beneficiary, and the disability retiree dies before reaching age sixty (60), then:~~
 - ~~A. The same rules that apply under Arkansas Code § 24-7-710(c) to an active member's surviving child shall apply to the disability retiree's Option A or Option B dependent child beneficiary until the date on which the disability retiree would have turned sixty (60) years of age; and~~
 - ~~B. On the date on which the disability retiree would have turned sixty (60) years of age, the Option A or Option B dependent child beneficiary shall receive the greater of the surviving child annuity under Arkansas Code § 24-7-710(c) or the Option A spouse annuity under Arkansas Code § 24-7-710(b).~~

~~VII. Annuity Options and Disposition of Residue After Retirement Rules~~

~~a. Option Annuity Election~~

- ~~1. Before the date the first benefit payment of an annuity becomes due, a member retiring with age or service may elect one (1) of the following annuity options:~~
 - ~~A. **Option 1** — Straight Life Annuity~~
 - ~~B. A straight life annuity payable monthly for the life of the retiree. Option 2~~
 - ~~— Reduced Straight Life Annuity with Option Beneficiaries~~

~~c. Persons Eligible as Option A or Option B Beneficiaries at the Time of Retirement~~

- ~~1. The following persons are eligible to be nominated by written designation as an Option A or Option B beneficiary:
 - ~~A. The retiree's spouse if the retiree and his or her spouse have been married to each other for at least one (1) year before the first annuity benefit payment to the retiree;~~
 - ~~B. A retiree's dependent child who has been adjudged physically or mentally incapacitated by a court of competent jurisdiction, regardless of the age of the dependent child.~~~~

~~d. Eligibility of a Spouse to Become an Option A or Option B Beneficiary after a Member's Retirement~~

- ~~1. After his or her retirement, a retiree may designate his or her spouse as an Option A or Option B beneficiary if the retiree:
 - ~~A. Has been married to his or her spouse for one (1) year; and~~
 - ~~B. Either:
 - ~~i. Was married to his or her spouse for less than one (1) year upon his or her effective retirement date; or~~
 - ~~ii. Marries his or her spouse after his or her effective retirement date.~~~~~~
- ~~2. Upon meeting the one-year marriage requirement, the retiree shall have six (6) months to file a written nomination designating his or her spouse as either an Option A or Option B beneficiary.~~
- ~~3. The designation shall be filed on a form approved by ATRS.~~

~~e. Eligibility of a Dependent Child to Become an Option A or Option B Beneficiary after a Member's Retirement~~

- ~~1. After a retiree's effective retirement date, the retiree may designate an Option A or Option B dependent child beneficiary if the:
 - ~~A. Retiree previously designated his or her spouse as the Option A or Option B beneficiary;~~
 - ~~B. Spouse designated as the retiree's Option A or Option B beneficiary predeceases the retiree; and~~
 - ~~C. Dependent child has been adjudged physically or mentally incapacitated by a court of competent jurisdiction.~~~~

~~f. Emancipation of Incapacitated Child Option Beneficiary~~

- ~~1. A member may request that ATRS remove an incapacitated child as his or her Option A or Option B beneficiary if:~~

~~A. The member designated the incapacitated child as his or her Option A or Option B dependent child beneficiary; and B. One (1) of the following applies:~~

- ~~i. A court finds that the incapacitated child is no longer incapacitated;~~
- ~~ii. The incapacitated child is emancipated through marriage; or~~
- ~~iii. The incapacitated child dies.~~

~~2. The following forms of proof shall be submitted, as appropriate, with the member's request to remove an incapacitated child as his or her Option A or Option B:~~

- ~~A. A file-marked copy of the court's order finding that the incapacitated child is no longer incapacitated;~~
- ~~B. A copy of the incapacitated child's marriage license or equivalent, marriage license recording document, or other legally acceptable proof of the existence of the marriage; or~~
- ~~C. A copy of the incapacitated child's death certificate.~~

~~3. Once the proof required to remove an incapacitated child as the member's Option A or Option B beneficiary is submitted to ATRS, the member may:~~

- ~~A. Elect to return to an Option 1; or~~
- ~~B. If the member is married, designate his or her spouse as the Option A or Option B beneficiary within six (6) months of the date on which ATRS receives the proof required under this ATRS Rule 9 VII.f.2.~~
- ~~C. The member's election shall be effective on the first day of the month following the date on which ATRS receives the election form.~~

~~g. **Residue Paid Upon Death of Option Annuitant**~~

- ~~1. A member may designate any person as a residue beneficiary.~~
- ~~2. A retiree's residue, if any, shall be paid to the retiree's residue beneficiary if the:~~
 - ~~A. Retiree dies before receiving annuity benefit payments equal to the residue amount; and~~
 - ~~B. Option beneficiary dies before receiving annuity benefit payments equal to the residue amount.~~
- ~~3. If a residue beneficiary is not nominated or does not survive the death of the option beneficiary, the residue remaining, if any, shall be paid to the retiree's estate.~~

~~h. **Final Benefit Check**~~

- ~~1. Benefits are payable through the month in which the last option beneficiary's death occurs.~~

- ~~2. If the option beneficiary dies before receiving the last check, ATRS shall pay the final check in the normal manner paid before death.~~
- ~~3. If payment of the final check in the normal course becomes impossible, the final option beneficiary's annuity check shall be returned to ATRS.~~

~~VIII. Error Corrections and Collection of Overpayments Rules~~

~~a. Payment Errors~~

- ~~1. If a change or error in ATRS' records discovered during the look-back period results in either an overpayment or underpayment to ATRS, the Board shall authorize ATRS to:
 - ~~A. Correct the error in the records;~~
 - ~~B. Adjust a benefit or any other amount payable to the corrected amount as far as practicable; and~~
 - ~~C. Take all necessary and appropriate action, including the options allowed under Arkansas Code § 24-7-205(b).~~~~
- ~~2. The Board or its designee may adjust the records of ATRS, a covered employer, and a member beyond the look-back period if the Board determines that the time limitation imposed by the look-back period will result in a manifest injustice in a specific case.¹~~

~~b. Benefit Participant Under QDRO~~

- ~~1. If a benefit participant under a QDRO pursuant to Arkansas Code §§ 9-18101—103, is paid any benefit or payment by ATRS to which the benefit participant is not entitled, and it is discovered during the look-back period, then a receivable is created and the Board or its designee, may collect the amount due to ATRS as provided by Arkansas Code § 24-7-205.~~

~~c. Notice of Benefit Adjustment~~

- ~~1. Before making an adjustment of benefits that causes a reduction of the benefits or pursuing any other collection action, ATRS shall provide notice to the person who is the subject of the adjustment.~~
- ~~2. The notice shall:
 - ~~A. State the amount determined to be a receivable;~~
 - ~~B. State the reasons underlying the determination;~~
 - ~~C. Describe the process for disputing an adjustment of benefits; and~~
 - ~~D. Suggest alternate methods for payment of the receivable.~~~~

~~d. Dispute and Appeal of Collections~~

¹ See ATRS Rule 17 – Manifest Injustice.

- ~~1. Appeals to dispute collections shall be made according to the procedures and requirements of ATRS Rule 13.~~
 - ~~2. During the appeal process, retirement benefits may continue to be paid.~~
- e. ~~Correction and Adjustment Limitations~~
- ~~1. Actions that affect benefit rights shall not be corrected or adjusted further than a five-year look-back period unless a manifest injustice has occurred or an exception exists under Arkansas Code § 24-7-205(c).~~
 - ~~2. A determination by ATRS of a manifest injustice in a particular instance due to a technical error or error in judgment is discretionary and governed by Arkansas Code § 24-7-205.~~
- f. ~~Waiver of Interest on Contributions~~
- ~~1. The Board authorizes the Executive Director of ATRS (executive director) to waive interest on required contributions in an amount not to exceed \$5,000.~~
 - ~~2. A request to excuse an interest amount exceeding \$5,000 shall be submitted to the Board for review.~~
 - ~~3. The executive director shall report any amounts excused under this section to the Board.~~
- g. ~~Uncollectible or Waived Receivables~~
- ~~1. If required, a receivable under this this ATRS Rule 9 VIII that is found by the Board or its designee to be uncollectible or for which adjustment or payment has been waived shall be submitted to the Chief Fiscal Officer of the State for abatement pursuant to Arkansas Code §§ 19-2-301 — 19-2-307.~~

~~HISTORY~~

Effective:	July 2, 2002	9-3
Amended:	June 15, 2004	9-2, 9-4, 9-7
Amended:	July 18, 2005	9-4, 9-8
Amended:	February 7, 2006	9-2, 9-7
Amended:	April 26, 2007	9-2, 9-7
Amended:	June 19, 2007	9-4
Amended:	June 16, 2009	(Emergency) 9-2
Amended:	October 5, 2009	(Permanent) 9-2
Adopted:	December 18, 2009	9-1, 9-4, 9-8
Amended:	July 1, 2011	(Emergency) 9-1, (Emergency) 9-2, 9-4, (Emergency) 9-7, (Emergency) 9-8
Adopted:	August 8, 2011	9-1, 9-2, 9-4, 9-7, 9-8

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~~Amended: October 9, 2013 9-2, 9-4, 9-8~~
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~~Approved by Board: October 5, 2015 9-2, 9-4~~
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~~Effective: February 16, 2018 9-2, 9-4, 9-8, 9-9~~
~~Effective: May 28, 2020 Rule 9~~
~~Effective: May 20, 2022 Rule 9~~

ATRS Rule 9 Retirement and Benefits

§ 9-101. Definitions.

As used in this rule:

(1) "Act 808 Employee" means an employee of a state agency who:

(A) On April 8, 1987, was an active member of the Arkansas Teacher Retirement System;

(B) Qualified to retire before January 1, 1988, under the Early Retirement Incentive Law of 1987 (Acts 1987, No. 187); and

(C) Could elect to become a member of the Arkansas Public Employees' Retirement System and have his or her credited service in the Arkansas Teacher Retirement System transferred to the Arkansas Public Employees' Retirement System;

(2) "Annuity options" means one (1) or more options that:

(A) Concern how an annuity benefit shall be paid, in accordance with Arkansas Code § 24-7-706, to a member for his or her lifetime after the member's retirement; and

(B) Are available for a member's election at the time of the member's retirement;

(3) "Application" for the purposes of retirement eligibility means an application form and any other documents required by the Arkansas Teacher Retirement System to establish a member's eligibility to retire;

(4) "Covered employer" or "employer" means an employer who participates in the Arkansas Teacher Retirement System and whose employees are eligible for membership in the Arkansas Teacher Retirement System;

(5) "Dependent child" means a child of a member or retiree who:

(A) Is a minor; or

(C) Has been adjudged physically or mentally incapacitated by a court of competent jurisdiction;

(6) "Effective retirement date" means the first day of the month in which a member requests to receive retirement benefits and for which the member submits a timely retirement application;

(7) "Eligible employee" for the purposes of salary or compensation limitations concerning the calculation of a final average salary means a person who was a member of the Arkansas Teacher Retirement System before the first plan year beginning after December 31, 1995;

(8) "Full service year" means employment with a covered employer for one hundred sixty (160) days or more in a fiscal year;

(9) "Incapacitated child" means a child who has been adjudged physically or mentally incapacitated by a court of competent jurisdiction;

(10) "Marriage dissolution" means a final decree of divorce, separate maintenance, or annulment executed by a court of competent jurisdiction and filed of record in the Office of the Ex Officio Recorder;

(11) "Medical committee" means the committee of three (3) physicians appointed by the Board of Trustees of the Arkansas Teacher Retirement System for the purpose of

evaluating disability retirement applications;

(12) "Option beneficiary" means a person who:

(A) A member nominates by written designation, before or after the member's retirement, to receive annuity payments after the member's death in accordance with the annuity option selected by the member; and

(B) If eligible, shall receive annuity payments after the member's death in accordance with the annuity option selected by the member;

(13) "Partial service year" means employment with a covered employer for less than one hundred sixty (160) days in a fiscal year;

(14) "Person" means an individual, trust, estate, corporation, partnership, or other legal entity;

(15) "Residue" means a member's accumulated contributions, including regular interest standing in the member's credit at the time of his or her retirement;

(16) "Residue beneficiary" means a person who a member nominates by written designation to receive the member's residue, if any, under Arkansas Code § 247-709;

(17) "Receivable" means monies due to the Arkansas Teacher Retirement System from a member, former member, covered employer, contributor, retiree, beneficiary, or alternate payee under a qualified domestic relations order or QDRO as a result of an overpayment of any payment or benefit by the Arkansas Teacher Retirement System;

(18) "Retiree" means a retired member who receives an annuity from the Arkansas Teacher Retirement System;

(19) "Service" means employment rendered as an employee.

§ 9-102. State employee transfers to the Arkansas Public Employees' Retirement System.

(a) An Act 808 employee shall make the election to transfer to the Arkansas Public Employees' Retirement System on a form approved by the Arkansas Teacher Retirement System.

(b) The transfer from the Arkansas Teacher Retirement System to the Arkansas Public Employees' Retirement System shall be effective on the employee's effective date of retirement.

(c) The Arkansas Teacher Retirement System shall certify to the Arkansas Public Employees' Retirement System a record of the Act 808 employee's service credit in the Arkansas Teacher Retirement System.

(d)(1) If an Act 808 employee is a non-contributory member of the Arkansas Teacher Retirement System at the time of his or her retirement, the Act 808 employee shall retire under the non-contributory provisions of Acts 1987, No. 187 and shall be entitled to a refund of his or her Act 808 employee contributions made since January 1, 1978, to the Arkansas Teacher Retirement System.

(2) If an Act 808 employee was a contributory member of the Arkansas Teacher Retirement System at the time of his or her retirement, the Act 808 employee shall retire under the contributory provisions of Acts 1987, No. 187.

(e)(1) The Arkansas Public Employees' Retirement System shall pay the monthly benefits of an Act 808 employee who elects to transfer to the Arkansas Public Employees' Retirement System.

(2) The Arkansas Public Employees' Retirement System shall certify monthly to

the Arkansas Teacher Retirement System the amount of monthly benefits paid and the Arkansas Teacher Retirement System shall transfer its pro-rata portion to the Arkansas Public Employees' Retirement System.

(f) Upon receipt of a death certificate from the Arkansas Public Employees' Retirement System for a retiree who chose a straight life annuity and has a balance remaining in his or her account, the Arkansas Teacher Retirement System shall transfer the remaining balance in the retiree's account to the Arkansas Public Employees' Retirement System for refunding to the retiree's designated beneficiary.

§ 9-103. Retirement eligibility.

To be eligible for age and service retirement or disability retirement under the Arkansas Teacher Retirement System, a member shall:

(1) Satisfy the credited service requirements under one of the retirement statutes, Arkansas Code §§ 24-7-701—707;

(2) Be credited with all required covered employer and member contributions in the member's deposit account, with no amounts owed to the system;

(3) Pay all amounts owed to the system for underpayments, overpayments, or purchase service accounts; and

(4) Terminate employment with each of his or her covered employers or reach the normal retirement age.

§ 9-104. Age and service retirement — Effective retirement date.

(a) For a member who is inactive, vested, and immediately eligible to retire, retirement benefits shall be payable the month after the Arkansas Teacher Retirement System receives the member's application for age and service retirement.

(b)(1) If a member meets all eligibility requirements for age and service retirement and is approved for retirement, annuity benefits shall be effective on the month proposed in the member's application.

(2) If the member does not file an application at least one (1) calendar month before the proposed effective retirement date, then the proposed retirement effective date in the member's application shall not be used, and the member's effective retirement date shall be the following month.

(c) If a member has signed an employment contract for the fiscal year and has been paid in full without providing service for the full period of the employment contract, the member's effective retirement date shall not be before July 1 of the subsequent fiscal year.

(d) If a member has accrued a full year of service credit equal or greater to one hundred sixty (160) days in a fiscal year, the member's retirement date shall not begin earlier than July 1 of the subsequent fiscal year, unless the member:

(A) Has attained the normal retirement age and is not separating from employment;

or

(B) Is not licensed or otherwise certified as a classroom teacher and vacating a classroom.

(e)(1) A member who attains the normal retirement age may:

(A) Apply for retirement benefits without terminating employment; and

(B) Begin drawing retirement benefits.

(2) The retirement benefits of a member who attains the normal retirement age shall not be affected if the member applies for and draws retirement benefits.

§ 9-105. Age and service retirement — Application.

(a) A copy of the age and service retirement application may be downloaded from the system's website or requested from the system.

(b)(1) If eligible, an active or inactive member who attains age sixty (60) and has five (5) or more years of actual and reciprocal service credit may voluntarily retire by filing a written application with the Arkansas Teacher Retirement System.

(2) If eligible, an active or inactive member who has not reached age sixty (60) and has twenty-five (25) or more years of actual and reciprocal service credit, including purchased or free credited service, may voluntarily retire by filing a written application with the system.

(c)(1) In order for a retirement application to be timely filed, there is a three-month "window" to apply for retirement benefits.

(2) An active member who is currently employed by a covered employer shall file his or her retirement application:

(A) No sooner than four (4) months before the active member's effective retirement date; and

(B) No later than one (1) month before the active member's effective retirement date.

(d)(1) The system's procedure for handling a retirement application received by the system from a member shall include the following:

(A) If a retirement application is received by the system before the three-month window begins for the member's anticipated effective retirement date, the system shall:

(i) Consider the retirement application untimely;

(ii) Reject the retirement application;

(iii) Notify the member of one (1) or more dates on which the member may timely file a retirement application; and

(iv) Notify the member of the procedure to use in order to timely file a retirement application.

(2) If a retirement application is received after the three-month window ends for the member's anticipated effective retirement date, the system shall:

(i) Consider the retirement application untimely; and

(ii) Provide the member with a new effective retirement date that begins on the first day of the month following the member's previously anticipated effective retirement date.

(e) Section 9-105(d) and (e) of this rule do not apply to a disability retirement application or an application for survivor benefits.

(f) The following table shows examples of the windows for filing a retirement application:

<u>EXAMPLE OF RETIREMENT FILING DATES</u>			
<u>Effective Date of Retirement</u>	<u>Retirement Application Must be Filed In:</u>	<u>Last Date of Employment</u>	<u>First Retirement Check</u>
<u>January 1</u>	<u>September, October or November</u>	<u>December 31</u>	<u>End of January</u>
<u>February 1</u>	<u>October, November or December</u>	<u>January 31</u>	<u>End of February</u>
<u>March 1</u>	<u>November, December or January</u>	<u>Feb 28/29 (Leap year)</u>	<u>End of March</u>
<u>April 1</u>	<u>December, January or February</u>	<u>March 31</u>	<u>End of April</u>
<u>May 1</u>	<u>January, February or March</u>	<u>April 30</u>	<u>End of May</u>
<u>June 1</u>	<u>February, March or April</u>	<u>May 31</u>	<u>End of June</u>
<u>July 1</u>	<u>March, April or May</u>	<u>June 30</u>	<u>End of July</u>
<u>August 1</u>	<u>April, May or June</u>	<u>July 31</u>	<u>End of August</u>
<u>September 1</u>	<u>May, June or July</u>	<u>August 31</u>	<u>End of September</u>
<u>October 1</u>	<u>June, July or August</u>	<u>September 30</u>	<u>End of October</u>
<u>November 1</u>	<u>July, August or September</u>	<u>October 31</u>	<u>End of November</u>
<u>December 1</u>	<u>August, September or October</u>	<u>November 30</u>	<u>End of December</u>

(g) The following table is the only window for filing a Teacher Deferred Retirement Option Participation application:

<u>Effective Date of Retirement</u>	<u>Retirement Application Must be Filed In:</u>
<u>July 1</u>	<u>March, April, or May</u>

§ 9-106. Age and service retirement — Additional documents.

(a) Unless an extension is granted by the Executive Director of the Arkansas Teacher Retirement System, in addition to a completed application for retirement, a member shall submit the following additional documents to the Arkansas Teacher Retirement System by the end of the sixth full calendar month immediately following the member's effective retirement date:

(1) For members who elect a straight life annuity:

(A) Proof of the member's birthdate from a birth certificate or other authenticating documents.; and

(B) Proof of the member's taxpayer identification number from a Social Security card or other authenticating documents.

(2) For members who elect an Option A or Option B annuity and designate their spouse as the beneficiary:

(A) Proof of the member's birthdate from a birth certificate or other authenticating documents;

(B) Proof of the member's taxpayer identification number from a Social Security card or other authenticating documents;

(C) Proof of the spouse's birthdate from a birth certificate or other authenticating documents;

(D) Proof of the spouse's taxpayer identification number from a Social Security card or other authenticating documents; and

(E) Proof of the marriage between the member and spouse from a marriage license or equivalent, marriage license recording document, or other legally acceptable proof of the existence of the marriage.

(3) For members who elect an Option A or Option B annuity and designate a dependent child as their beneficiary:

(A) Proof of the member's birthdate from a birth certificate or other authenticating documents;

(B) Proof of the member's taxpayer identification number from a Social Security card or other authenticating documents;

(C)(i) Proof of guardianship

(ii) Adequate proof of the existence of a guardianship due to the incapacity of the member's dependent child that preexists the member's official retirement date.

(iii) Authenticating documents may include the order appointing guardianship of the person, letters of guardianship, or other adequate proof of the existence of the guardianship;

(D) Proof of the dependent child's birthdate from a birth certificate or other authenticating documents; and

(E) Proof of the dependent child's taxpayer identification number from a Social Security card or other authenticating documents.

(4) For members who elect an Option C annuity:

(A) Proof of the member's birthdate from a birth certificate or other authenticating documents; and

(B) Proof of the member's taxpayer identification number from a Social Security card or other authenticating documents.

(b)(1) Unless an extension is granted by the executive director, a member shall submit by the end of the sixth full calendar month immediately following the member's effective retirement date all additional documents required by the system in order to begin issuing benefit payments to the member.

(2) If all additional documents required by the system are not submitted by the deadline or any extension granted by the executive director, the member's retirement application shall be void and without effect.

§ 9-107. Disability retirement — Application.

(a)(1) A member shall submit a completed application for disability retirement and all accompanying documentation required by the Arkansas Teacher Retirement System by the end of the sixth full calendar month immediately following the date of the member's disability retirement application.

(2) If a member does not submit all accompanying documentation by the end of the sixth full calendar month immediately following the date of the member's disability retirement application, the system shall:

(A) Submit the disability retirement application to the medical committee for review as complete; or

(B) Withdraw the application at the request of the member unless an extension is granted by the Executive Director of the Arkansas Teacher Retirement System.

(b)(1) Disability retirement benefits shall begin on the first of the month in which a member files a disability retirement application with the system if the:

(A) Member is eligible for disability retirement;

(B) Member is no longer employed by a covered employer at the time he or she files the disability retirement application; and

(C) Medical committee determines that the member has a disability.

(2) If the member is still employed by a covered employer at the time the member files the disability retirement application, then, once approved by the medical committee and then the Board of Trustees of the Arkansas Teacher Retirement System, the member's disability retirement shall begin on the first of the month following the last day of the member's covered employment.

(c) If a member's initial application for disability retirement is denied and the member elects and qualifies for age and service retirement, the member's effective retirement date shall be determined by the date the member's initial disability retirement application is filed.

(d)(1) A member may request a second review of his or her initial disability retirement application if the:

(A) Member's initial disability retirement application is denied; and

(B) Member submits additional medical documentation for the medical committee's consideration.

(2) A member may only request a second review one (1) time.

(3) If a member requests a second review, unless an extension is granted by the executive director, the member has until the end of the sixth full calendar month immediately following the date of the written notice of the medical committee's denial of the member's initial application for disability retirement to submit additional medical

documentation.

(4)(A) If a member's initial disability retirement application is denied after the second review, the member may file another subsequent disability retirement application and submit additional information for consideration if the member is active and eligible for disability retirement.

(B) If a member's initial disability retirement application is denied and the member is ineligible to apply for disability retirement benefits or is inactive, the member may apply for **age and service retirement** if the member meets the requirements **age and service retirement**.

(e) If a member dies after the disability application is received by the system, but before his or her disability retirement application is approved, then the:

(A) Member shall be considered as having died in active service; and

(B) Survivor benefits under Arkansas Code § 24-7-710 shall be paid, unless the member designated one (1) or more alternative residual beneficiaries.

(f)(1) If a disability retirement application is approved by the medical committee after May 31, 2011, the board shall allow the member to designate an Option A or Option B beneficiary at the time of retirement.

(2) An Option C beneficiary shall not be designated by a member who applies for disability retirement or a disability retiree.

(g)(1) The same rules that apply to an active member's surviving spouse under Arkansas Code § 24-7-710(b) shall apply to a disability retiree's surviving spouse if the disability retiree:

(A) Designates his or her spouse as Option A or Option B beneficiary at the time of retirement; and

(B) Dies before reaching sixty (60) years of age.

(2) The same rules that apply to a surviving spouse of an active member under Arkansas Code § 24-7-710(b) shall apply to the surviving spouse of a disability retiree if the disability retiree:

(A) Dies after disability retirement benefit payments to the disability retiree begin;

(B) Does not designate his or her spouse as an Option A or Option B beneficiary; and

(C) Does not designate a residue beneficiary.

(3) The same rules that apply to a surviving spouse of an active member under Arkansas Code § 24-7-710(b)(1)(B) shall apply to the surviving spouse of a disability retiree if the disability retiree:

(A) Dies after disability retirement benefit payments to the disability retiree began;

(B) Does not designate his or her spouse as an Option A or Option B beneficiary; and

(C) Designates his or her spouse as a residue beneficiary.

(4) The same procedures used under Arkansas Code § 24-7-710 that are used to determine when an active member's surviving spouse is entitled to begin receiving benefit payments shall be used to determine when benefit payments shall begin for a residue beneficiary who is the surviving spouse of a disability retiree and elects an Option A – 100% Survivor Annuity

(5) If a disability retiree designates his or her dependent child as an Option A or Option B beneficiary, and the disability retiree dies before reaching age sixty (60), then:

(A) The same rules that apply under Arkansas Code § 24-7-710(c) to an active member's surviving child shall apply to the disability retiree's Option A or Option B dependent child beneficiary until the date on which the disability retiree would have turned sixty (60) years of age; and

(B) On the date on which the disability retiree would have turned sixty (60) years of age, the Option A or Option B dependent child beneficiary shall receive the greater of the surviving child annuity under Arkansas Code § 24-7-710(c) or the Option A spouse annuity under Arkansas Code § 24-7-710(b).

§ 9-108. Disability retirement — Disability review.

(a) A deadline imposed by this rule may be extended as provided by this rule and Arkansas Code § 24-7-704.

(b)(1) A retiree shall submit to the Arkansas Teacher Retirement System a Social Security Administration (SSA) determination letter that finds the retiree disabled within thirty-six (36) months from:

(A) July 1, 2015, if the retiree's effective retirement date is before July 1, 2015; or

(B) The retiree's effective retirement date if the effective date of retirement is on or after July 1, 2015.

(2) A retiree may apply to the system for an extension of the thirty-six-month deadline if:

(A) The retiree demonstrates through an administrative or judicial confirmation of an active SSA claim that the claim is:

(i) Still under review; and

(ii) Part of a continuous claim without voluntary dismissal or withdrawal; and

(iii) The SSA disability claim was filed and remained active for at least twenty-four (24) months before the thirty-six-month deadline.

(c) The system shall suspend disability retirement benefit payments to a retiree if the retiree does not:

(1) Provide the system with a SSA determination letter finding the retiree disabled within the thirty-six-month deadline;

(2) Receive an extension of the thirty-six-month deadline to provide the system with a SSA determination letter finding the retiree disabled; or

(3) Apply to the medical committee for a review **by the end of the third full calendar month immediately following the system's suspension of** disability retirement benefit payments to the retiree due to the retiree's failure to provide a SSA determination letter finding the retiree disabled.

(d)(1) A retiree who attempts and is unable to receive a SSA determination letter finding the retiree disabled may apply for a review by the medical committee **if the member submits either an unfavorable SSA determination letter finding that the retiree is not disabled or documentation showing that the retiree applied for SSA benefits before the thirty-six-month deadline to submit a favorable SSA determination letter finding the retiree disabled expired.**

(2) A retiree may apply for a review by the medical committee:

(A) No earlier than **three (3) full calendar months** before the date on which the retiree's disability retirement benefit payment would otherwise be suspended; and

(B) No later **than by the end of the third full calendar month immediately following the system's suspension of** disability retirement benefit payments to the retiree.

(3) A review performed by the medical committee shall follow the standards and procedures in Arkansas Code § 24-7-704(a)(1)(E).

(4)(A) After a disability review is held due to the SSA finding that a member is not disabled, the medical committee's recommendations shall be submitted to the Board of Trustees of the Arkansas Teacher Retirement System for a final order.

(B) If a member is denied further disability benefits after a disability review by the medical committee, the member may:

(i) Offer additional medical information within thirty (30) days of the date of the disability review; and

(ii) Request that the board return the matter to the medical committee for reconsideration.

(C)(i) Disability retirement benefit payments to a member shall resume in the month immediately following the board's entry of an order finding the member eligible to receive disability retirement benefits if the board had previously entered an order finding the member ineligible to receive disability retirement benefits.

(ii) If the board enters an order finding a member eligible to receive disability retirement benefits, the member shall not be entitled to retroactive backpay of disability retirement benefits if the:

(a) Board had previously entered an order finding the member ineligible to receive disability retirement benefits;

(b) Member did not submit a favorable SSA determination letter within thirty-six (36) months of his or her effective date of disability retirement; and

(c) Member submits a favorable SSA determination letter after the board entered the order finding the member ineligible to receive disability retirement benefits.

(e) A member's option to request a second review of his or her initial disability retirement application does not apply to a retiree who seeks a disability review due to his or her inability to obtain a SSA determination letter finding him or her disabled.

(f) A retiree shall begin receiving regular retirement benefits as if the retiree voluntarily retired and a SSA determination letter shall not be required if the retiree

(1) Attains fifty-seven (57) years of age in the month the retiree's disability retirement benefits become effective; or

(2) Attains sixty (60) years of age.

§ 9-109. Disability retirement — Employment after disability retirement.

(a) A member's disability retirement is effective from the date the member files a disability retirement application with the Arkansas Teacher Retirement System and terminates employment with each of his or her covered employers.

(b)(1) A member is considered active if the member is using earned sick leave, Family Medical Leave Act leave, annual leave, and catastrophic leave.

(2) Worker's compensation, which may or may not include the use of leave granted

by an employer, shall not:

(A) Be considered leave by which a member is considered active; and

(B) Extend the date of active membership.

(c)(1) A member shall not receive disability retirement benefit payments if the member indirectly performs work for a covered employer as described in [Arkansas Code § 24-7-502](#).

(2) If a member is approved for disability retirement and continues to work either directly or indirectly for a covered employer, the member shall:

(A) Terminate direct or indirect employment with the covered employer by the proposed disability effective retirement date; or

(B) If the member is finalizing work for the covered employer, terminate employment no later than two (2) full calendar months after the medical committee's final decision.

(3) If the member does not terminate employment in accordance with the ATRS Rules and [Arkansas Code § 24-7-502](#), the member's disability retirement application shall be considered rescinded and the member may reapply for disability retirement if eligible.

(d)(1) A retiree under the age of sixty (60) may be employed by a covered employer and also receive disability retirement benefit payments if the retiree performs less than eighty (80) days of actual service during a fiscal year.

(2)(A) After receiving approval for disability retirement under the system, a retiree may choose to return to covered employment and relinquish his or her disability retirement.

(B) If a retiree chooses to return to covered employment, the member shall:

(i) Not receive disability retirement benefit payments;

(ii) Be considered an active member; and

(iii) Comply with [Arkansas Code § 24-7-738](#) (Acts 2017, No. 549).

(3) A retiree shall become an active member and his or her disability retirement shall be immediately terminated if:

(A) The retiree notifies the system in writing of his or her intent to perform more than eighty (80) days of actual service during a fiscal year; or

(B) The system receives written notification of the retiree's intent to perform more than eighty (80) days of actual service during a fiscal year through a termination and status sheet, membership data form, or any other reasonably reliable documentation.

(e) A disability retiree shall not be permitted to transfer his or her disability retiree status to that of an age and service retiree.

§ 9-110. Benefit formula and Compound Cost of Living Adjustment.

(a) The annuity formula for computing disability retirement benefits shall be the same annuity formula used to compute age and service retirement benefits.

(b)(1) The retirement benefits payable to a retiree shall be the total number of contributory years of credited service, multiplied by a factor that is not less than one and seventy-five hundredths percent (1.75%) and not more than two and fifteen hundredths percent (2.15%) of the final average salary as set by the Board of Trustees of the Arkansas Teacher Retirement System, plus the total number of noncontributory years of credited service multiplied by a factor that is not less than five-tenths percent (0.5%) and not more than one and thirty-ninth hundredths percent (1.39%) of the final average salary, as set

by the Board of Trustees of the Arkansas Teacher Retirement System.

(2) The board shall modify the standard multipliers for credited service of ten (10) years as necessary to maintain actuarial soundness.

(c)(1) The board by resolution may reverse a compound cost of living adjustment as needed to maintain the actuarial soundness of the system.

(3) A reversal may be phased in as the board determines appropriate.

(d)(1) If a covered employer reports additional salary for a member and the additional salary does not cause the member's annual benefit to increase or decrease by more than the de minimis amount, then the member's contributions on the additional salary shall be transferred from the member's deposit account to the employer accumulation account without making any change to the member's annual benefit.

(2) If the additional salary does increase or decrease the member's annual benefit by more than the de minimis amount, then the member's annual benefit shall be recalculated.

§ 9-111. Final average salary — Salary limitations.

(a) The Board of Trustees of the Arkansas Teacher Retirement System may adopt rules to modify the definition of salary for the purpose of calculating retirement benefits available under the Arkansas Teacher Retirement System.

(b) The system shall include the salary received from each of a member's covered employers when calculating the member's final average salary.

(c)(1) Regardless of any provision in a state statute, rule, or regulation to the contrary, remuneration, salary, or other compensation that exceeds the limitations set forth provided in the Internal Revenue Code of 1986, 26 U.S.C. § 401(a)(17), as it existed on January 1, 2011, shall not be used for the purposes of calculating the final average salary on which benefits available under the system are based.

(2) The limitation on remuneration, salary, or compensation for an eligible employee shall not be less than the amount that was allowed to be considered by the Arkansas Teacher Retirement System as in effect on July 1, 1993.

(d)(1) A salary earned by a member before the member's death and paid after the member's death is subject to deductions by the system and the member's covered employer shall report the member's total salary and days of service in the covered employer's quarterly report.

(2) Gratuitous payments made by a covered employer to a member after the death of the member shall not be:

(A) Considered the salary of the member;

(B) Subject to contribution requirements; and

(C) Included in the covered employer's quarterly report to the system.

(e) The system shall not consider remuneration, salary, or compensation paid by a covered employer to a member as a salary earned by the member if the:

(1) Remuneration, salary, or compensation is paid as an incentive payment, bonus, separation payment, additional salary, or special payment in consideration for the member's agreement to retire, terminate employment, or not renew a contract with the covered employer;

(2) Offer described in § 9-111(d)(1) of this rule is extended by the covered employer to two (2) or more members;

(3) Remuneration, salary, or compensation is not offered as an additional salary or payment for the purchase of service credit that is part of a separation agreement resulting from the resolution of a claim of wrongful termination;

(4) Remuneration, salary, or compensation is not payment for accumulated, unused sick leave that:

(A) Accrued in the years immediately preceding the member's termination of covered employment; and

(B) Were in excess of the number of sick days that the covered employer allowed the member to carry forward;

(5) Covered employer offers a voluntary early retirement incentive plan, staff reduction plan, or buyout plan that would require the member as a participant of the plan to retire or terminate his or her employment with the covered employer; and

(6) Member voluntarily participates in the plan in exchange for the remuneration, salary, or compensation offered by the covered employer.

(f)(1) A covered employer shall not withhold a member's contributions or pay employer contributions from a remuneration, salary, or compensation paid to a member if the remuneration, salary, or compensation is subject to a salary limitation as provided by this rule.

(2) A covered employer that offers an early retirement plan, separation, plan, or contract nonrenewal plan and intends to pay remuneration, salary, or compensation that is subject to a salary limitation as provided by this rule shall notify the system before making a payment under the plan.

(g)(1) At the request of a covered employer, the system shall:

(A) Review a potential plan or payment that may be subject to a salary limitation as provided by this rule; and

(B) Provide written guidance to the covered employer concerning the applicability of the salary limitation to the plan or payment.

(2) The system's written determination on the applicability of a salary limitation to a plan or payment shall be treated as a staff determination letter, which may be appealed by the covered employer using the procedures in ATRS Rule 13-1.

(3) The law, rules, and policies applicable to the system shall be controlling if a conflict exists between the system's calculation of final average salary and a covered employer's laws, rules, or policies concerning the compensation of final average salary.

§ 9-112. Final average salary — Service years.

(a) If a member dies during active service on or after July 1, 2013, the member's paid or unpaid accrued, unused sick leave, shall be credited as service in the fiscal year of the member's death for the purpose of determining the member's retirement eligibility, final average salary, and eligibility for other benefits under the Arkansas Teacher Retirement System.

(b)(1) A partial service year shall be excluded from the calculation of a member's final average salary unless the:

(A) Partial service year is higher than a full service year; or

(B) Member has less than the required number of years to calculate a final average salary.

(2) Anti-spiking calculations shall not be applied to a partial service year or a fiscal

year immediately following a partial service year.

(c)(1) The Board of the Arkansas Teacher Retirement System shall set annually the applicable number of years to be used in computing final average salary for retirement benefits at not less three (3) years and not more than five (5) years.

(2) Unless otherwise provided by law, rules, or policies applicable to the Arkansas Teacher Retirement System, effective July 1, 2018, the Arkansas Teacher Retirement System shall calculate a member's final average salary using the five (5) years in which the member received the highest salary from a covered employer.

(d)(1) If a member has less than the minimum number of years of credited service that would be used to calculate a final average salary, the member's final average salary shall be the total salary paid to the member for his or her years of credited service divided by the member's total credited years of service.

(2) If a member does not have full service years for the total years of service used in the calculation of final average salary, the board may establish by rule a fair base salary for a member's final average salary for purposes of comparing the member's highest salary years.

(e)(1) For an active member who has three (3) or more full service years as of July 1, 2018, the Arkansas Teacher Retirement System shall:

(A) Treat the active member as if he or she was retiring or entering the Teacher Deferred Retirement Option Plan as of June 30, 2018; and

(B) Determine the benchmark final average salary using the highest salary from the member's three (3) full service years through fiscal year 2018.

(2) A final average salary calculation using three (3) full service years shall be the benchmark comparison for a five-year final average salary calculation to which the active member may be entitled.

(3) The Arkansas Teacher Retirement System shall calculate the active member's final average salary using the five (5) years in which the active member received the highest salary from a covered employer if at the time of the active member's retirement using a five-year calculation of the final average salary is higher than using a three-year calculation.

(4) The Arkansas Teacher Retirement System shall not use a benchmark final average salary for an inactive member unless the inactive member provides the Arkansas Teacher Retirement System with appropriate documentation showing that the inactive member was active in a reciprocal system or alternate retirement plan during the 2018 fiscal year.

(f) For a member with reciprocal service credit, the Arkansas Teacher Retirement System shall use the highest final average salary calculated, at the time of the member's retirement, by the Arkansas Teacher Retirement System or a reciprocal system in which the member has at least two (2) years of service credit pursuant to Arkansas Code § 24-2-402.

§ 9-113. Annuity options.

(a) Before the date the first benefit payment of an annuity becomes due, a member retiring with age or service may elect one (1) of the following annuity options:

(1) Option 1 – straight life annuity, which is a straight life annuity payable monthly for the life of the retiree.

(2)(A) Option 2 – reduced straight life annuity with option beneficiaries, under which a retiree shall receive the actuarial equivalent of his or her straight life annuity in a reduced annuity payable for the retiree’s lifetime.

(B) Under Option 2, at the time of his or her retirement, a member may designate one (1) or more beneficiaries to receive one (1) of the following annuity options:

(i)(a) Option A – one hundred percent (100%) survivor annuity. Upon the death of the retiree, the retiree’s reduced annuity shall be continued and paid throughout the life of the retiree’s designated beneficiary.

(b) A member’s eligible spouse, one (1) or more of the member’s children who qualify as a dependent child, or both may be designated as an Option A beneficiary.

(c) If both a spouse and one (1) dependent child are designated as Option A beneficiaries, the retiree’s reduced annuity shall be paid in equal shares to the spouse and the dependent child.

(d) If both a spouse and more than one (1) dependent child are designated as Option A beneficiaries, the spouse shall receive fifty percent (50%) of the retiree’s reduced annuity and the remaining fifty percent (50%) shall be paid in equal shares to the dependent children.

(e) If more than one (1) dependent child is designated as an Option A beneficiary and a spouse is not designated as an Option A beneficiary, the retiree’s reduced annuity shall be paid in equal shares to each dependent child.

(f) A dependent child’s portion of the annuity shall not revert to the spouse or any other dependent children if the dependent child becomes ineligible to continue receiving annuity payments or predeceases the spouse or any other dependent children.

(g) A spouse’s portion of the annuity shall not revert to any dependent child if the spouse becomes ineligible to continue receiving annuity payments or predeceases one (1) or more dependent children.

(ii)(a) Option B – fifty percent (50%) survivor annuity. Upon the death of the retiree, one-half (1/2) of the retiree’s reduced annuity shall be continued and paid throughout the life of the retiree’s designated beneficiary.

(b) A member’s eligible spouse, one (1) or more of the member’s children who qualify as a dependent child, or both may be designated as an Option B beneficiary.

(c) If both a spouse and one (1) dependent child are designated as Option B beneficiaries, one-half (1/2) of the retiree’s reduced annuity shall be paid in equal shares to the spouse and the dependent child.

(d) If both a spouse and more than one (1) dependent child are designated as Option B beneficiaries, the spouse shall receive fifty percent (50%) of one-half (1/2) of the retiree’s reduced annuity and the remaining fifty percent (50%) of one-half (1/2) of the retiree’s reduced annuity shall be paid in equal shares to the dependent children.

(e) If more than one (1) dependent child is designated as an Option A beneficiary and a spouse is not designated as an Option B beneficiary, one-half (1/2) of the retiree’s reduced annuity shall be paid in equal shares to each dependent child.

(f) A dependent child's portion of the annuity shall not revert to the spouse or any other dependent children if the dependent child becomes ineligible to continue receiving annuity payments or predeceases the spouse or any other dependent children.

(g) A spouse's portion of the annuity shall not revert to any dependent child if the spouse becomes ineligible to continue receiving annuity payments or predeceases one (1) or more dependent children.

(C)(i) Option C – annuity for ten (10) years certain and life thereafter. The retiree shall receive a reduced annuity payable throughout the retiree's life.

(ii) If the retiree dies before receiving one hundred twenty (120) monthly annuity payments, the payments shall be continued for the remainder of the period of one hundred twenty (120) months and paid to one (1) or more of the retiree's designated beneficiaries in equal shares.

(iii) A member may designate one (1) or more beneficiaries under Option C.

(b) The following persons are eligible to be designated as an Option A or Option B beneficiary:

(1) The retiree's spouse if the retiree and his or her spouse have been married to each other for at least one (1) year before the first annuity benefit payment to the retiree;

(2) A retiree's dependent child who has been adjudged physically or mentally incapacitated by a court of competent jurisdiction, regardless of the age of the dependent child.

(c) If an Option 1 retiree dies within one (1) year of retirement, and his or her spouse qualifies for Option A benefits, the spouse may elect to cancel the Option 1 annuity in effect and elect Option A, one hundred percent (100%) survivor annuity, at that time.

(1) The election shall be effective the first day of the month following receipt of the election form from the Arkansas Teacher Retirement System.

(2) If the spouse elects Option A benefits, the residue, if any, shall not be paid until the Option A beneficiary's death.

(3) A spouse who is eligible to elect Option A benefits may elect to receive a lump-sum distribution of the retiree's residue in lieu of the spousal annuity if the spouse waives his or her right to the spousal annuity and the retiree did not designate one (1) or more dependent children as a beneficiary.

(d)(1) After his or her retirement, a retiree may designate his or her spouse as an Option A or Option B beneficiary if the retiree:

(A) Has been married to his or her spouse for one (1) year; and

(B) Either:

(i) Was married to his or her spouse for less than one (1) year upon his or her effective retirement date; or

(ii) Marries his or her spouse after his or her effective retirement date.

(2)(A) Upon meeting the one-year marriage requirement, the retiree shall have six (6) months to file a written nomination designating his or her spouse as either an Option A or Option B beneficiary.

(B) The designation shall be filed on a form approved by the system.

(e) After a retiree's effective retirement date, the retiree may designate an Option A or Option B dependent child beneficiary if the:

(1) Retiree previously designated his or her spouse as the Option A or Option B beneficiary;

(2) Spouse designated as the retiree's Option A or Option B beneficiary predeceases the retiree; and

(3) Dependent child has been adjudged physically or mentally incapacitated by a court of competent jurisdiction.

(f)(1) A member may request that the system remove an incapacitated child as his or her Option A or Option B beneficiary if:

(A) The member designated the incapacitated child as his or her Option A or Option B dependent child beneficiary; and

(B) One (1) of the following applies:

(i) A court finds that the incapacitated child is no longer incapacitated;

(ii) The incapacitated child is emancipated through marriage; or

(iii) The incapacitated child dies.

(2) The following forms of proof shall be submitted, as appropriate, with the member's request to remove an incapacitated child as his or her Option A or Option B:

(A) A file-marked copy of the court's order finding that the incapacitated child is no longer incapacitated;

(B) A copy of the incapacitated child's marriage license or equivalent, marriage license recording document, or other legally acceptable proof of the existence of the marriage; or

(C) A copy of the incapacitated child's death certificate.

(3) Once the proof required to remove an incapacitated child as the member's Option A or Option B beneficiary is submitted to the system, the member may:

(A) Elect to return to an Option 1; or

(B)(i) If the member is married, designate his or her spouse as the Option A or Option B beneficiary within six (6) months of the date on which the system receives the proof required under this rule.

(ii) The member's election shall be effective on the first day of the month following the date on which the system receives the election form.

(g)(1) A member may designate any person as a residue beneficiary.

(2) A retiree's residue, if any, shall be paid to the retiree's residue beneficiary if the:

(A) Retiree dies before receiving annuity benefit payments equal to the residue amount; and

(B) Option beneficiary dies before receiving annuity benefit payments equal to the residue amount.

(3) If a residue beneficiary is not nominated or does not survive the death of the option beneficiary, the residue shall be paid to the retiree's estate.

(4)(A) If a residue beneficiary survives the death of the retiree and the option beneficiary, but dies before payment of the residue can be issued by the system, the residue shall be paid to the residue beneficiary's estate.

(B) If more than one (1) residue beneficiary survives the death of the retiree and option beneficiary, but all the residue beneficiaries die before payment of the residue can be issued by the system, the residue shall be paid to the estate of the most recently deceased residue beneficiary.

§ 9-114. Change of marital status.

(a)(1) If the marital status of a retiree changes due to the death of the retiree's spouse or a marriage dissolution, the retiree may choose to:

(A) Cancel his or her designation of the former spouse as a beneficiary; or

(B) Designate a dependent child as a replacement beneficiary if the:

(i) Retiree previously designated the former spouse as his or her Option A or Option B beneficiary; and

(ii) Former spouse predeceases the retiree.

(2) If the retiree chooses to cancel the designation of his or her former spouse as his or her Option A or Option B beneficiary or chooses to designate a dependent child as a replacement Option A or Option B beneficiary, the retiree shall file with the Arkansas Teacher Retirement System a change of option beneficiary on a form approved by the system, and any change in the benefit amount shall become effective the month after the system receives the approved form.

(b)(1) If a member designates one (1) or more alternative residual beneficiaries in lieu of his or her spouse, the member shall submit the names of each alternative residue beneficiary to the system on a form approved by the system.

(2) If a member designates one (1) or more alternative residue beneficiaries in lieu of his or her spouse, each alternative residue beneficiary shall receive an appropriate lump-sum payment of the greater of either:

(A) The member's residue from the Teacher Deferred Retirement Option Plan (T-DROP); or

(B) The member's contributions.

§ 9-115. Final benefit check.

(a)(1)(A) In the case of a retiree, benefits are payable through the month in which the retiree's death occurs.

(B) If a final benefit payment is not delivered in the normal course of business, the benefit payment shall be sent in the following order until delivered:

(i) To the member's residue beneficiary, if any;

(ii) To the member's lump-sum death beneficiary, if any;

(iii) To the member's estate' if any; or

(iv) To the trust assets of the Arkansas Teacher Retirement System.

(2)(A) In the case of an option beneficiary, benefits are payable through the month in which the last option beneficiary's death occurs.

(B)(i) If an option beneficiary dies before receiving the last check, the Arkansas Teacher Retirement System shall pay the final check in the normal manner paid before death.

(ii) If payment of the final check in the normal course becomes impossible, the final option beneficiary's annuity check shall be returned the system.

(b) The Board of the Arkansas Teacher Retirement System shall direct a benefit payment amount forfeited to the trust assets of the system if the:

(1) Benefit payment cannot be made five (5) years after the benefit payment is due because the location of the member or the identity and location of the member's beneficiary or personal representative cannot be ascertained by mailing the benefit payment to the last known address of the member, beneficiary, or personal representative

in ATRS' records; and

(2) Neither the member, beneficiary, or personal representative submitted paperwork or forms approved by the system updating his or her location or last known address to the system before the expiration of five (5) years from when the benefit payment is due.

§ 9-116. Correction of errors and collection of overpayments.

(a)(1) If a change or error in the records of the Arkansas Teacher Retirement System is discovered during the look-back period and results in either an overpayment or underpayment to the system, the Board of Trustees of the Arkansas Teacher Retirement System shall authorize the system's staff to:

(A) Correct the error in the records;

(B) Adjust a benefit or any other amount payable to the corrected amount as far as practice able; and

(C) Take all necessary and appropriate action, including without limitation the options allowed under Arkansas Code § 24-7-205(b).

(2)(A) The board or its designee may adjust the records of the system, a covered employer, and a member beyond the look-back period if the board determines that the time limitation imposed by the look-back period will result in a manifest injustice in a specific case.

(B) Before making an adjustment of benefits that causes a reduction of the benefits or pursuing any other collection action, the system shall provide notice to the person who is the subject of the adjustment and the notice shall:

(i) State the amount determined to be a receivable;

(ii) State the reasons underlying the determination;

(iii) Describe the process for disputing an adjustment of benefits; and

(iv) Suggest alternate methods for payment of the receivable.

(b)(1) The manifest injustice process shall not be used to address a change, omission, or error in the records of the system that may be corrected within the look-back period.

(2) The manifest injustice process may be used to correct a change, omission, or error in the records of the system discovered after the look-back period if the board determines that the time limitation imposed by the look-back period would cause a manifest injustice.

(c) If a member is subject to a qualified domestic relations order and is paid a benefit or payment by the system to which the member is not entitled, and it is discovered during the look-back period, then a receivable is created and the board or its designee, may collect the amount due to the system.

(d)(1) Appeals to dispute collections shall be made according to the procedures in ATRS Rule 13.

(2) During the appeal process, retirement benefits may continue to be paid.
Correction and Adjustment Limitations

(3) Actions that affect benefit rights shall not be corrected or adjusted further than a five-year look-back period unless a manifest injustice has occurred or an exception exists under Arkansas Code § 24-7-205(c).

(4) A determination by the system of a manifest injustice in a particular instance due to a technical error or error in judgment is discretionary and governed by Arkansas

Code § 24-7-205.

(e)(1) The Executive Director of the Arkansas Teacher Retirement System may waive interest on required contributions in an amount not to exceed \$5,000.

(2) A request to excuse an interest amount exceeding \$5,000 shall be submitted to the board for review.

(3) The executive director shall report any amounts excused under § 9-116 of this rule to the board.

(f)(1) The executive director may approve the correction of a change, omission, or error in the records of the system and implement a resolution that has a direct financial impact to the system of up to five thousand dollars (\$5,000) without obtaining board approval.

(2) Board approval shall be required to implement a resolution that has a direct financial impact to the system in excess of five thousand dollars (\$5,000).

(g) If required, a receivable under § 9-116 of this rule that is found by the board or its designee to be uncollectible or for which adjustment or payment has been waived shall be submitted to the Chief Fiscal Officer of the State for abatement pursuant to Arkansas Code §§ 19-2-301 — 19-2-307.

Authority: Arkansas Code §§ 24-7-202, 24-7-205, 24-7-502, 24-7-701 — 24-7-707, 24-7-709, 24-7-710, 24-7-727, 24-7-732, 24-7-734, and Acts 1987, No. 808.

History

<u>Effective:</u>	<u>July 2, 2002</u>	<u>9-3</u>
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<u>Amended:</u>	<u>July 18, 2005</u>	<u>9-4, 9-8</u>
<u>Amended:</u>	<u>February 7, 2006</u>	<u>9-2, 9-7</u>
<u>Amended:</u>	<u>April 26, 2007</u>	<u>9-2, 9-7</u>
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<u>Amended:</u>	<u>June 16, 2009</u>	<u>(Emergency) 9-2</u>
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<u>Effective:</u>	<u>May 28, 2020</u>	<u>Rule 9</u>
<u>Effective:</u>	<u>May 20, 2022</u>	<u>Rule 9</u>
<u>Effective:</u>	<u>TBD</u>	<u>Rule 9</u>

ATRS RULE 10
RETURN TO SERVICE AND TEACHER DEFERRED RETIREMENT OPTION
PLAN

~~Arkansas Code §§ 24-7-502, 24-7-708, and 24-7-1301 et seq.~~

I. Definitions

- a. ~~"Fiscal year" means the operating year for the State of Arkansas that begins on July 1 of each calendar year and ends on June 30 of the next calendar year;~~
- b. ~~"Plan participant" means a member who elects to participate in the Teacher Deferred Retirement Option Plan (T-DROP) under Arkansas Code § 24-7-1301 et seq.;~~
- c. ~~"Plan deposit" means a deposit made to each plan participant's T-DROP account pursuant to Arkansas Code § 24-7-1306;~~
- d. ~~"Plan interest" means one (1) or more interest rates per annum that are adopted by the Board of Trustees of the Arkansas Teacher Retirement System (Board) by the end of the first quarter of the fiscal year in which the interest rate shall apply in order for the appropriate interest to be credited to each plan participant's TDROP account in subsequent years following the Board's adoption of the interest rate;~~
- e. ~~"Post 10-year T-DROP interest" means a rate per annum that is compounded annually and adopted by the Board by the end of the first quarter of the fiscal year in which the interest rate shall apply in order for the interest to be credited on June 30 to the T-DROP account of a plan participant who has not retired and whose participation in T-DROP has ended;~~
- f. ~~"Quarter" means one-fourth (1/4) of a fiscal year as follows:~~
 - 1. ~~1st Quarter: July 1 through September 30;~~
 - 2. ~~2nd Quarter: October 1 through December 31;~~
 - 3. ~~3rd Quarter: January 1 through March 31; and~~
 - 4. ~~4th Quarter: April 1 through June 30;~~
- g. ~~"Retiree" means a member receiving a retirement annuity from the Arkansas Teacher Retirement System (ATRS);~~
- h. ~~"Salary" means the same as defined in Arkansas Code § 24-7-202 and does not include nonmandatory compensation that is taxable by the IRS;~~
- i. ~~"T-DROP Cash Balance Account" means a financial account established for a plan participant who elects to defer distribution of his or her T-DROP account balance at the time that he or she is eligible to receive a lump-sum distribution of the T-DROP account balance;~~
- j. ~~"T-DROP Cash Balance Account interest" means the interest rate per annum applicable to a plan participant's T-DROP Cash Balance Account, and~~

~~compounded monthly into a plan participant's T-DROP Cash Balance Account;
and~~

- k. ~~“Uniformed Services of the United States” means service in the:~~
- ~~1. United States Armed Forces;~~
 - ~~2. Army National Guard;~~
 - ~~3. Air National Guard when engaged in active duty for training, state active duty, inactive duty training, or full-time National Guard duty;~~
 - ~~4. United States Commissioned Corps of the Public Health Service; and~~
 - ~~5. Any other category of persons designated by the President of the United States in time of war or emergency.~~

II. ~~Return to Service~~¹

- a. ~~Unless otherwise provided by the Office of Personnel Management's Policy No. 65, effective July 1, 2009, a retiree who terminates employment under Arkansas Code § 24-7-502 or reaches the normal retirement age may:~~
- ~~1. Accept employment with a covered employer; and~~
 - ~~2. Continue to receive a monthly retirement annuity without a limitation of his or her retirement annuity.~~
- b. ~~A retiree who returns to service with a covered employer and a covered employer who employs a retiree shall report the retiree's employment to ATRS using forms and reports required by ATRS.~~
- c. ~~A retiree who receives monthly retirement benefits and is employed by a covered employer shall not:~~
- ~~1. Pay member contributions;~~
 - ~~2. Be responsible for employer contributions; or~~
 - ~~3. Accrue additional service credit.~~
- d. ~~A covered employer that employs a retiree shall pay employer contributions on the salary paid to the retiree in an amount equal to the employer contribution rate applicable to an active member.~~

III. ~~Teacher Deferred Retirement Option Plan (T-DROP)~~

- a. ~~Participation—Generally~~
- ~~1. In lieu of terminating employment and voluntarily retiring, an active member with at least thirty (30) years of service credit may elect to participate in TDROP and continue to work for a covered employer.~~

¹ Rules concerning a disability retiree's return to service are included in ATRS Rule 9.

2. ~~An active member with at least twenty-eight (28) years of service credit may elect to participate early in T-DROP and continue to work for a covered employer.~~
 3. ~~The service credit of a plan participant shall be determined using the same rules that apply for determining the service credit of an active member.~~
 4. ~~On call availability shall not be used for:~~
 - A. ~~T-DROP service credit requirements; or~~
 - B. ~~Monthly plan deposits to a plan participant's T-DROP account.~~
 5. ~~An active member who elects to participate in T-DROP and continues his or her covered employment defers the receipt of retirement benefits.~~
- b. ~~Participation — Reciprocal Systems~~
1. ~~Service credit in ATRS, a reciprocal system, or a combination of service credit in ATRS and the reciprocal system may be counted to meet the minimum service credit requirements for participation under T-DROP and the reciprocal system's deferred retirement option plan if the reciprocal system offers members of the reciprocal system a deferred retirement option plan.~~
 2. ~~A retirement benefit payable by a reciprocal system shall be determined according to the law, rules, and regulations applicable to the reciprocal system.~~
 3. ~~The final average salary of a plan participant with reciprocal service credit shall be the highest final average salary calculated by ATRS or a reciprocal system in which the plan participant has at least two (2) years of service credit. (Arkansas Code § 24-2-402)~~
 4. ~~Each reciprocal system shall calculate final average salary in accordance with the law applicable to the reciprocal system.~~
 5. ~~A salary earned as a member of the Arkansas Judicial Retirement System or an alternate retirement plan shall not be used to calculate final average salary.~~
 6. ~~A reciprocal system shall credit a deferred retirement option plan account with plan deposits and plan interest according to the deferred retirement option program applicable to the reciprocal system.~~
- c. ~~Limits on Participation~~
1. ~~ATRS shall not pay a monthly plan deposit into a plan participant's T-DROP account for more than ten (10) consecutive years from the date on which the plan participant enters T-DROP.~~
- d. ~~D. T-DROP Benefits~~
1. ~~A plan participant shall elect an annuity option provided in Arkansas Code § 24-7-706 at the time the plan participant:~~
 - A. ~~Separates from service; and~~

- B. Either:
 - i. Applies for retirement upon reaching the normal retirement age; or
 - ii. Is granted a monthly retirement benefit.
- 2. A plan participant's T-DROP plan deposit may be reduced as provided by the ATRS Rules and Arkansas Code § 24-7-1301 et seq.
- 3. A plan participant's T-DROP benefit shall:
 - A. Be the monthly straight life annuity benefit that the plan participant would have received if he or she voluntarily retired; and
 - B. Not include a monthly benefit stipend otherwise provided under Arkansas Code § 24-7-713.
- e. Plan Interest and Plan Deposits
 - 1. Generally
 - A. During participation in T-DROP, ATRS shall credit the T-DROP account of plan participant with plan deposits and plan interest.
 - 2. Plan Deposits
 - A. Determination of Plan Deposit
 - i. A plan participant's plan deposit shall be determined as follows:
 - a. If a plan participant has at least thirty (30) years of credited service in ATRS, including combined service with a reciprocal system, the plan deposit shall be the plan participant's TDROP benefit, as calculated at the plan participant's entry into T-DROP, reduced by one percent (1%) for each year of credited service, including fractions of a year.
 - ii. If a plan participant enters T-DROP early, the plan participant's plan deposit shall be the plan participant's T-DROP benefit, as calculated at the plan participant's entry into T-DROP, reduced by:
 - a. One percent (1%) for each year of credited service, including fractions of a year; and
 - b. At least an additional one-half percent (.5%), but no more than one percent (1%), of the initially reduced plan deposit, for each month of credited service under thirty (30) years.
 - B. Crediting Plan Deposit
 - i. A plan participant's T-DROP account shall be credited with twelve (12) monthly plan deposits per fiscal year if the:
 - a. Plan participant earns at least one hundred sixty (160) days of service credit in a fiscal year and does not terminate employment, retire, or die during the fiscal year; or

- b. ~~Plan participant's covered employer does not terminate the employer-employee relationship.~~
- ii. ~~If a plan participant earns less than one hundred sixty (160) days of service credit in a fiscal year, the plan deposit shall be made in accordance with the part-time employment schedule as follows:~~
 - a. ~~If a plan participant earns at least fifteen (15) days of service credit in the first or fourth quarter of the fiscal year, the plan participant's T-DROP account shall be credited with three (3) monthly plan deposits for the quarter.~~
 - b. ~~If a plan participant earns less than fifteen (15) days of service credit in the first or fourth quarter of the fiscal year, the plan participant's T-DROP shall not be credited with a plan deposit for the three (3) months of that quarter.~~
 - c. ~~If a plan participant earns at least twenty five (25) days of service credit in the second or third quarter of the fiscal year, the plan participant's T-DROP account shall be credited with three (3) monthly plan deposits for the quarter.~~
 - d. ~~If a plan participant earns less than twenty five (25) days of service credit in the second or third quarter of the fiscal year, the plan participant's T-DROP shall not be credited with a plan deposit for the three (3) months of that quarter.~~

~~C. Cost-of-Living Increase~~

- i. ~~A cost-of-living increase under Arkansas Code §§ 24-7-713 or 247-727 shall be applied to the T-DROP benefit that is used to calculate the plan deposit.~~
- ii. ~~A T-DROP benefit and the cost-of-living increase may be modified as provided by this ATRS Rule 10 and law applicable to ATRS.~~

~~D. Election to Cash-Out or Annuitize~~

- i. ~~Upon electing to retire, if a plan participant elects to cash out or annuitize his or her T-DROP account balance, the plan participant shall not be permitted to reenroll in T-DROP after his or her T-DROP account is distributed unless the plan participant cancels his or her election under Arkansas Code § 24-7-1302.~~

~~E. Annual Statement~~

- i. ~~ATRS shall provide each plan participant with an annual statement of the plan participant's T-DROP account.~~
- ii. ~~The statement of plan deposits and plan interest shall not be final until the annual accounting has been reconciled for part-time plan participants.~~

3. Interest Rates

A. ~~Plan Interest~~

- ~~i. A plan participant who has not retired shall receive plan interest at the end of each fiscal year.~~
- ~~ii. The plan interest rate shall be based on a:
 - ~~a. Fixed interest rate that is adopted by the Board by the end of the first quarter of the fiscal year in which the interest rate shall apply; or~~
 - ~~b. Variable interest rate formula that is based on investment returns and other factors adopted by the Board by the end of the first quarter of the fiscal year in which the interest rate shall apply.~~~~
- ~~iii. The Board shall adopt a plan interest rate by the end of the first quarter of the fiscal year in which the plan interest shall apply if a variable interest rate formula is used.~~

B. ~~Post-10-Year T-DROP Interest~~

- ~~i. If a plan participant continues covered employment after ten (10) consecutive years from the date of his or her entry into T-DROP, the plan participant's T-DROP account shall be credited with a post-tenyear T-DROP interest rate.~~
- ~~ii. The Board shall set the post-10-year T-DROP interest rate:
 - ~~a. By the end of the first quarter of the fiscal year in which the interest rate shall apply; and~~
 - ~~b. At the same meeting in which the plan interest rate is set.~~~~
- ~~iii. The post-10-year T-DROP interest rate shall be credited to a plan participant's T-DROP account on June 30 of each year, or through the date of retirement, whichever occurs first.~~
- ~~iv. The post-10-year T-DROP interest rate for T-DROP shall be determined by the Board and adopted by the by the end of the first quarter of the fiscal year in which the interest rate shall apply.~~

C. ~~Incentive Rate~~

- ~~i. In addition to the interest rate for the fiscal year, the Board may adopt an incentive rate during the fiscal year if investment returns justify an incentive rate for the fiscal year.~~

4. ~~Suspension or Cessation of Plan Deposits and Benefit Distributions~~

- A. ~~Monthly plan deposits to a plan participant's T-DROP account shall stop if the plan participant:
 - ~~i. Separates from service and is granted a monthly retirement benefit from ATRS or a reciprocal plan;~~~~

- ii. ~~Reaches normal retirement age and retires without separating from covered employment;~~
- iii. ~~Separates from covered employment and does not apply for retirement benefits; or~~
- iv. ~~Dies.~~

B. Separation from Covered Employment without Applying for Retirement Benefits

- i. ~~If a plan participant separates from covered employment and does not apply for retirement benefits, monthly plan deposits into the plan participant's T-DROP account shall be suspended beginning on the month in which the plan participant separates from covered employment.~~
- ii. ~~The plan participant's T-DROP account shall not be credited with a plan deposit for the duration of the plan participant's separation from covered employment.~~
- iii. ~~Monthly plan deposits into a plan participant's T-DROP account shall resume if the plan participant returns to covered employment before the end of the plan period.~~
- iv. ~~If a plan participant applies for retirement, the retirement benefits shall be paid according to the plan participant's T-DROP account balance:

 - a. ~~At the time of the plan participant's separation from covered employment; or~~
 - b. ~~In the month before the effective date of the plan participant's retirement benefits after the plan participant reaches the normal retirement age.~~~~
- v. ~~A plan participant shall remain eligible for annual plan interest to be credited to his or her T-DROP account if the member:

 - a. ~~Does not separate from covered employment; and~~
 - b. ~~Remains on the covered employer's payroll without earning sufficient service credit for monthly plan deposits.~~~~

C. Plan Participant's in Uniformed Services of United States

- i. ~~A plan participant shall be treated as not having incurred a break in service with a covered employer if the plan participant leaves covered employment to voluntarily or involuntarily serve in the uniformed services of the United States and later returns to covered employment.~~
- ii. ~~A covered employer shall certify to ATRS that reemployment of the plan participant complies with § 4312 of the Uniformed Services Employment and Reemployment Act of 1994 (USERA).~~

- f. ~~Compliance — Section 415 of the Internal Revenue Code~~
1. ~~The operation of T-DROP shall comply with U.S.C. § 415 and other applicable sections of the Internal Revenue Code, 26 U.S.C. § 1 et seq.~~
 2. ~~Any provision concerning the operation of T-DROP that conflicts with § 415 and other applicable sections of the Internal Revenue Code, 26 U.S.C. § 1 et seq. is invalid.~~
- g. ~~T-DROP Account Balance — Rollover~~
1. ~~A lump-sum distribution of a plan participant's T-DROP account balance may be rolled over into the plan participant's qualifying retirement plan.~~
 2. ~~ATRS shall rollover the T-DROP account lump-sum balance into only one (1) qualifying plan.~~
- h. ~~T-DROP Cash Balance Account Program~~
1. ~~Election Option~~
 - A. ~~In lieu of electing a lump-sum distribution of his or her T-DROP account balance, a plan participant may elect to transfer all or a part of his or her T-DROP account balance into a Cash Balance Account (CBA).~~
 - B. ~~If a plan participant elects to have only a part of his or her T-DROP account balance transferred into a CBA, the remaining balance of the TDROP account shall be annuitized under ATRS or paid as a lump-sum distribution.~~
 - C. ~~A CBA shall be credited monthly with T-DROP Cash Balance Account interest and debited monthly for withdrawals and distributions beginning on the month immediately following the establishment of the CBA.~~
 2. ~~T-DROP Cash Balance Account Interest Schedule~~
 - A. ~~A CBA established on or after July 1, 2012, shall be credited with TDROP Cash Balance Account interest as follows:~~

T-DROP Cash Balance Account Program Years of Participation	Interest Rate
First fiscal year of participation	Two and one-half percent (2.5%)
Two (2) fiscal years of participation	Two and seventy-five hundredths percent (2.75%)
Three (3) fiscal years of participation	Three percent (3.00%)

Four (4) fiscal years of participation	Three and twenty-five hundredths percent (3.25%)
Five (5) fiscal years of participation	Three and one-half percent (3.50%)
Six (6) or more fiscal years of participation	Four percent (4.00%)

B. ~~The Board may:~~

- i. ~~Increase the T-DROP Cash Account Balance interest rate for future fiscal years and on an ad hoc basis;~~

~~ii. Consider current market conditions, competing financial offerings to plan participants, bank rates for certificates of deposits, the status of ATRS' return on investments, and the current state of participation in the T-DROP Cash Balance Account program when determining the T-DROP Cash Balance Account interest rate; iii. Periodically authorize, by board resolution, a special ad hoc incentive payment for CBAs if the Board determines that payment of the special ad hoc incentive is likely to encourage continued participation and increase future participation in the T-DROP Cash Balance Account program; and iv. Adopt, by board resolution, a new T-DROP Cash Balance Account Interest Schedule (Schedule) for future CBAs. C. An ad hoc increase may be:~~

- ~~i. Set as a single amount to be applied to each CBA; or
ii. Computed as a graduated amount based on the length of time the CBA has existed.~~

~~D. The T-DROP Cash Balance Account interest rate shall remain in effect until the Board adopts a new Schedule with lower interest rates for future CBA accounts established by the end of the first quarter of the fiscal year in which the interest rate shall apply.~~

~~E. A CBA established before the effective date of a board resolution adopting a new Schedule for future CBAs shall not be subject to the provisions of the new Schedule.~~

~~F. If a plan participant dies with a CBA balance, the CBA balance shall be paid as provided under Arkansas Code § 24-7-1310.~~

~~3. Withdrawals~~

~~A. If a plan participant's CBA has a balance, a plan participant may withdraw funds from his or her CBA up to six (6) times per quarter by using forms approved by ATRS.~~

- B. A plan participant may make more than six (6) withdrawals in a quarter with the approval of the Executive Director of ATRS.
- C. A plan participant may request a recurring monthly distribution of a set amount from his or her CBA until the CBA balance is depleted or the plan participant withdraws his or her request.
- D. Minimum distributions made to a plan participant shall comply with Arkansas Code § 24-7-730 and the Internal Revenue Code, 26 U.S.C. § 1 et seq.

HISTORY

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ATRS Rule 10
Return to Service and Teacher Deferred Retirement Option Plan

§ 10-101. Definitions.

As used in this rule:

- (1) "CBA" means Cash Balance Account;
- (2) "Fiscal year" means the operating year for the State of Arkansas that begins on July 1 of each calendar year and ends on June 30 of the next calendar year;
- (3) "Plan participant" means a member who elects to participate in the Teacher Deferred Retirement Option Plan;
- (4) "Plan deposit" means a deposit made to each plan participant's Teacher Deferred Retirement Plan account;
- (5) "Plan interest" means one (1) or more interest rates per annum that are adopted by the Board of Trustees of the Arkansas Teacher Retirement System by the end of the first quarter of the fiscal year in which the interest rate shall apply in order for the appropriate interest to be credited to each plan participant's Teacher Deferred Retirement Option Plan account in the years following the board's adoption of the interest rate;
- (6) "Post 10-year T-DROP interest" means a rate per annum that is compounded annually and adopted by the board by the end of the first quarter of the fiscal year in which the interest rate shall apply in order for the interest to be credited on June 30 to the T-DROP account of a plan participant who has not retired and whose participation in T-DROP has ended;
- (7) "Quarter" means one-fourth (1/4) of a fiscal year as follows:
 - (A) 1st Quarter: July 1 through September 30;
 - (B) 2nd Quarter: October 1 through December 31;
 - (C) 3rd Quarter January 1 through March 31; and
 - (D) 4th Quarter: April 1 through June 30;
- (8) "Retiree" means a member receiving a retirement annuity from the Arkansas Teacher Retirement System;
- (9) "Salary" means the same as defined in Arkansas Code § 24-7-202 and does not include nonmandatory compensation that is taxable by the IRS;
- (10) "T-DROP" means the same as defined in Arkansas Code § 24-7-202;
- (11) "T-DROP Cash Balance Account" means a financial account established for a plan participant who elects to defer distribution of his or her Teacher Deferred Retirement Option Plan account balance at the time that he or she is eligible to receive a lump-sum distribution of the Teacher Deferred Retirement Option Plan account balance;
- (12) "T-DROP Cash Balance Account interest" means the interest rate per annum applicable to a plan participant's T-DROP Cash Balance Account, and compounded monthly into a plan participant's T-DROP Cash Balance Account; and
- (13) "Uniformed Services of the United States" means service in the:
 - (A) United States Armed Forces;
 - (B) Army National Guard;
 - (C) Air National Guard when engaged in active duty for training, state active duty, inactive duty training, or full-time National Guard duty;
 - (D) United States Commissioned Corps of the Public Health Service; and

(E) Any other category of persons designated by the President of the United States in time of war or emergency.

§ 10-102. Return to service.

(a) Unless otherwise provided by the Office of Personnel Management's Policy No. 65, effective July 1, 2009, a retiree who terminates employment under Arkansas Code § 24-7-502 or reaches the normal retirement age may:

(1) Accept employment with a covered employer; and

(2) Continue to receive a monthly retirement annuity without a limitation of his or her retirement annuity.

(b)(1) Both a retiree who returns to service with a covered employer and the covered employer who employs the retiree shall report the retiree's employment to the Arkansas Teacher Retirement System using forms and reports required by the system.

(2) A retiree who receives monthly retirement benefits and is employed by a covered employer shall not:

(A) Pay member contributions;

(B) Be responsible for employer contributions; or

(C) Accrue additional service credit.

(3) A covered employer that employs a retiree shall pay employer contributions on the salary paid to the retiree in an amount equal to the employer contribution rate applicable to an active member.

§ 10-103. Teacher Deferred Retirement Option Plan — Participation.

(a) In lieu of terminating employment and voluntarily retiring:

(1) An active member with at least thirty (30) years of service credit may elect to participate in TDROP and continue to work for a covered employer; and

(2) An active member with at least twenty-eight (28) years of service credit may elect to participate early in T-DROP and continue to work for a covered employer.

(b) The service credit of a plan participant shall be determined using the same rules that apply for determining the service credit of an active member.

(c) On call availability shall not be used for:

(1) T-DROP service credit requirements; or

(2) Monthly plan deposits to a plan participant's T-DROP account.

(d) An active member who elects to participate in T-DROP and continues his or her covered employment defers the receipt of retirement benefits.

(e)(1) Service credit in the Arkansas Teacher Retirement System, a reciprocal system, or a combination of service credit in the Arkansas Teacher Retirement System and the reciprocal system may be counted to meet the minimum service credit requirements for participation under T-DROP and the reciprocal system's deferred retirement option plan if the reciprocal system offers members of the reciprocal system a deferred retirement option plan.

(2) A retirement benefit payable by a reciprocal system shall be determined according to the law, rules, and regulations applicable to the reciprocal system.

(3)(A) The final average salary of a plan participant with reciprocal service credit shall be the highest final average salary calculated by the Arkansas Teacher Retirement System or a reciprocal system in which the plan participant has at least two (2) years of

service credit.

(B) Each reciprocal system shall calculate final average salary in accordance with the law applicable to the reciprocal system.

(C) A salary earned as a member of the Arkansas Judicial Retirement System or an alternate retirement plan shall not be used to calculate final average salary.

(f)(1) A reciprocal system shall credit a deferred retirement option plan account with plan deposits and plan interest according to the deferred retirement option program applicable

(2) The Arkansas Teacher Retirement System shall not pay a monthly plan deposit into a plan participant's T-DROP account for more than ten (10) consecutive years from the date on which the plan participant enters T-DROP.

§ 10-104. Teacher Deferred Retirement Option Plan — Benefits.

(a)(1) A plan participant shall elect an annuity option provided in Arkansas Code § 24-7-706 at the time the plan participant separates from service and either:

(A) Applies for retirement upon reaching the normal retirement age; or

(B) Is granted a monthly retirement benefit.

(2) Upon electing to retire, if a plan participant elects to cash out or annuitize his or her T-DROP account balance, the plan participant shall not be permitted to reenroll in T-DROP after his or her T-DROP account is distributed unless the plan participant cancels his or her election under Arkansas Code § 24-7-1302.

(b) A cost-of-living increase under Arkansas Code §§ 24-7-713 or 24-7-727 shall be applied to the T-DROP benefit that is used to calculate the plan deposit.

(2) A T-DROP benefit and the cost-of-living increase may be modified as provide by this rule and the law applicable to the Arkansas Teacher Retirement System.

(c) A plan participant's T-DROP benefit shall:

(1) Be the monthly straight life annuity benefit that the plan participant would have received if he or she voluntarily retired; and

(2) Not include a monthly benefit stipend otherwise provided under Arkansas Code § 24-7-713.

§ 10-105. Teacher Deferred Retirement Option Plan — Plan deposits.

(a)(1) During participation in T-DROP, the Arkansas Teacher Retirement System shall credit a plan participant's T-DROP account with plan deposits and plan interest.

(2) A plan participant's T-DROP plan deposit may be reduced as provided by the law and rules applicable to the system.

(3)(A) The system shall provide each plan participant with an annual statement of the plan participant's T-DROP account.

(B) The statement of plan deposits and plan interest shall not be final until the annual accounting has been reconciled for part-time plan participants.

(b) A plan participant's plan deposit shall be determined as follows:

(1) If a plan participant has at least thirty (30) years of credited service in the system, including combined service with a reciprocal system, the plan deposit shall be the plan participant's TDROP benefit, as calculated at the plan participant's entry into T-DROP, reduced by one percent (1%) for each year of credited service, including fractions of a year.

(2) If a plan participant enters T-DROP early, the plan participant's plan deposit shall be the plan participant's T-DROP benefit, as calculated at the plan participant's entry into T-DROP, reduced by:

(A) One percent (1%) for each year of credited service, including fractions of a year; and

(B) At least an additional one-half percent (.5%), but no more than one percent (1%), of the initially reduced plan deposit, for each month of credited service under thirty (30) years.

(c)(1) A plan participant's T-DROP account shall be credited with twelve (12) monthly plan deposits per fiscal year if the:

(A) Plan participant earns at least one hundred sixty (160) days of service credit in a fiscal year and does not terminate employment, retire, or die during the fiscal year; or

(B) Plan participant's covered employer does not terminate the employer-employee relationship.

(2) If a plan participant earns less than one hundred sixty (160) days of service credit in a fiscal year, the plan deposit shall be made in accordance with the part-time employment schedule as follows:

(A) If a plan participant earns at least fifteen (15) days of service credit in the first or fourth quarter of the fiscal year, the plan participant's T-DROP account shall be credited with three (3) monthly plan deposits for the quarter;

(B) If a plan participant earns less than fifteen (15) days of service credit in the first or fourth quarter of the fiscal year, the plan participant's T-DROP shall not be credited with a plan deposit for the three (3) months of that quarter;

(C) If a plan participant earns at least twenty-five (25) days of service credit in the second or third quarter of the fiscal year, the plan participant's T-DROP account shall be credited with three (3) monthly plan deposits for the quarter; and

(D) If a plan participant earns less than twenty-five (25) days of service credit in the second or third quarter of the fiscal year, the plan participant's T-DROP shall not be credited with a plan deposit for the three (3) months of that quarter.

§ 10-106. Teacher Deferred Retirement Option Plan — Plan interest.

(a)(1) A plan participant who has not retired shall receive plan interest at the end of each fiscal year.

(2) The plan interest rate shall be based on a:

(A) Fixed interest rate that is adopted by the Board of Trustees of the Arkansas Teacher Retirement System by the end of the first quarter of the fiscal year in which the interest rate shall apply; or

(B) Variable interest rate formula that is based on investment returns and other factors adopted by the board by the end of the first quarter of the fiscal year in which the interest rate shall apply.

(3) The board shall adopt a plan interest rate by the end of the first quarter of the fiscal year in which the plan interest shall apply if a variable interest rate formula is used.

(b)(1) If a plan participant continues covered employment after ten (10) consecutive years from the date of his or her entry into T-DROP, the plan participant's T-DROP account shall be credited with a post-ten-year T-DROP interest rate.

(2) The board shall set the post-10-year T-DROP interest rate:

(A) By the end of the first quarter of the fiscal year in which the interest rate shall apply; and

(B) At the same meeting in which the plan interest rate is set.

(3) The post-10-year T-DROP interest rate shall be credited to a plan participant's T-DROP account on June 30 of each year, or through the date of retirement, whichever occurs first.

(4) The post-10-year T-DROP interest rate for T-DROP shall be determined by the board and adopted by the by the end of the first quarter of the fiscal year in which the interest rate shall apply.

(c) In addition to the interest rate for the fiscal year, the board may adopt an incentive rate during the fiscal year if investment returns justify an incentive rate for the fiscal year.

§ 10-107. Teacher Deferred Retirement Option Plan — Suspension or cessation of plan deposits and plan interest.

(a) Monthly plan deposits to a plan participant's T-DROP account shall stop if the plan participant:

(1) Separates from service with a covered employer and is granted a monthly retirement benefit from either the Arkansas Teacher Retirement System or a reciprocal plan;

(2) Reaches normal retirement age and retires without separating from covered employment;

(3) Separates from covered employment and does not apply for retirement benefits; or

(4) Dies.

(b)(1) If a plan participant separates from covered employment and does not apply for retirement benefits, monthly plan deposits into the plan participant's T-DROP account shall be suspended beginning on the month in which the plan participant separates from covered employment.

(2) The plan participant's T-DROP account shall not be credited with a plan deposit for the duration of the plan participant's separation from covered employment.

(3) Monthly plan deposits into a plan participant's T-DROP account shall resume if the plan participant returns to covered employment before the end of the plan period.

(c) If a plan participant applies for retirement, the retirement benefits shall be paid according to the plan participant's T-DROP account balance:

(1) At the time of the plan participant's separation from covered employment; or

(2) In the month before the effective date of the plan participant's retirement benefits after the plan participant reaches the normal retirement age.

(d) A plan participant shall remain eligible for annual plan interest to be credited to his or her T-DROP account if the member:

(1) Does not separate from covered employment; and

(2) Remains on the covered employer's payroll without earning sufficient service credit for monthly plan deposits.

§ 10-108. Teacher Deferred Retirement Option Plan — Uniformed Services of the United States.

(a) A plan participant shall be treated as not having incurred a break in service with a covered employer if the plan participant leaves covered employment to voluntarily or involuntarily serve in the uniformed services of the United States and later returns to covered employment.

(b) A covered employer shall certify to the Arkansas Teacher Retirement System that reemployment of the plan participant complies with § 4312 of the Uniformed Services Employment and Reemployment Act of 1994 (USERA).

§ 10-109. Teacher Deferred Retirement Option Plan — Internal Revenue Code.

(a) The operation of T-DROP shall comply with § 415 and other applicable sections of the Internal Revenue Code, 26 U.S.C. § 1 et seq.

(b) Any provision concerning the operation of T-DROP that conflicts with § 415 and other applicable sections of the Internal Revenue Code, 26 U.S.C. § 1 et seq. is invalid.

§ 10-110. Teacher Deferred Retirement Option Plan — Distribution election.

A member's T-DROP distribution election shall be irrevocable if the member submits his or her T-DROP distribution election on a form approved by the Arkansas Teacher Retirement System and the system accepts the form submitted by the member.

§ 10-111. Teacher Deferred Retirement Option Plan — Rollover of account balance.

(a) A lump-sum distribution of a plan participant's T-DROP account balance may be rolled over into the plan participant's qualifying retirement plan.

(b) The Arkansas Teacher Retirement System shall rollover the T-DROP account lump-sum balance into only one (1) qualifying retirement plan.

§ 10-112. T-DROP Cash Balance Account Program — Internal Revenue Code.

(a)(1) In lieu of electing a lump-sum distribution of his or her T-DROP account balance, a plan participant may elect to transfer all or a part of his or her T-DROP account balance into a CBA.

(2) If a plan participant elects to have only a part of his or her T-DROP account balance transferred into a CBA, the remaining balance of the T-DROP account shall be annuitized under the Arkansas Teacher Retirement System or paid as a lump-sum distribution.

(3) A CBA shall be credited monthly with T-DROP Cash Balance Account interest and debited monthly for withdrawals and distributions beginning on the month immediately following the establishment of the CBA.

(b) A CBA established on or after July 1, 2021, shall be credited with T-DROP Cash Balance Account interest as follows:

<u>T-DROP Cash Balance Account Program Years of Participation</u>	<u>Interest Rate</u>
<u>First fiscal year of participation</u>	<u>Two and one-half percent (2.5%)</u>
<u>Two (2) fiscal years of participation</u>	<u>Two and seventy-five hundredths percent (2.75%)</u>
<u>Three (3) fiscal years of participation</u>	<u>Three percent (3.00%)</u>
<u>Four (4) fiscal years of participation</u>	<u>Three and twenty-five hundredths percent (3.25%)</u>
<u>Five (5) fiscal years of participation</u>	<u>Three and one-half percent (3.50%)</u>
<u>Six (6) or more fiscal years of participation</u>	<u>Four percent (4.00%)</u>

(c) The Board of Trustees of the Arkansas Teacher Retirement System may:

(1) Increase the T-DROP Cash Account Balance interest rate for future fiscal years and on an ad hoc basis;

(2) Consider current market conditions, competing financial offerings to plan participants, bank rates for certificates of deposits, the status of the Arkansas Teacher Retirement System's return on investments, and the current state of participation in the T-DROP Cash Balance Account program when determining the T-DROP Cash Balance Account interest rate;

(3) By resolution periodically authorize a special ad hoc incentive payment for CBAs if the board determines that payment of the special ad hoc incentive is likely to encourage continued participation and increase future participation in the T-DROP Cash Balance Account program; and

(4) By resolution adopt a new T-DROP Cash Balance Account Interest Schedule (Schedule) for future CBAs.

(d) An ad hoc increase may be:

(1) Set as a single amount to be applied to each CBA; or

(2) Computed as a graduated amount based on the length of time the CBA has existed.

(e)(1) The T-DROP Cash Balance Account interest rate shall remain in effect until the board adopts a new Schedule with lower interest rates for future CBA accounts established by the end of the first quarter of the fiscal year in which the interest rate shall

apply.

(2) A CBA established before the effective date of a board resolution adopting a new Schedule for future CBAs shall not be subject to the provisions of the new Schedule.

(f) If a plan participant dies with a CBA balance, the CBA balance shall be paid as provided under Arkansas Code § 24-7-1310.

(g)(1) If a plan participant's CBA has a balance, a plan participant may withdraw funds from his or her CBA up to six (6) times per quarter by using forms approved by the system.

(2) A plan participant may make more than six (6) withdrawals in a quarter with the approval of the Executive Director of the Arkansas Teacher Retirement System.

(3) A plan participant may request a recurring monthly distribution of a set amount from his or her CBA until the CBA balance is depleted or the plan participant withdraws his or her request.

(4)(A) Minimum distributions made to a plan participant shall comply with Arkansas Code § 24-7-730 and the Internal Revenue Code, 26 U.S.C. § 1 et seq.

(B) A retiree who attains the required minimum distribution age and does not cease to be active in the system shall not have required minimum distributions deducted from his or her CBA if the retiree:

(i) Either is a rehired retiree or has continued to work for a covered employer without a break in service; and

(ii) The retiree's covered employer reports the retiree to the system and pays employer contributions for the retiree.

Authority: Arkansas Code §§ 24-7-502, 24-7-708, and 24-7-1301 et seq.

History

<u>Approved:</u>	<u>June 13, 1995</u>	<u>10-3</u>
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~~ATRS RULE 11~~

~~SURVIVORS AND DOMESTIC RELATIONS ORDERS~~

~~Arkansas Code §§ 9-18-101 — 9-18-103, 24-7-710, 24-7-713, 24-7-720, and 24-7-734~~

I. Definitions

- a. ~~"Alternate payee" means a spouse, former spouse, child, or other dependent of a member under Arkansas law;~~
- b. ~~"Application" for the purposes of retirement eligibility means an application form and any other documents required by the Arkansas Teacher Retirement System (ATRS) to establish a member's eligibility to retire;~~
- c. ~~"Immediately eligible" for the purpose of survivor annuity benefits means a survivor of an active member who at the time of his or her death attained the normal retirement age and could have retired;~~
- d. ~~"Lump-sum death beneficiary" means one (1) or more persons or entities designated in writing by the member to receive payment of the lump-sum death benefit under Arkansas Code § 24-7-720;~~
- e. ~~"Lump-sum death benefit" means a monetary amount set by the Board of Trustees of the Arkansas Teacher Retirement System (Board), and paid by ATRS to one (1) or more lump-sum death beneficiaries as provided for under Arkansas Code § 24-7-720; and~~
- f. ~~"QDRO" means a court order that:~~
 1. ~~Meets the definition of a qualified domestic relations order under Arkansas Code § 9-18-101; or~~
 2. ~~Assigns a portion of a member's retirement benefit to the member's divorced spouse or an alternate payee upon the member's retirement or a refund of the member's contributions at the request of the member;~~
- g. ~~"Qualifying member" means:~~
 1. ~~For the purposes of eligibility for a lump-sum death benefit under Arkansas Code § 24-7-720, a member or retiree to whom one (1) of the following categories apply: A. The member:~~
 - i. ~~Is deceased;~~
 - ii. ~~Was an active member of ATRS before July 1, 2007; and~~
 - iii. ~~Has five (5) or more years of actual service, including actual service for the year immediately preceding his or her death;~~

~~B. The member:~~

- ~~i. Is deceased;~~
 - ~~ii. Was an active member of ATRS on or after July 1, 2007;~~
- ~~and~~
- ~~iii. Has ten (10) or more years of actual service; or C. The~~

~~retiree:~~

- ~~i. Dies before July 1, 2007; and~~
- ~~ii. Has accrued five (5) or more years of actual service, including actual service, for the year immediately preceding his or her death; or D. The retiree:~~

- ~~i. Dies on or after July 1, 2007; and~~
 - ~~ii. Has accrued ten (10) or more years of actual service, including actual service for the year immediately preceding his or her death;~~
- ~~or~~

~~2. For the purpose of an eligible survivor qualifying for survivor annuity benefits under Arkansas Code § 24-7-710, a member who:~~

- ~~A. Is an active member as defined in Arkansas Code § 24-7-202(2);~~
- ~~B. Has at least five (5) years of actual service and reciprocal service, including credited service for the year immediately preceding his or her death; and~~
- ~~C. Is active as provided in Arkansas Code § 24-7-710(f) and this ATRS Rule 11 II.a.~~

II. Survivors—Generally

~~a. Survivor Annuity Benefits—Member Qualification~~

~~1. A member shall be considered active for the purpose of an eligible survivor qualifying for survivor annuity benefits under Arkansas Code § 24-7-710 if: A.~~

~~The member has at least:~~

- ~~i. Ten (10) days of service credit in each prior quarter of the fiscal year from the time the fiscal year began or the member was employed by a covered employer, whichever occurs last; and~~
- ~~ii. One (1) quarter with ten (10) days of service; or B. Either of the following apply to the member:~~
 - ~~i. The member has earned at least ten (10) days of service credit in the quarter of the member's death and in each quarter before the member's death, collectively; or~~

- c. ~~Payment of Surviving Spouse Annuity~~
1. ~~Pursuant to Arkansas Code § 24-7-710, surviving spouse annuity is benefits are payable for the surviving spouse's lifetime, regardless of the remarriage of the surviving spouse.~~
 2. ~~The surviving spouse may defer receipt of the surviving spouse annuity benefits, if applicable, under the deferred retirement provisions of Arkansas Code § 24-7-707.~~
 3. ~~A surviving spouse shall submit the following documents to ATRS before a surviving spouse annuity benefit payment is issued to the surviving spouse:~~
 - A. ~~Proof of the qualifying member's death and date of death from the qualifying member's death certificate or another legally acceptable document;~~
 - B. ~~Proof of the surviving spouse's taxpayer identification number from a Social Security card or another authenticating document;~~
 - C. ~~Proof of the surviving spouse's date of birth from a birth certificate or another authenticating document; and~~
 - D. ~~Proof of the marriage between the qualifying member and surviving spouse from a marriage license or equivalent, marriage license recording document, or other legally acceptable proof of the existence of the marriage.~~
 4. ~~A surviving spouse who is immediately eligible to receive a monthly survivor annuity benefit after the death of the qualifying member shall receive monthly survivor annuity benefits:~~
 - A. ~~Beginning the month after the death of the qualifying member if the survivor application is filed with ATRS within three (3) months of the qualifying member's death; or~~
 - B. ~~Beginning the month in which the survivor application is filed with ATRS if at the time of the qualifying member's death the qualifying member:~~
 - i. ~~Accumulated at least twenty-five (25) years of credited service and was eligible to receive a voluntary retirement or early retirement annuity; or~~
 - ii. ~~Reached sixty (60) years of age and was eligible to receive a deferred retirement annuity.~~
 5. ~~A surviving spouse who is not immediately eligible to receive a monthly survivor annuity benefit shall receive monthly survivor annuity benefits beginning the later of either the:~~
 - A. ~~Month following the date on which the qualifying member would have been eligible to receive retirement benefits had the qualifying member survived; or~~

~~B. Date on which a survivor application is filed with ATRS.~~

~~d. Alternative Residual Beneficiaries~~

~~1. Generally~~

~~A. A member may change his or her alternative residue beneficiary designation and designate his or her spouse as a residue beneficiary under Arkansas Code § 24-7-710 by documenting the change on a form provided and approved by ATRS.~~

~~2. Qualifying Member~~

~~A. A qualifying member may designate one (1) or more alternative beneficiaries, also known as alternative residue beneficiaries, to receive a lump-sum payment of the qualifying member's residue in lieu of the qualifying member's surviving spouse by using a beneficiary form provided and approved by ATRS.~~

~~B. A surviving spouse annuity benefit or any other type of monthly benefit shall not be paid to a qualifying member's surviving spouse if the qualifying member designates one (1) or more alternative beneficiaries to receive a lump-sum payment of the qualifying member's residue in lieu of the qualifying member's surviving spouse.~~

~~C. A surviving spouse may elect Option A — 100% Survivor Annuity benefits if the qualifying member:~~

- ~~i. Designates only the surviving spouse as the primary residue beneficiary; and~~
- ~~ii. Does not designate an alternative residue beneficiary as the primary residue beneficiary.~~

~~3. T-DROP Plan Participant~~

~~A. A Teacher Deferred Retirement Option Plan (T-DROP) participant (plan participant) may designate one (1) or more alternative residue beneficiaries to receive a lump-sum payment of his or her T-DROP benefits in lieu of his or her surviving spouse.~~

~~B. A T-DROP plan benefit, surviving spouse annuity benefit, or any other type of monthly benefit shall not be paid to a plan participant's surviving spouse if the plan participant designates one (1) or more alternative residue beneficiaries to receive a lump-sum payment of his or her T-DROP benefits in lieu of his or her surviving spouse.~~

~~C. A surviving spouse may elect Option A — 100% Survivor Annuity benefits if the plan participant:~~

- ~~i. Designates only the surviving spouse as the primary residue beneficiary; and~~
- ~~ii. Does not designate an alternative residue beneficiary as the primary residue beneficiary.~~

- D. ~~A plan participant's T-DROP residue that otherwise would have been paid pursuant to Arkansas Code § 24-7-709 shall be calculated as the greater of either of the following:~~
- i. ~~The accumulated contributions and regular interest credited to the retirement reserve account as of the member's effective retirement date reduced by the total amount of regular annuities paid, further reduced by amounts received from the T-DROP account in the form of a lump-sum or annuity benefit payments; or~~
 - ii. ~~The T-DROP account as of the member's effective retirement date reduced by amounts received from the T-DROP account in the form of a lump-sum or annuity benefit payments.~~

IV. ~~Dependent Children Benefits~~

- a. ~~A child of a qualifying member is eligible to receive a survivor annuity benefit under Arkansas Code § 24-7-710 if the child qualifies as a dependent child.~~
- b. ~~A child of a qualifying member qualifies as a dependent child if the child is:~~
 - 1. ~~Is younger than eighteen (18) years of age; or~~
 - 2. ~~Is between eighteen (18) years of age and twenty-three (23) years of age and continuously enrolled as a full-time student at an accredited secondary school, college, or university; or~~
 - 3. ~~Has been adjudged physically or mentally incapacitated by a court of competent jurisdiction.~~
- c. ~~Dependent Child— Full-time Student~~
 - 1. ~~To be considered a full-time student, the dependent child shall:~~
 - A. ~~Take twelve (12) semester hours or eight (8) trimester hours in college;~~
 - B. ~~Take four (4) hours per day in a secondary or postsecondary school; or~~
 - C. ~~Engage full-time in a curriculum or field of study based upon verifiable indices from an accredited institution.~~
 - 2. ~~After a dependent child reaches eighteen (18) years of age, in the absence of a parent or legal guardian, the dependent child may self-report his or her Certification of Attendance to ATRS.~~
 - 3. ~~Temporary Physical or Mental Incapacitation~~
 - A. ~~A qualifying member's child who is between eighteen (18) years of age and twenty-three (23) years of age and not a full-time student may continue to qualify as a dependent child and receive a survivor annuity benefit if a doctor certifies that the child is temporarily physically or mentally incapacitated to attend school for the current semester or term.~~
 - B. ~~If a doctor does not certify the child as temporarily physically or mentally incapacitated to attend school for the following semester or term and the~~

~~child does not attend school as a full-time student in the following semester, the child shall no longer qualify as a dependent child and shall be ineligible to receive survivor annuity benefits.~~

~~4. Active Military Duty or Training~~

- ~~A. A dependent child who qualifies under Arkansas Code § 24-7-710(c)(2)(B)(i) to receive survivor annuity benefit payments may have his or her payments temporarily suspended if he or she:~~
- ~~B. Is called to active military duty or active military training; and~~
- ~~C. Submits a copy of his or her military orders to the ATRS.~~
- ~~D. Survivor annuity benefit payments to the dependent child shall be suspended for the duration of the dependent child's participation in active military duty or active military training.~~
- ~~E. Survivor annuity benefit payments to the dependent child shall resume if the dependent child:~~
 - ~~i. Is between eighteen (18) and twenty-three (23) years of age;~~
 - ~~ii. Immediately re-enrolls as a full-time student upon his or her return from active military duty or active military training; and~~
 - ~~iii. Submits documentation of his or her re-enrollment as a full-time student to ATRS.~~

~~d. Dependent Child—Incapacitated Child~~

- ~~1. A qualifying member's child who qualifies as a dependent child because he or she has been adjudged physically or mentally incapacitated by a court of competent jurisdiction and for whom a guardian has been appointed shall continue to be eligible to receive a dependent child survivor annuity benefit as long as the incapacity exists, regardless of the age of the child. Arkansas Code § 24-7-710.~~

~~e. Dependent Child—Calculation and Payment of Survivor Annuity~~

- ~~1. The amount of the survivor annuity benefit payable to a dependent child shall be the amount provided in Arkansas Code § 24-7-710.~~
- ~~2. The highest of the following shall be used to calculate a dependent child's survivor annuity benefit:~~
 - ~~A. The total salary that the qualifying member would have received in the fiscal year in which the qualifying member died; or~~
 - ~~B. The qualifying member's highest salary in another fiscal year.~~
- ~~3. The dependent child survivor annuity shall remain at the initial monthly amount, adjusted by an annual cost-of-living adjustment increase, as may be designated by the Board.~~

4. ~~If more than one (1) dependent child of a qualifying member receives survivor annuity benefits, each dependent child's survivor annuity benefit shall:~~
 - A. ~~Remain at the initial monthly amount; and~~
 - B. ~~Not be readjusted if the survivor annuity benefit payments to one (1) or more of the dependent children terminates.~~

5. ~~A dependent child shall receive monthly survivor annuity benefits:~~
 - A. ~~Beginning the month after the qualifying member's death if the survivor application is filed with ATRS within three (3) months of the qualifying member's death; or~~
 - B. ~~If a survivor application is not filed with ATRS within three (3) months of the qualifying member's death, beginning the month in which the survivor application is filed with ATRS.~~

6. ~~A dependent child shall submit the following documents to ATRS before a survivor annuity benefit payment is issued to the dependent child:~~
 - A. ~~Proof of the qualifying member's death and date of death from the qualifying member's death certificate or another legally acceptable document;~~
 - B. ~~Proof of the dependent child's taxpayer identification number from a Social Security card or another authenticating documents;~~
 - C. ~~Proof that the dependent child is a child of the qualifying member from the dependent child's birth certificate or another legally acceptable document;~~
 - D. ~~Proof of the dependent child's date of birth from a birth certificate or another authenticating document;~~
 - E. ~~If applicable, a file-marked court order finding the dependent child physically or mentally incapacitated; and~~
 - F. ~~If applicable, proof of enrollment as a full-time student from an accredited secondary school, college, or university.~~

7. ~~A deposit account designated to receive a survivor annuity benefit payment for the benefit of a dependent child who is under eighteen (18) years of age shall conform with:~~
 - A. ~~The Arkansas Uniform Transfers to Minors Act, Arkansas Code § 9-26201 et seq.; or~~
 - B. ~~A court order in a guardianship proceeding for the benefit of the dependent child.~~

8. Each survivor annuity benefit payment is shall:
 - A. Be made as a separate payment to the eligible dependent child in the appropriate deposit account; and
 - B. Not be co-mingled with payments to other family members.

V. General Rules Regarding Survivor Annuities Annuity Benefits

- a. Survivor annuity benefits shall not be paid to the survivor of a qualifying member until the survivor provides ATRS with sufficient proof of his or her eligibility to receive survivor annuity benefit payments.
- b. ATRS shall send each survivor who is identified by the qualifying member to ATRS and who may be eligible for a survivor annuity benefit written notice of his or her potential eligibility at the survivor's last address on file with ATRS.¹
- c. If a member receives final approval for disability retirement and dies before receiving the first disability retirement benefit payment, the member's disability retirement benefits shall be paid to one (1) or more option, alternative residual, or other beneficiaries designated by the member.
- d. If a member's disability retirement application is received by ATRS and the member dies before his or her disability application is approved, the member shall be considered to have died in active service and survivor annuity benefits under Arkansas Code § 24-7-710 may be paid if the member has not designated an alternative residual beneficiary.
- e. Payments After Death of Member
 1. A salary earned by a member before the member's death and paid after the member's death is subject to ATRS deductions and the member's covered employer shall report the member's total salary and days of service in the covered employer's quarterly report.
 2. Gratuitous payments made by a covered employer to a member after the death of the member shall not be:
 - A. Considered the salary of the member;
 - B. Subject to contribution requirements; and
 - C. Included in the covered employer's quarterly report to ATRS
- f. Survivor Annuity Benefits Payable by One (1) or More Reciprocal Systems
 1. If survivor annuity benefits are payable by more than one (1) reciprocal system to one (1) or more eligible survivors of a deceased qualifying member, the survivors shall not receive, as a percentage of the qualifying member's final pay or as a minimum dollar amount, more than the largest amount payable by a single, reciprocal system.

¹ (See also ATRS Rule 11.VIII below).

2. ~~ATRS shall prorate minimum benefits payable with any other reciprocal system that has a minimum benefit provision.~~
 3. ~~A reciprocal system shall pay the reciprocal system's proportionate share of the minimum benefit amount.~~
 4. ~~A reciprocal system's proportionate share of the minimum benefit amount shall be based on the ratio of the qualifying member's service in the reciprocal system to the qualifying member's total service in all other reciprocal systems.~~
- g. ~~When a member elects to transfer from ATRS to APERS under the provisions of Acts 1977, No. 793, APERS' law shall govern the survivors' eligibility for a payment of residue or survivor annuity benefits upon the member's death.~~

VI. Lump-Sum Death Benefit Rules

- a. **Lump-Sum Death Benefits — Member Qualification**
 1. ~~A member who is active or retired and accrues the required amount of actual service at the time of his or her death may qualify for a lump-sum death benefit.~~
 2. ~~For the purposes of eligibility for a lump-sum death benefit under Arkansas Code § 24-7-720, a member shall be considered active for an additional fiscal year following the last fiscal year in which the member renders actual service to a covered employer and obtains at least a quarter (1/4) of a year of service credit.~~
- b. **Lump-Sum Death Benefit — Amount**
 1. ~~The amount of the lump-sum death benefit may be set pursuant to rules adopted by the Board in an amount of up to ten thousand dollars (\$10,000) per member.~~
 2. ~~The Board may adjust the amount of the lump-sum death benefit each year and, as actuarially appropriate, prorate the amount of the lump-sum benefit based on the ratio of the member's contributory and noncontributory service credit.~~
 3. ~~A lump-sum death benefit shall be paid as a single amount to the beneficiary designated by the qualifying member.~~
 4. ~~If the qualifying member fails to designate a beneficiary or a designated beneficiary does not survive the qualifying member, the lump-sum death benefit shall be paid to the qualifying member's estate.~~
- c. **Lump-Sum Death Benefit — Tax Exemption**
 1. ~~Pursuant to Acts 2009, No. 1323, a lump-sum death benefit distribution made after June 30, 2009, shall be tax exempt, and no federal or state income tax shall be withheld by ATRS.~~

2. ~~After June 30, 2009, a lump-sum death benefit shall not be eligible for a direct rollover.~~
- d. ~~Lump-Sum Death Benefit—Beneficiary Designations and Authorized Agents~~
1. ~~A member may designate one (1) or more natural persons, a duly formed legal entity, including a corporation, trust, partnership, or other legal entity, as his or her lump-sum death benefit beneficiary.~~
 2. ~~A completed lump-sum death benefit beneficiary form shall not be considered effective if the form is received by ATRS after the member's death.~~
 3. ~~A member's most recently completed, executed, and filed lump-sum death benefit beneficiary form shall supersede all previous lump-sum death benefit beneficiary forms completed, executed, and filed by the member.~~
4. ~~Authorized Agent and Guardian—Authority to Designate Beneficiary~~
- ~~A. Attorney-in-Fact and Power of Attorney~~
- i. ~~A lump-sum death benefit beneficiary form that is signed by a member's authorized agent, including an attorney-in-fact, agent under a power of attorney, or any other legally recognized agent, shall not be processed until the document appointing the member's authorized agent is filed with and accepted by ATRS.~~
 - ii. ~~Only a document that appoints and authorizes the member's authorized agent to transact retirement plan business on behalf of the member shall be effective for ATRS purposes.~~
 - iii. ~~Only a document that specifically authorizes a member's authorized agent to change the member's beneficiary designations shall be effective to allow the authorized agent to change a beneficiary designation on the member's behalf with ATRS.~~
- ~~B. Guardians and Court-Appointed Conservators~~
- i. ~~A lump-sum death benefit beneficiary form signed by a guardian of the member's estate or another court-appointed conservator shall not be effective to allow the guardian or court-appointed conservator to change a beneficiary designation on the member's behalf with ATRS unless there is an accompanying court order specifically authorizing the guardian or court-appointed conservator to change a beneficiary designation on the member's behalf.~~
- e. ~~Lump-Sum Death Benefit—Distribution, Waiver, and Assignment~~
1. ~~A designated beneficiary shall submit the following forms and documents to ATRS before a lump-sum death benefit payment is issued to the designated beneficiary:~~
 - A. ~~A written application on a form approved by ATRS; and~~

- B. ~~The qualifying member's death certificate or other acceptable proof of the qualifying member's death.~~
- 2. ~~A lump-sum death benefit payment shall be made within a reasonable time to a qualifying member's designated beneficiary after the death of the qualifying member.~~
- 3. ~~A designated beneficiary of a lump-sum death benefit may waive his or her right to receiving a payment of the lump-sum death benefit by submitting a waiver of his or her right to the lump-sum death benefit on a form that is acceptable to ATRS.~~
- 4. ~~If a designated beneficiary waives his or her right to the payment of a lumpsum death benefit, ATRS shall pay all or the balance of the lump-sum death benefit, whichever is applicable, to any other remaining designated beneficiaries.~~
- 5. ~~A designated beneficiary shall not assign his or her right to a payment of a lump-sum death benefit to another person or entity.~~
- f. ~~Lump-Sum Death Benefit — Overpayments~~
 - 1. ~~ATRS reserves the right to deduct from a qualifying member's lump-sum death benefit any amount owed to ATRS by the qualifying member under Arkansas Code § 24-7-205.~~
 - 2. ~~ATRS reserves the right to collect any overpayment or other amount owed to ATRS by a designated beneficiary.~~
- g. ~~Lump-Sum Death Benefit — Compliance~~

~~ATRS shall comply with all applicable laws relating to the distribution of a lumpsum death benefit including the Arkansas Uniform Transfers to Minors Act, Arkansas Code § 9-26-201 et seq.~~

VII. ~~Qualified Domestic Relations Orders (QDRO) for ATRS Members~~

- a. ~~QDRO — Adopted by ATRS~~
 - 1. ~~The model QDRO adopted by ATRS pursuant to Arkansas Code § 9-18-103(b) shall be used by a member if a court intends to divide the member's retirement benefits or contributions between the member and an alternate payee.~~
- b. ~~QDRO Issued by Court~~
 - 1. ~~ATRS shall accept a QDRO issued by a circuit court of the State of Arkansas or other court of competent jurisdiction regarding a member and an alternate payee, subject to the following:~~
 - A. ~~The alternate payee is eligible to receive benefit payments if the member:~~
 - i. ~~Retires; or~~

- i. ~~Notify ATRS of a change of the alternate payee's mailing address; and~~
 - ii. ~~Verify annually his or her address with ATRS beginning one (1) year from the date of the letter notifying the alternate payee of ATRS' acceptance of the QDRO.~~
- L. ~~The alternate payee's portion of the member's retirement benefits or contributions shall be held in the member's account until the alternate payee is eligible to receive benefit payments under this ATRS Rule 11 VII b.1.A.~~
- M. ~~If the alternate payee is eligible to receive benefit payments, ATRS shall:~~
 - i. ~~Not hold the alternate payee's portion of the member's retirement benefits or contributions in the member's account;~~ ii. ~~Pay the alternate payee's portion of the member's retirement benefits or contributions when payment is due to the:~~
 - a. ~~Alternate payee if the alternate payee has completed and submitted to ATRS an enrollment form and all other documents required by ATRS in order to issue the payment; or~~
 - b. ~~Member to be held by the member as constructive trustee.~~
- N. ~~If the alternate payee is eligible to receive benefit payments and has not completed and submitted an enrollment form or all other required documents to ATRS, the following shall apply:~~
 - i. ~~ATRS shall notify the member in writing that the alternate payee has not completed and submitted an enrollment form or all other documents required in order for ATRS to issue a payment to the alternate payee;~~
 - ii. ~~ATRS shall pay the alternate payee's portion of the member's retirement benefits or contributions to the member;~~
 - iii. ~~The member shall hold as constructive trustee the alternate payee's portion of the member's retirement benefits or contributions upon receiving the alternate payee's portion of the member's retirement benefits or contributions; and~~
 - iv. ~~The member shall be responsible for verifying with ATRS the amount of the alternate payee's portion of the member's retirement benefits or contributions to be held by the member as constructive trustee.~~
- O. ~~If an amount that should not have been distributed to the member or alternate payee under the QDRO is received by the member or alternate payee, the member or alternate payee shall:~~

- i. ~~Be responsible for holding the amount as a constructive trustee; and~~
 - ii. ~~Notify ATRS immediately that he or she received the amount. P.~~
~~ATRS shall not make restitution for:~~
 - i. ~~A payment that is issued to the alternate payee before ATRS receives notice of the alternate payee's change of address;~~
 - ii. ~~A distributed amount that:~~
 - a. ~~The alternate payee is entitled to receive under the terms of a QDRO; and~~
 - b. ~~Is received by the member as constructive trustee; or~~
 - iii. ~~A distributed amount that:~~
 - a. ~~The member is entitled to receive under the terms of a QDRO; and~~
 - b. ~~Is received by the alternate payee as constructive trustee.~~
- Q. ~~A benefit enhancement enacted by the General Assembly or the Board after entry of the QDRO shall inure to the benefit of the member and shall not be assigned to the alternate payee.~~
- R. ~~ATRS shall not accept a QDRO for a member who does not have five (5) years of actual service with ATRS at the time the QDRO is issued by a court.~~
- S. ~~ATRS shall pay the member the total retirement benefit if ATRS determines that the alternate payee's monthly retirement benefit is less than twenty dollars (\$20.00).~~
- T. ~~The member shall be responsible for paying the alternate payee his or her portion under the QDRO if ATRS determines that the alternate payee's monthly retirement benefit is less than twenty dollars (\$20.00).~~
- U. ~~The QDRO issued by the circuit court shall not require ATRS to provide any benefit that is an actuarial cost to ATRS and is not otherwise contemplated in the law and rules applicable to ATRS.~~
- V. ~~No provision in this ATRS Rule 11 or in a QDRO accepted by ATRS shall require ATRS to violate any plan qualification requirement in the Internal Revenue Code, 26 U.S.C. § 401(a), or otherwise affect ATRS' requirement to operate as a governmental plan under the Internal Revenue Code, 26 U.S.C. § 414(d).~~

VIII. ~~Lost Payees Rules~~

- a. ~~A member or beneficiary of a deceased member, whichever is appropriate, is responsible for filing a current post office address and any subsequent change of address with ATRS.~~

- b. ~~Communication addressed to a member or beneficiary at the last post office address last filed with ATRS, or, if no post office address has been filed with ATRS, the last post office address indicated on the records of the employer of the member or the beneficiary shall be:

 - 1. ~~The official post office address for ATRS communication to the member or beneficiary; and~~
 - 2. ~~Binding on the member or beneficiary for all ATRS purposes.~~
 - 3. ~~ATRS shall have no obligation to determine the current post office address or any other address for a member or beneficiary. (Arkansas Code § 24-7-734)~~~~
- c. ~~Unclaimed Property Act

 - 1. ~~Member payments in the possession of ATRS shall be excluded from the definition of property as provided in the Unclaimed Property Act, Arkansas Code § 18-28-201 et seq.~~
 - 2. ~~Arkansas Code § 24-7-734 supersedes any conflict with the Unclaimed Property Act, Arkansas Code § 18-28-201 et seq.~~~~

HISTORY

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Amended:	February 10, 1998	11-3
Amended:	May 5, 1998	11-3
Amended:	October 7, 2003	11-3
Amended:	June 15, 2004	11-1, 11-2
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Amended:	October 6, 2008	11-3
Amended:	June 16, 2009	(Emergency) 11-2
Amended:	October 5, 2009	(Permanent) 11-2
Amended:	December 18, 2009	11-1
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ATRS Rule 11 Survivors and Domestic Relations Orders

§ 11-101. Definitions.

As used in this rule:

(1) "Alternate payee" means a spouse, former spouse, child, or other dependent of a member under Arkansas law;

(2) "Application" for the purposes of retirement eligibility means an application form and any other documents required by the Arkansas Teacher Retirement System to establish a member's eligibility to retire;

(3) "Immediately eligible" for the purpose of survivor annuity benefits means a survivor of an active member who at the time of his or her death attained the normal retirement age and could have retired **from the system**;

(4) "Lump-sum death beneficiary" means one (1) or more persons or entities designated in writing by the member to receive payment of the lump-sum death benefit under Arkansas Code § 24-7-720;

(5) "Lump-sum death benefit" means a monetary amount set by the Board of Trustees of the Arkansas Teacher Retirement System, and paid by the system to one (1) or more lump-sum death beneficiaries; and

(6) "QDRO" means a court order that:

(A) Meets the definition of a qualified domestic relations order under Arkansas Code § 9-18-101; or

(B) Assigns a portion of a member's retirement benefit to **an alternate payee** upon the member's retirement or a refund of the member's contributions at the request of the member;

(7) "Qualifying member" means:

(A) For the purposes of eligibility for a lump-sum death benefit, a member or retiree to whom one (1) of the following categories apply:

(i) The member:

(a) Is deceased;

(b) Was an active member of the system before July 1, 2007;

and

(c) Has five (5) or more years of actual service, including actual service for the year immediately preceding his or her death;

(ii) The member:

(a) Is deceased;

(b) Was an active member of the system on or after July 1, 2007; and

(c) Has ten (10) or more years of actual service, **including actual service for the year immediately preceding his or her death**; or

(iii) The retiree:

(a) Dies before July 1, 2007; and

(b) Has accrued five (5) or more years of actual service, including actual service, for the year immediately preceding his or her death; or

(iv) The retiree:

(a) Dies on or after July 1, 2007; and
(b) Has accrued ten (10) or more years of actual service, including actual service for the year immediately preceding his or her death; or
(B) For the purpose of an eligible survivor qualifying for survivor annuity benefits under Arkansas Code § 24-7-710, a member who:
(i) Is an active member;
(ii) Has at least five (5) years of actual service and reciprocal service, including credited service for the year immediately preceding his or her death; and
(iii) Is active as provided in Arkansas Code § 24-7-710(f) and this rule.

§ 11-101. Survivors.

(a) The law in effect on the date of a qualifying member's death shall determine the:
(1) Eligibility of a qualifying member's spouse or child to receive survivor annuity benefits;
(2) Amount of the survivor annuity benefits to be received by an eligible survivor;
(3) The time at which an eligible survivor may begin receiving survivor annuity benefit payments; and
(4) Member's effective retirement date.
(b)(1) The Arkansas Teacher Retirement System shall send each survivor who is identified by the qualifying member to the system and who may be eligible for a survivor annuity benefit written notice of his or her potential eligibility at the survivor's last address on file with the system.
(2) Survivor annuity benefits shall not be paid to the survivor of a qualifying member until the survivor provides the system with sufficient proof of his or her eligibility to receive survivor annuity benefit payments.

§ 11-102. Survivors — Qualifying members.

(a) A member shall be considered active for the purpose of an eligible survivor qualifying for survivor annuity benefits under Arkansas Code § 24-7-710 if:
(1) The member has at least:
(A) Ten (10) days of service credit in each prior quarter of the fiscal year from the time the fiscal year began or the member was employed by a covered employer, whichever occurs last; and
(B) One (1) quarter with ten (10) days of service; or
(2) Either of the following apply to the member:
(A) The member has earned at least ten (10) days of service credit in the quarter of the member's death and in each quarter before the member's death, collectively; or
(B) Less than ten (10) working days have elapsed in the quarter of the member's death.
(b) A member shall also be considered active for an additional fiscal year following the last fiscal year in which the member renders actual service to a covered employer and obtains at least one-fourth (1/4) of a year of service credit.

§ 11-103. Survivors — Surviving spouse.

(a) An eligible survivor of a qualifying member may receive survivor annuity benefits after the death of the qualifying member.

(b) Unless a qualifying member designates one (1) or more alternative residue beneficiaries by written form approved by the Arkansas Teacher Retirement System, the survivor annuity benefits provided for in Arkansas Code § 24-7-710 shall be paid to the spouse of the qualifying member if the spouse:

(1) Survives the qualifying member; and

(2) Was married to the qualifying member for at least two (2) years immediately before the qualifying member's death.

(c)(1) A surviving spouse who is eligible to receive surviving spouse annuity benefits may file a waiver of his or her right to the surviving spouse annuity benefits with the system if, at the time of the qualifying member's death, the qualifying member does not have children who are eligible to receive dependent child survivor annuity benefits.

(2) If the surviving spouse files a waiver of his or her right to receive surviving spouse annuity benefits, then the surviving spouse may receive the qualifying member's accumulated contributions plus interest, if any, in a lump-sum distribution.

(d)(1) Pursuant to Arkansas Code § 24-7-710, surviving spouse annuity benefits are payable for the surviving spouse's lifetime, regardless of the remarriage of the surviving spouse.

(2) The surviving spouse may defer receipt of the surviving spouse annuity benefits, if applicable, under the deferred retirement provisions of Arkansas Code § 24-7-707.

(3) A surviving spouse shall submit the following documents to the system before a surviving spouse annuity benefit payment is issued to the surviving spouse:

(A) Proof of the qualifying member's death and date of death from the qualifying member's death certificate or another legally acceptable document;

(B) Proof of the surviving spouse's taxpayer identification number from a Social Security card or another authenticating document;

(C) Proof of the surviving spouse's date of birth from a birth certificate or another authenticating document; and

(D) Proof of the marriage between the qualifying member and surviving spouse from a marriage license or equivalent, marriage license recording document, or other legally acceptable proof of the existence of the marriage.

(4) A surviving spouse who is immediately eligible to receive a monthly survivor annuity benefit after the death of the qualifying member shall receive monthly survivor annuity benefits:

(A) Beginning the month after the death of the qualifying member if the survivor application is filed **by the end of the sixth full calendar month following the date** of the qualifying member's death; or

(B) Beginning the month in which the survivor application is filed with the system if at the time of the qualifying member's death the qualifying member:

(i) Accumulated at least twenty-five (25) years of credited service and was eligible to receive a voluntary retirement or early retirement annuity; or

(ii) Reached sixty (60) years of age and was eligible to receive a

deferred retirement annuity.

(5) A surviving spouse who is not immediately eligible to receive a monthly survivor annuity benefit shall receive monthly survivor annuity benefits beginning the later of either the:

(A) Month following the date on which the qualifying member would have been eligible to receive retirement benefits had the qualifying member survived; or

(B) Date on which a survivor application is filed with the system.

§ 11-104. Survivors — Alternative residue beneficiary.

(a) A member may change his or her alternative residue beneficiary designation and designate his or her spouse as a residue beneficiary under Arkansas Code § 24-7-710 by documenting the change on a form provided and approved by the Arkansas Teacher Retirement System.

(b)(1) A qualifying member may designate one (1) or more alternative beneficiaries, also known as alternative residue beneficiaries, to receive a lump-sum payment of the qualifying member's residue in lieu of the qualifying member's surviving spouse by using a beneficiary form provided and approved by the system.

(2) A surviving spouse annuity benefit or any other type of monthly benefit shall not be paid to a qualifying member's surviving spouse if the qualifying member designates one (1) or more alternative residue beneficiaries to receive a lump-sum payment of the qualifying member's residue in lieu of the qualifying member's surviving spouse.

(3) A surviving spouse may elect Option A — 100% Survivor Annuity benefits if:

(A) The qualifying member:

(i) Designates only the surviving spouse as the primary residue beneficiary; and

(ii) Does not designate an alternative residue beneficiary as the primary residue beneficiary; or

(B)(i) The surviving spouse is ineligible for an annuity solely as a result of the qualifying member designating an alternative residue beneficiary and the alternative residue beneficiary waives his or her right to the residue.

(ii) An alternative residue beneficiary's waiver of his or her right to the residue is not required if the qualifying member does not have a residue with a payable balance.

(c)(1) A member's designation of his or her former spouse as the member's alternative residue beneficiary shall not be honored by the system with regard to the former spouse if the:

(A) Member remarries; and

(B) System receives proof of the member's remarriage in the manner required by the system before payment of the residue is issued to the former spouse.

(2) A member who remarries and desires to maintain his or her former spouse's designation as the member's alternative residue beneficiary shall file with the system a lump-sum death benefit beneficiary designation form that:

(A) Designates his or her former spouse as the member's alternative residue beneficiary; and

(B) Has a signature date of the member that is on or after the date of the member's remarriage.

(3) The system shall not be obligated to recoup or reimburse a member's current spouse for any residue amount paid to the member's former spouse in accordance with a law, rule, or policy applicable to the system.

§ 11-105. Survivors — T-DROP plan participant.

(a)(1) A participant in the Teacher Deferred Retirement Option Plan may designate one (1) or more alternative residue beneficiaries to receive a lump-sum payment of his or her T-DROP benefits in lieu of his or her surviving spouse.

(2) A T-DROP plan benefit, surviving spouse annuity benefit, or any other type of monthly benefit shall not be paid to a plan participant's surviving spouse if the plan participant designates one (1) or more alternative residue beneficiaries to receive a lump-sum payment of his or her TDROP benefits in lieu of his or her surviving spouse.

(3) A surviving spouse may elect Option A — 100% Survivor Annuity benefits if:

(A) The plan participant:

(i) Designates only the surviving spouse as the primary residue beneficiary; and

(ii) Does not designate an alternative residue beneficiary as the primary residue beneficiary; or

(B)(i) The surviving spouse is ineligible for an annuity solely as a result of the plan participant designating an alternative residue beneficiary and the alternative residue beneficiary waives his or her right to the residue.

(ii) An alternative residue beneficiary's waiver of his or right to the residue is not required if the plan participant does not have a residue with a payable balance.

(b) A plan participant's T-DROP residue that otherwise would have been paid pursuant to Arkansas Code § 24-7-709 shall be calculated as the greater of either of the following:

(1) The accumulated contributions and regular interest credited to the retirement reserve account as of the member's effective retirement date reduced by the total amount of regular annuities paid, further reduced by amounts received from the T-DROP account in the form of a lump-sum or annuity benefit payments; or

(2) The T-DROP account as of the member's effective retirement date reduced by amounts received from the T-DROP account in the form of a lump-sum or annuity benefit payments.

§ 11-106. Survivors — Dependent children.

(a)(1) A child of a qualifying member is eligible to receive a survivor annuity benefit under Arkansas Code § 24-7-710 if the child qualifies as a dependent child.

(2) A qualifying member's child shall be eligible to qualify as a dependent child or maintain his or her status as a dependent child if:

(A) The qualifying member was the legal parent of the child at the time of the qualifying member's death; and

(B) The child meets all other requirements to qualify as a dependent child or maintain his or her status as a dependent child.

(b)(1) A child of a qualifying member qualifies as a dependent child if the child is:

(A) Is younger than eighteen (18) years of age; or

(B) Is at least eighteen (18) years of age and not older than twenty-two (22)

years of age and continuously enrolled as a full-time student in an accredited secondary school, college, university, or vocational-technical school; or

(C) Has been adjudged physically or mentally incapacitated by a court of competent jurisdiction.

(2) A dependent child who enrolls in an accredited college, university, or vocational-technical school shall remain eligible to receive a dependent child annuity during his or her period of deferred enrollment if the dependent child:

(A) Is not older than twenty-two (22) years of age; and

(B) Submits proof of his or her deferred to the Arkansas Teacher Retirement System in the manner required by the system.

(c) A qualifying member's dependent child shall not be eligible to qualify as a dependent child again and shall have his or her dependent child annuity terminated by the system if the dependent child dies or ceases to qualify as a dependent child of the qualifying member.

§ 11-107. Survivors — Dependent children — Full-time students.

(a) To be considered a full-time student, a dependent child shall:

(1) Take twelve (12) semester hours or eight (8) trimester hours in college;

(2) Take four (4) hours per day in a secondary or postsecondary school; or

(3) Engage full-time in a curriculum or field of study based upon verifiable indices from an accredited institution.

(b) After a dependent child reaches eighteen (18) years of age, in the absence of a parent or legal guardian, the dependent child may self-report his or her Certification of Attendance to the Arkansas Teacher Retirement System.

(c)(1) A qualifying member's child who is **at least eighteen (18) years of age and not older than twenty-two (22) years of age** and not a full-time student may continue to qualify as a dependent child and receive a survivor annuity benefit if a doctor certifies that the child is temporarily physically or mentally incapacitated **and unable to attend school as a full-time student for the current semester or term due to the temporary physical or mental incapacitation.**

(2) If a doctor does not certify the child as temporarily physically or mentally incapacitated **and unable to attend school as a full-time student for the current semester or term due to the temporary physical or mental incapacitation** and the child does not attend school as a full-time student in the following semester, the child shall no longer qualify as a dependent child and shall be ineligible to receive survivor annuity benefits.

§ 11-108. Survivors — Dependent children — Active military duty or training.

(a) A dependent child who qualifies under Arkansas Code § 24-7-710(c)(2)(B)(i) to receive survivor annuity benefit payments may have his or her payments temporarily suspended if he or she:

(1) Is called to active military duty or active military training; and

(2) Submits a copy of his or her military orders to the Arkansas Teacher Retirement System.

(b)(1) Survivor annuity benefit payments to a dependent child shall be **temporarily** suspended for the duration of the dependent child's participation in active military duty or active military training.

(2) Survivor annuity benefit payments to the dependent child shall be reinstated if the dependent child:

(A) Is at least eighteen (18) years of age and not older than twenty-two (22) years of age;

(B) Immediately re-enrolls as a full-time student at an accredited secondary school, college, university, or vocational-technical school upon his or her return from active military duty or active military training; and

(C) Submits documentation of his or her re-enrollment as a full-time student to the system.

§ 11-109. Survivors — Dependent children — Incapacitated child.

A qualifying member's child who qualifies as a dependent child because he or she has been adjudged physically or mentally incapacitated by a court of competent jurisdiction and for whom a guardian has been appointed shall continue to be eligible to receive a dependent child survivor annuity benefit as long as the incapacity exists, regardless of the age of the child.

§ 11-110. Survivors — Dependent children — Return to work retirees.

(a) A dependent child annuity shall be payable to a surviving child of a retiree who dies after returning to work if the child qualifies as a dependent child and is eligible for a dependent child annuity under the law and rules applicable to the Arkansas Teacher Retirement System.

(b) The same rules applicable to the surviving child of qualifying member shall apply to the surviving child of a retiree who dies after returning to work.

§ 11-111. Survivors — Dependent children — Calculation and payment of survivor annuity.

(a) The amount of the survivor annuity benefit payable to a dependent child shall be the amount provided in Arkansas Code § 24-7-710.

(b) The highest of the following shall be used to calculate a dependent child's survivor annuity benefit:

(1) The total salary that the qualifying member would have received in the fiscal year in which the qualifying member died; or

(2) The qualifying member's highest salary in another fiscal year.

(c) The dependent child survivor annuity shall remain at the initial monthly amount, adjusted by an annual cost-of-living adjustment increase, as may be designated by the Board of Trustees of the Arkansas Teacher Retirement System.

(d) If more than one (1) dependent child of a qualifying member receives survivor annuity benefits, each dependent child's survivor annuity benefit shall:

(1) Remain at the initial monthly amount; and

(2) Not be readjusted if the survivor annuity benefit payments to one (1) or more of the dependent children terminates.

(e) A dependent child shall receive monthly survivor annuity benefits:

(1) Beginning the month after the qualifying member's death if the survivor application is filed with the Arkansas Teacher Retirement System by the end of the sixth full calendar month following the qualifying member's death; or

(2) If a survivor application is not filed with the system **by the end of the sixth full calendar month following** the qualifying member's death, beginning the month in which the survivor application is filed with the system.

(f) A dependent child shall submit the following documents to the system before a survivor annuity benefit payment is issued to the dependent child:

(1) Proof of the qualifying member's death and date of death from the qualifying member's death certificate or another legally acceptable document;

(2) Proof of the dependent child's taxpayer identification number from a Social Security card or another authenticating documents;

(3) Proof that the dependent child is a child of the qualifying member from the dependent child's birth certificate or another legally acceptable document;

(4) Proof of the dependent child's date of birth from a birth certificate or another authenticating document;

(5) If applicable, a file-marked court order finding the dependent child physically or mentally incapacitated; and

(6) If applicable, proof of enrollment as a full-time student from an **accredited secondary school, college, university, or vocational-technical school.**

(g)(1) A deposit account designated to receive a survivor annuity benefit payment for the benefit of a dependent child who is under eighteen (18) years of age shall conform with:

(A) The Arkansas Uniform Transfers to Minors Act, Arkansas Code § 9-26201 et seq.; or

(B) A court order in a guardianship proceeding for the benefit of the dependent child.

(2) Each survivor annuity benefit payment is shall:

(A) Be made as a separate payment to the eligible dependent child in the appropriate deposit account; and

(B) Not be co-mingled with payments to other family members.

§ 11-112. Survivors — Disability retirees.

(a) If a member receives final approval for disability retirement and dies before receiving the first disability retirement benefit payment, the member's disability retirement benefits shall be paid to one (1) or more option beneficiaries, alternative residue beneficiaries, or other beneficiaries designated by the member.

(b) If a member's disability retirement application is received by the Arkansas Teacher Retirement System and the member dies before his or her disability application is approved, the member shall be considered to have died in active service and survivor annuity benefits under Arkansas Code § 24-7-710 may be paid if the member has not designated an alternative residue beneficiary.

§ 11-113. Survivors — Annuity benefits payable by reciprocal systems.

(a) If survivor annuity benefits are payable by more than one (1) reciprocal system to one (1) or more eligible survivors of a deceased qualifying member, the survivors shall not receive, as a percentage of the qualifying member's final pay or as a minimum dollar amount, more than the largest amount payable by a single, reciprocal system.

(b)(1) The Arkansas Teacher Retirement System shall prorate minimum benefits payable with any other reciprocal system that has a minimum benefit provision.

(2)(A) A reciprocal system shall pay the reciprocal system's proportionate share of the minimum benefit amount.

(B) A reciprocal system's proportionate share of the minimum benefit amount shall be based on the ratio of the qualifying member's service in the reciprocal system to the qualifying member's total service in all other reciprocal systems.

(c) When a member elects to transfer from the Arkansas Teacher Retirement System to the Arkansas Public Employees' Retirement System under the provisions of Acts 1977, No. 793, the Arkansas Public Employees' Retirement System's law shall govern the survivors' eligibility for a payment of residue or survivor annuity benefits upon the member's death.

§ 11-114. Survivors — Lump-sum death benefit — Qualification.

(a) A member of the system who is active, retired, or a T-DROP plan participant and accrues the required amount of actual service at the time of his or her death may qualify for a lump-sum death benefit.

(b) For the purposes of eligibility for a lump-sum death benefit, a member shall be considered active for an additional fiscal year following the last fiscal year in which the member renders actual service to a covered employer and obtains at least a quarter (1/4) of a year of service credit.

§ 11-115. Survivors — Lump-sum death benefit — Amount and tax exemption.

(a)(1) The amount of the lump-sum death benefit may be set by a resolution or rules adopted by the Board of Trustees of the Arkansas Teacher Retirement System in an amount of up to ten thousand dollars (\$10,000) per member.

(2) The board may adjust the amount of the lump-sum death benefit each year and, as actuarially appropriate, prorate the amount of the lump-sum benefit based on the ratio of the member's contributory and noncontributory service credit.

(b)(1) Upon a qualifying member's death, the maximum lump-sum death benefit that the qualifying member qualifies to receive in accordance with the law, rules, and resolutions of the board applicable to the system shall be paid in equal shares to each person designated as a beneficiary by the qualifying member in the manner required by the system.

(2) If the qualifying member fails to designate a beneficiary or all the designated beneficiaries predecease the qualifying member, the lump-sum death benefit shall be paid to the qualifying member's estate.

(c)(1) Pursuant to Acts 2009, No. 1323, a lump-sum death benefit distribution made after June 30, 2009, shall be tax exempt, and no federal or state income tax shall be withheld by the Arkansas Teacher Retirement System.

(2) After June 30, 2009, a lump-sum death benefit shall not be eligible for a direct rollover.

§ 11-116. Survivors — Lump-sum death benefit — Beneficiary designations and authorized agents.

(a)(1) A member may designate one (1) or more natural persons, a duly formed legal entity, including a corporation, trust, partnership, or other legal entity, as his or her lump-sum death benefit beneficiary.

(2) If a member designates a funeral home as his or her lump-sum death benefit beneficiary and the member is a qualifying member who may receive a lump-sum death benefit at the time of his or her death, the Arkansas Teacher Retirement System shall not be obligated to do any of the following:

(A) Issue payment to the funeral home in an amount that exceeds the:

(i) Lump-sum death benefit amount that the member qualifies to receive in accordance with the laws, rules, and resolutions of the Board of Trustees of the Arkansas Teacher Retirement System; or

(ii) Share of the lump-sum death benefit amount that the funeral home would be entitled to receive if the member designates more than one (1) lump-sum death benefit beneficiary;

(B) Reimburse any person or entity for any amount received by the funeral home that exceeds the cost of the member's funeral service; or

(C) Recoup or assist any person or entity in recouping any amount received by the funeral home that exceeds the cost of the member's funeral service.

(3)(A) A member's designation of his or her former spouse as the member's lump-sum death benefit beneficiary shall not be honored by the system with regard to the former spouse if the:

(i) Member remarries; and

(ii) System receives proof of the member's remarriage in the manner required by the system before payment of the lump-sum death benefit is issued to the former spouse.

(B) A member who remarries and desires to maintain his or her former spouse's designation as the member's lump-sum death benefit beneficiary shall file with the system a lump-sum death benefit beneficiary designation form that:

(i) Designates his or her former spouse as the member's lump-sum death benefit beneficiary; and

(ii) Has a signature date of the member that is on or after the date of the member's remarriage.

(C) The system shall not be obligated to recoup or reimburse a member's current spouse for any lump-sum death benefit amount paid to the member's former spouse in accordance with this rule.

(b)(1) A completed lump-sum death benefit beneficiary form shall not be considered effective if the form is received by the Arkansas Teacher Retirement System after the member's death.

(2) A member's most recently completed, executed, and filed lump-sum death benefit beneficiary form shall supersede all previous lump-sum death benefit beneficiary forms completed, executed, and filed by the member.

(c)(1) A lump-sum death benefit beneficiary form that is signed by a member's authorized agent, including an attorney-in-fact, agent under a power of attorney, or any other legally recognized agent, shall not be processed until the document appointing the member's authorized agent is filed with and accepted by the system.

(2) Only a document that appoints and authorizes the member's authorized agent to transact retirement plan business on behalf of the member shall be effective for the system's purposes.

(3) Only a document that specifically authorizes a member's authorized agent to

change the member's beneficiary designations shall be effective to allow the authorized agent to change a beneficiary designation on the member's behalf with the system.

(d) A lump-sum death benefit beneficiary form signed by a guardian of the member's estate or another court-appointed conservator shall not be effective to allow the guardian or court-appointed conservator to change a beneficiary designation on the member's behalf with the system unless there is an accompanying court order specifically authorizing the guardian or court-appointed conservator to change a beneficiary designation on the member's behalf.

§ 11-117. Survivors — Lump-sum death benefit — Distribution, waiver, and assignment.

(a) A designated beneficiary shall submit the following forms and documents to the Arkansas Teacher Retirement System before a lump-sum death benefit payment is issued to the designated beneficiary:

(1) A written application on a form approved by the system; and

(2) The qualifying member's death certificate or other acceptable proof of the qualifying member's death.

(b) A lump-sum death benefit payment shall be made within a reasonable time to a qualifying member's designated beneficiary after the death of the qualifying member.

(c)(1) A designated beneficiary of a lump-sum death benefit may waive his or her right to receiving a payment of the lump-sum death benefit by submitting a waiver of his or her right to the lump-sum death benefit on a form that is acceptable to the system.

(2) If a designated beneficiary waives his or her right to the payment of a lump-sum death benefit, the system shall pay all or the balance of the lump-sum death benefit, whichever is applicable, to any other remaining designated beneficiaries.

(d) A designated beneficiary shall not assign his or her right to a payment of a lump-sum death benefit to another person or entity.

§ 11-118. Survivors — Lump-sum death benefit — Overpayments.

(a) The Arkansas Teacher Retirement System may deduct and reserves the right to deduct from a qualifying member's lump-sum death benefit any amount owed to the system by the qualifying member under Arkansas Code § 24-7-205.

(b) The system may collect and reserves the right to collect any overpayment or other amount owed to the system by a designated beneficiary.

§ 11-119. Survivors — Lump-sum death benefit — Transfers to minors.

The Arkansas Teacher Retirement System shall comply with all applicable laws relating to the distribution of a lumpsum death benefit including the Arkansas Uniform Transfers to Minors Act, Arkansas Code § 9-26-201 et seq.

§ 11-120. Qualified domestic relations order.

(a) The model qualified domestic relations order adopted by the Arkansas Teacher Retirement System pursuant to Arkansas Code § 9-18-103(b) shall be used by a member if a court intends to divide the member's retirement benefits or contributions between the member and an alternate payee.

(b)(1) The system shall promptly notify a member and the alternate payee upon receiving

a QDRO.

(2)(A) Upon receiving a QDRO, the system shall determine within a reasonable time after receiving the QDRO whether the QDRO complies with the Arkansas Code, the system's rules, the system's model qualified domestic relations order, and other applicable laws.

(B) The system shall notify the member and the alternate payee in writing if the system determines that a QDRO submitted by the member or alternate payee does not comply with the Arkansas Code, the system's rules, the system's model qualified domestic relations order, or other applicable laws.

(C) The system shall accept a QDRO issued by a circuit court of the State of Arkansas or other court of competent jurisdiction regarding a member and an alternate payee if the QDRO complies with the Arkansas Code, the system's rules, the system's model qualified domestic relations order, and other applicable laws.

§ 11-121. Qualified domestic relations order — Limitations.

(a) A QDRO shall not require the Arkansas Teacher Retirement System to:

(1) Provide an alternate payee with any type or form of benefit or option not otherwise available to the member;

(2) Provide an alternate payee actuarial benefits not available to the member;

(3) Pay any benefits to an alternate payee that are required to be paid to another alternate payee under an existing QDRO;

(4) Provide any benefit that is an actuarial cost to the system and is not otherwise contemplated in the law and rules applicable to the system; or

(5) Violate any plan qualification requirement in the Internal Revenue Code, 26 U.S.C. § 401(a), or otherwise affect the system's requirement to operate as a governmental plan under the Internal Revenue Code, 26 U.S.C. § 414(d).

(b) The system shall not accept a QDRO for a member who does not have five (5) years of actual service with the system at the time the QDRO is issued by a court.

(c) No provision in the system's rules or in a QDRO accepted by the system shall require the system to violate any plan qualification requirement in the Internal Revenue Code, 26 U.S.C. § 401(a), or otherwise affect the system's requirement to operate as a governmental plan under the Internal Revenue Code, 26 U.S.C. § 414(d).

§ 11-122. Qualified domestic relations order — Computation of benefit payments.

(a)(1) The Arkansas Teacher Retirement System shall compute an alternate payee's monthly annuity benefit under a QDRO accepted by the system by using the benefit formula in effect at the time of the member's retirement.

(2) When computing an alternate payee's monthly retirement annuity benefit under a QDRO accepted by the system, the system shall include only service credit earned by the member during the marriage.

(b) If the QDRO issued by the circuit court assigns a marital portion or other part of a member's interest in his or her T-DROP plan deposits and interest, the benefits in the member's T-DROP account shall be computed as a separate calculation as provided by the model qualified domestic relations order adopted by the system.

§ 11-123. Qualified domestic relations order — Eligibility to receive benefits.

(a) The member or the alternate payee may file a QDRO with the Arkansas Teacher Retirement System before the member's retirement or termination of covered employment.

(b)(1) An alternate payee is eligible to receive benefit payments if the member retires or terminates employment with a covered employer and receives a refund of contributions.

(2) The alternate payee's portion of the member's retirement benefits or contributions shall be held in the member's account until the alternate payee is eligible to receive benefit payments under this rule.

(c) A benefit enhancement enacted by the General Assembly or the Board of Trustees of the Arkansas Teacher Retirement System after entry of a QDRO shall inure to the benefit of the member and shall not be assigned to the alternate payee.

§ 11-124. Qualified domestic relations order — Enrollment of alternate payee.

(a)(1) The alternate payee shall notify the Arkansas Teacher Retirement System of a change of his or her mailing address and verify annually his or her address with the system beginning one (1) year from the date of the letter notifying the alternate payee of the system's acceptance of the QDRO.

(2) If an alternate payee's address changes from the address provided on the QDRO accepted by the system or the address provided by the alternate payee during the system's enrollment of the alternate payee, the system shall not be obligated to determine the current post office address or any other address of the alternate payee.

(b) If the alternate payee is eligible to receive benefit payments and has not completed and submitted an enrollment form or all other required documents to the system, the following shall apply:

(1) The system shall notify the member in writing that the alternate payee has not completed and submitted an enrollment form or all other documents required in order for the system to issue a payment to the alternate payee;

(2) The system shall pay the alternate payee's portion of the member's retirement benefits or contributions to the member;

(3) The member shall hold as constructive trustee the alternate payee's portion of the member's retirement benefits or contributions upon receiving the alternate payee's portion of the member's retirement benefits or contributions; and

(4) The member shall be responsible for verifying with the system the amount of the alternate payee's portion of the member's retirement benefits or contributions to be held by the member as constructive trustee.

(c) If an alternate payee is eligible to receive benefit payments, the system shall:

(1) Not hold the alternate payee's portion of the member's retirement benefits or contributions in the member's account;

(2) Pay the alternate payee's portion of the member's retirement benefits or contributions when payment is due to the:

(A) Alternate payee if the alternate payee has completed and submitted to the system an enrollment form and all other documents required by the system in order to issue the payment; or

(B) Member to be held by the member as constructive trustee.

(d)(1) The system shall pay the member the total retirement benefit if the system determines that the alternate payee's monthly retirement benefit is less than twenty dollars (\$20.00).

(2) The member shall be responsible for paying the alternate payee his or her portion of benefits if the system determines that the alternate payee's monthly retirement benefit is less than twenty dollars (\$20.00).

§ 11-125. Qualified domestic relations order — Benefit payments — Overpayments.

(a) The Arkansas Teacher Retirement System shall have the right to:

(1) Make any necessary correction to the monthly annuity benefit paid under a QDRO [accepted by the system](#); and

(2) Recover any overpayments owed to the system from either the member or the alternate payee.

(b)(1) If an amount that should not have been distributed to the member or alternate payee under the QDRO [accepted by the system](#) is received by the member or alternate payee, the member or alternate payee shall:

(A) Be responsible for holding the amount as a constructive trustee; and

(B) Notify the system immediately that he or she received the amount.

(c) The system shall not make restitution for:

(1) A payment that is issued to the alternate payee before the system receives notice of the alternate payee's change of address;

(2) A distributed amount that:

(A) The alternate payee is entitled to receive under the terms of a QDRO [accepted by the system](#); and

(B) Is received by the member as constructive trustee;

(3) A distributed amount that:

(A) The member is entitled to receive under the terms of a QDRO [accepted by the system](#); and

(B) Is received by the alternate payee as constructive trustee; or

(4) [An amount that was distributed before the system receives a court order voiding the QDRO accepted by the system.](#)

§ 11-126. Qualified domestic relations order — Benefit payments — Death of member or alternate payee.

(a)(1) Any benefit that would be due to the alternate payee under a [QDRO accepted by the Arkansas Teacher Retirement System](#) shall revert back to the member if the alternate payee dies before receiving the [first benefit payment issued to him or her by the system](#).

(2) [An alternate payee's portion of benefits payable to him or her under a QDRO accepted by the system shall not revert back to the member if the alternate payee dies after receiving the first benefit payment issued to him or her by the system.](#)

(b)(1) If a member dies before retirement [and a survivor annuity is not payable](#), the alternate payee shall receive the same portion of the member's contributions, if any, as was assigned by the [QDRO accepted by the system](#).

(2) The alternate payee shall not receive monthly retirement annuity benefits from the system if the member has not received his or her retirement annuity at the time of his or her death.

(c) If a member dies after retiring from the system, the alternate payee shall not be entitled to continue receiving his or her portion of benefits and the system shall cease paying the alternate payee his or her portion of benefits in the month immediately following the member's date of death.

§ 11-127. Qualified domestic relations order — Cancellation of retirement — Order voiding qualified domestic relations order.

(a)(1) If a member cancels his or her retirement, the Arkansas Teacher Retirement System may recoup any benefits paid to an alternate payee from the member, the alternate payee, or both the member and the alternate payee.

(2) If a member cancels his or her retirement, the system may recoup benefits paid to an alternate payee regardless of whether a court enters an order voiding the QDRO approved by system.

(b)(1) If a member does not cancel his or her retirement, the system shall not be required to:

(A) Reimburse the member for benefits that were paid to an alternate payee before an order voiding the QDRO approved by the system was entered by a court; or

(B) Recoup for the member any benefits that were paid to an alternate payee before an order voiding the QDRO approved by the system was entered by a court

(2) If a court enters an order voiding a QDRO approved by the system, the alternate payee's portion of benefits shall revert back to the member as of the date on which the court entered the order voiding the QDRO approved by the system.

§ 11-128. Lost payees and benefit forfeitures.

(a)(1) Each member and beneficiary of a deceased member is responsible for filing and shall file his or her respective current post office address and any subsequent change of address with the Arkansas Teacher Retirement System.

(2) Communication addressed to a member or beneficiary at the post office address last filed with the system, or, if no post office address has been filed with the system, the last post office address indicated on the records of the employer of the member or the beneficiary shall be:

(A) The official post office address used for the system's communication to the member or beneficiary; and

(B) Binding on the member or beneficiary for all system purposes.

(b) The system shall not be obligated to determine the current post office address or any other address for a member or beneficiary.

(c)(1) Member payments in the possession of the system shall be excluded from the definition of property as provided in the Unclaimed Property Act, Arkansas Code § 18-28-201 et seq.

(2) Arkansas Code § 24-7-734 supersedes any conflict with the Unclaimed Property Act, Arkansas Code § 18-28-201 et seq.

Authority: Arkansas Code §§ 9-18-101 — 9-18-103, 24-7-710, 24-7-713, 24-7-720, and 24-7-734

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<u>Amended:</u>	<u>May 5, 1998</u>	<u>11-3</u>
<u>Amended:</u>	<u>October 7, 2003</u>	<u>11-3</u>
<u>Amended:</u>	<u>June 15, 2004</u>	<u>11-1, 11-2</u>
<u>Adopted:</u>	<u>July 18, 2005</u>	<u>11-5</u>
<u>Amended:</u>	<u>February 7, 2006</u>	<u>11-1, 11-2</u>
<u>Amended:</u>	<u>April 26, 2007</u>	<u>11-1, 11-2</u>
<u>Amended:</u>	<u>October 6, 2008</u>	<u>11-3</u>
<u>Amended:</u>	<u>June 16, 2009</u>	<u>(Emergency) 11-2</u>
<u>Amended:</u>	<u>October 5, 2009</u>	<u>(Permanent) 11-2</u>
<u>Amended:</u>	<u>December 18, 2009</u>	<u>11-1</u>
<u>Amended:</u>	<u>July 1, 2011</u>	<u>(Emergency) 11-1,</u> <u>(Emergency) 11-2</u>
<u>Adopted:</u>	<u>August 8, 2011</u>	<u>11-1, 11-2</u>
<u>Effective:</u>	<u>November 11, 2011</u>	<u>11-1, 11-2</u>
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<u>Amended:</u>	<u>October 9, 2013</u>	<u>11-1, 11-2, 11-5</u>
<u>Effective:</u>	<u>November 8, 2013</u>	<u>11-1, 11-2, 11-5</u>
<u>Approved by Board:</u>	<u>December 1, 2014</u>	<u>11-1</u>
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<u>Effective:</u>	<u>June 16, 2015</u>	<u>11-1</u>
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<u>Effective:</u>	<u>February 16, 2018</u>	<u>11-1</u>
<u>Effective:</u>	<u>May 28, 2020</u>	<u>Rule 11</u>
<u>Effective:</u>	<u>May 20, 2022</u>	<u>Rule 11</u>
<u>Effective:</u>	<u>TBD</u>	<u>Rule 11</u>

~~RULE 12-1~~
~~PROTECTION OF “QUALIFIED TRUST” STATUS~~
~~OF ATRS UNDER~~
~~INTERNAL REVENUE CODE § 401(a)~~

A.C.A. § 24-7-202(16)
Act 71 of 2005

DEFINITION

~~Internal Revenue Code or Code~~, as used in these policies, rules, and regulations, means the federal Internal Revenue Code of 1986, as amended, as it existed on January 1, 2013.

RULES (A.C.A. § 24-7-210)

1. ~~The Executive Director of the Arkansas Teacher Retirement System is authorized and directed to operate ATRS and interpret any provisions of A.C.A. §§ 24-7-101 et seq. and these policies, rules, and regulations consistent with the requirements under the federal Internal Revenue Code and applicable United States Treasury regulations necessary to permit ATRS to be operated as a “qualified trust” under section 401(a) of the Code.~~
2. ~~Policies, rules, and regulations promulgated by the Board shall be consistent with these directions.~~
3. ~~Any policies, rules, or regulations found to be in conflict with an applicable provision of the Code are void.~~
4. ~~The Board may modify or eliminate an ATRS Rule by resolution at any Board meeting if a Code requirement becomes unnecessary, immaterial, or obsolete to the maintenance of ATRS qualified trust status, for the purposes under Act 109 of 2013.~~

Adopted: ~~July 18, 2005~~
Approved by Board: ~~July 26, 2013~~
Amended: ~~October 9, 2013~~
Effective: ~~November 8, 2013~~

~~12-1-1~~

ATRS Rule 12

Protection of “Qualified Trust” Status of the Arkansas Teacher Retirement System under Internal Revenue Code § 401(a)

§ 12-101. Definition.

(a) As used in this rule, “Internal Revenue Code” means the same as defined in Arkansas Code § 24-7-202.

(b) The definition of “Internal Revenue Code” shall apply to the policies, rules, and regulations of the Arkansas Teacher Retirement System.

§ 12-102. Compliance with federal law.

(a) The Executive Director of the Arkansas Teacher Retirement System is authorized and directed to:

(1) Operate the Arkansas Teacher Retirement System in accordance with the requirements of the Internal Revenue Code and applicable United States Treasury regulations as may be necessary for the system to maintain its status and continue being operated as a qualified trust under 26 U.S.C. § 401(a); and

(2) Interpret Arkansas Code §§ 24-7-101 et seq., and the policies, rules, and regulations of the system in a manner that is consistent with the requirements of the Internal Revenue Code and applicable United States Treasury regulations as may be necessary for the system to maintain its status and continue being operated as a qualified trust under 26 U.S.C. § 401(a).

(b)(1) The policies, rules, and regulations promulgated by the Board of Trustees of the Arkansas Teacher Retirement System shall be consistent with the requirements of the Internal Revenue Code and applicable United States Treasury regulations.

(2) Any policy, rule, or regulation found to be in conflict with an applicable provision of the Internal Revenue Code are void.

(3) In accordance with Arkansas Code § 24-7-305, the board by resolution may modify or eliminate a rule of the system if a requirement under the Internal Revenue Code becomes unnecessary, immaterial, or obsolete to the maintenance of the system’s status as a qualified trust.

Authority: Arkansas Code §§ 24-7-101 et seq., 24-7-202, and 24-7-305,

History

<u>Adopted:</u>	<u>July 18, 2005</u>	
<u>Approved by Board:</u>	<u>July 26, 2013</u>	
<u>Amended:</u>	<u>October 9, 2013</u>	
<u>Effective:</u>	<u>November 8, 2013</u>	
<u>Effective:</u>	<u>TBD</u>	

~~RULE 13-1~~
~~ADMINISTRATION ADJUDICATIONS:~~
~~STAFF DETERMINATIONS AND APPEALS~~

~~A.C.A. §§ 25-15-201 to 219~~

~~I. Scope and Purpose~~

~~A. The purpose of this rule is to govern practice and procedure before ATRS and the Board of Trustees ("Board") involving any issue or claim ("claim(s)") arising as a result of any administrative decision or staff determination of ATRS relating to any retirement plan or program administered by ATRS. ATRS staff is responsible for administering ATRS members' accounts. Sometimes, the staff will make a determination based on ATRS rules and the rule of law that may be adverse to a member's claim. This rule outlines the procedure for a member to appeal a decision of ATRS.~~

~~B. This rule applies to any claim of a member. For purposes of this rule, "member" includes any member of ATRS as defined in A.C.A. § 24-7-702, as well as any beneficiary of a member; any retiree of ATRS; any guardian, administrator, or executor of a member, retiree, or beneficiary; or any public school (all such categories of persons shall be referred to within this rule as the "member").~~

~~C. This rule should be read in conjunction with the Arkansas Administrative Procedures Act. See A.C.A. §§ 25-15-201 -219 (the "APA"). To the extent any term or provision of this rule conflicts with any term or provision of the APA, the terms and provisions of the APA shall supersede this rule and control. This rule does not apply to claims or causes of action that ATRS or the Board may have against a member or any other person or entity, regardless of the origin or nature of the claim.~~

~~D. The Board and the ATRS Executive Director have the power to extend any deadline applicable to a member's appeal upon a showing of good cause, except when a Hearing Officer has been assigned, in which case such power shall rest with the Hearing Officer until the completion of the hearing.~~

~~E. When compliance with this Rule is based on "delivery", delivery is the earlier of either the date of the postmark, if posted with the United States Postal Service, or the date of actual delivery by one of the following methods:~~

- ~~i. Hand delivery; ii. Electronic transmission; or iii. Delivery service other than USPS.~~

~~II. Informal Resolution Encouraged~~

~~Claims by a member are usually settled by mutual agreement through correspondence or informal conference between the member and the staff of ATRS. The staff and the member are strongly encouraged to engage in a good faith attempt to mutually resolve claims based upon proper application of the laws, statutes, and rules which govern the operation and administration of ATRS plans and programs to the specific facts of the member's claim.~~

~~III. Staff Determinations~~

~~A. If the staff makes a determination that is adverse to a member's claim, ATRS shall issue a Staff Determination Letter to the member. The letter shall detail the reasons for the decision. The member may disagree with the staff determination based upon a factual dispute or a dispute regarding the application of the rules and law. All reasonable efforts will be made to informally resolve the issue with the member. For claims that are not resolved informally, a member may appeal the staff determination to the Executive Director.~~

~~B. The decision stated in the Staff Determination Letter issued in accordance with this rule will become a final administrative decision and final agency action on the thirty-first (31st) day following the date of the Staff Determination Letter unless the member requests a timely Executive Director review.~~

~~IV. Executive Director Review~~

~~A. The member may request a review of the staff determination by the Executive Director no later than close of business thirty (30) calendar days after the date of the Staff Determination Letter. If the last day to file the request falls on an official state holiday or weekend, then the request must be delivered to the Executive Director no later than close of business on the next business day. The Executive Director will promptly acknowledge the member's request for review.~~

~~B. The member shall not be required to resubmit any documents or information with the written request for Executive Director review. If the member believes that the Executive Director should review any relevant documents or information not previously submitted to ATRS, the member may submit such information to the Executive Director. Any additional information must be delivered to the~~

~~Executive Director within thirty-five (35) calendar days of the date of Executive Director's acknowledgment letter.~~

~~C. The Executive Director will conduct an independent review of the facts and the law, taking into consideration the staff determination as well as any relevant information provided by the member. After the review period, which may vary in length according to the facts of the member's claim, the Executive Director will issue an Executive Director Review Determination Letter to the member on the claim.~~

~~D. The Executive Director may affirm, reverse, or modify the staff determination at any time prior to the final determination of the Board. The Executive Director shall provide to the member the applicable statutes and rules used in reaching the decision and a summary of the factual basis and legal conclusions for the Executive~~

~~Director's decision. Unless the member initiates a timely appeal of the Executive Director's decision in accordance with this rule, the decision of the Executive Director will become a final administrative decision and final agency action on the 31st day following the date of the Executive Director Review Determination Letter.~~

~~V. Appeals to the Board~~

~~A. Any decision of the Executive Director regarding a staff determination may be appealed to the Board. In order to initiate an appeal, the member must deliver to the address below a signed written Notice of Appeal to the Board within thirty (30) calendar days of the date of the Executive Director Review Determination Letter. The Notice of Appeal may be in the form of a letter addressed to:~~

~~**ATRS Board of Trustees
Member Appeals
ATTN: Legal Department
1400 West Third Street
Little Rock, Arkansas 72201**~~

~~B. All appeals from an Executive Director decision to the Board will be assigned to a Hearing Officer, who will conduct an administrative hearing, recommend factual and legal determinations, and prepare a proposed order to the Board that includes findings of fact and conclusions of law. The Executive Director or his designee shall appoint the Hearing Officer from a list of qualified individuals approved by the Executive Director.~~

~~C. Following appointment, the Hearing Officer shall issue a written scheduling order to the member, the Executive Director of ATRS, and the legal counsel of ATRS.~~

The scheduling order shall contain all information required under the Arkansas Administrative Procedures Act. (See A.C.A. § 25-15-208.) The Hearing Officer, at his or her discretion, may include in the scheduling order reasonable deadlines for the submission and exchange of exhibits, witness lists, and related materials prior to the hearing, including but not limited to, any requested proposed findings of fact and conclusions of law. Unless otherwise ordered, hearings shall be held at the offices of ATRS, 1400 West Third Street, Little Rock, Arkansas 72201.

D. The Hearing Officer may continue any scheduled matter at his or her discretion for good cause shown by any party or counsel of record.

VI. Filing of Documents

A. Following the appointment of a Hearing Officer, all correspondence, documents, requests, submissions, or filings of any type relating to an appeal shall be mailed or hand delivered to:

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

B. Any party submitting or filing a document relating to an appeal shall simultaneously deliver a copy of the filing or document to the opposing party (or opposing counsel, if applicable). It shall be the responsibility of ATRS to ensure: (a) that copies of all correspondence, documents, requests, submissions, and filings relating to an appeal are provided in a timely manner to the Hearing Officer; and (b) that a complete record of each appellate proceeding before a Hearing Officer and the Board is prepared and maintained in a single, centralized location.

VII. Hearings

A. The hearing is an administrative hearing before the Hearing Officer, and is not a hearing before the Board. Hearings will be conducted according to this rule and the corresponding procedural provisions of the Arkansas Administrative Procedures Act (See A.C.A. § 25-15-213). The member shall at all times have the right to counsel, provided that such counsel: (a) is duly licensed to practice law in the State of Arkansas; or (b) has been granted permission to appear *pro hac vice* by the Hearing Officer. All hearings shall be conducted in an orderly manner. The Hearing Officer shall have the authority to maintain the decorum of the hearing and may clear the hearing room of witnesses not under examination.

B. If the member fails to appear at the hearing, the member waives his or her right to present evidence and argument to the Hearing Officer, and the Hearing Officer

may proceed with the hearing and prepare a proposed order to the Board based on the evidence presented.

~~C. The Hearing Officer shall have the authority to administer oaths and affirmations. Each party shall be entitled to examine and cross-examine witnesses, present evidence, make arguments, and generally participate in the conduct of the proceeding. The Hearing Officer may question a witness during any portion of the direct or cross-examination of such witness. All testimony to be considered by the Hearing Officer, except matters officially noticed or entered by stipulation, shall be sworn testimony. Before giving testimony, each person shall swear or affirm that the testimony about to be given shall be the truth, the whole truth and nothing but the truth.~~

~~D. The hearing shall be informal and formal rules of evidence shall not apply. In conducting a hearing, the Hearing Officer shall not be bound by the formal rules of evidence, and no informality in any proceedings or in the manner of taking of testimony shall invalidate any order or decision of the Board. The Hearing Officer may admit into the record any evidence that in the judgment of the Hearing Officer:~~

- ~~i. Has a reasonable degree of probative value and trustworthiness; or~~
- ~~ii. Is of a type or nature commonly relied upon by reasonably prudent people in the conduct of their affairs. The Hearing Officer may exclude evidence that is irrelevant, immaterial, or unduly repetitious. Objections to evidentiary offers may be made and shall be noted of record.~~
- ~~iii. Following the close of evidentiary submissions and witness testimony, the Hearing Officer may in his or her discretion allow summations and closing arguments by the parties.~~

~~E. ATRS shall arrange for a court reporter to attend and record all hearings. Documents received into evidence by the Hearing Officer shall be marked and filed as part of the record. ATRS shall be responsible for payment of the cost of the preparation of the transcript. Upon receipt of the transcript of the hearing, ATRS shall promptly forward a copy of the transcript to the Hearing Officer and the member (or counsel for the member, if applicable).~~

VIII. Post-hearing Briefs

~~A. Upon the completion of the hearing, the Hearing Officer may allow the parties to submit post-hearing briefs to be included as part of the record on appeal. The decision whether to allow the submission of post-hearing briefs is committed to the sole discretion of the Hearing Officer. A decision by the Hearing Officer to~~

not allow post-hearing briefs shall have no effect on the validity of any order or decision issued by the Board.

- B. If the Hearing Officer grants the member or ATRS an opportunity to submit a post-hearing brief, the Hearing Officer shall provide the opposing party an opportunity to submit a response. The Hearing Officer shall have discretion to set reasonable deadlines for the parties to submit post-hearing briefs and responses, provided that the parties shall be allowed a minimum of fourteen (14) calendar days from the date of receipt of the transcript of the hearing before any initial post-hearing brief shall be due for filing.

IX. Proposed Orders

Once the Hearing Officer receives all evidence, arguments, and post-hearing briefs (if any), the record before the Hearing Officer shall be officially closed. Once the record is closed and after considering all of the evidence, the Hearing Officer shall, as soon as practical, prepare a proposed order to be delivered to the Board of Trustees. The proposed order shall include findings of fact based exclusively on the evidence and testimony in the record of the hearing, conclusions of law, and a recommendation to the Board of Trustees. The Hearing Officer shall provide the proposed order to the Board at ATRS via facsimile and United States mail at the address listed in Section VI of this rule. Upon receipt of the proposed order, ATRS shall mail a copy of the proposed order to the member (and his or her counsel, if applicable) via Certified, First Class, United States mail, with a copy to the Executive Director.

X. Written Objections to Proposed Order

The member shall have the right to file a written statement of objections outlining any objections, exceptions, and/or arguments that the member desires the Board to consider in its evaluation of the Hearing Officer's proposed order. Any statement of objections by the member must be delivered to ATRS within twenty-one (21) calendar days of receipt of the Hearing Officer's proposed order. The member may not introduce additional evidence or testimony in the statement of objections. Counsel for ATRS may prepare a written response to any statement of objections filed by the member. A copy of any response by ATRS shall be provided to the member and the Board prior to the Board meeting at which the Hearing Officer's proposed order on the member's appeal is scheduled to be considered by the Board.

~~XI. Board Consideration of Proposed Order~~

~~A. The Board will make a final determination on the Hearing Officer's proposed order. The Board's consideration of the Hearing Officer's proposed order will be scheduled within a reasonable time to be heard, at a regular Board meeting after the issuance of the proposed order. The Board may call an emergency meeting to consider the Hearing Officer's proposed order if the situation warrants. ATRS shall notify the member or the member's counsel in writing of the date, time, and location of the Board Meeting.~~

~~B. Before rendering a decision on the Hearing Officer's proposed order, the Board may request that the member (and his or her attorney, if applicable) make a brief statement to the Board concerning the facts and any arguments the member wishes to present and respond to any questions from the Board. The Board's consideration of the matter will not require the Board to conduct another hearing, and will be based on the hearing previously conducted before the Hearing Officer. The Chairman of the Board will have final authority to set the amount of time any party may have to make a statement to the Board.~~

~~C. Failure of the member to appear at the meeting of the Board without prior notification will result in the member waiving his or her right to be heard by the Board. The member may petition the Board for another opportunity to address the Board, and, if the Board determines that the member's absence was for good cause, it may grant the petition.~~

~~D. After consideration by the Board of the Hearing Officer's proposed order, the Board has the final authority to accept or reject all or part of the Hearing Officer's proposed order. The Board may:~~

- ~~i. Accept the Proposed Order; ii. Reject the proposed order; or iii.~~

~~Accept the Proposed Order as modified by the Board.~~

~~E. If the Board elects to reject the Proposed Order or accept the Proposed Order as modified, the Board may:~~

- ~~i. Make its own Findings of Fact and Conclusions of Law and issue its own Order based upon those findings and conclusions and may consider manifest injustice as a basis for any remedy; or~~

- ~~ii. Remand the matter in whole or in part to the Hearing Officer for reconsideration or for additional findings of fact and/or additional conclusions of law.~~

F. ~~As in all matters before the Board, a quorum of votes is necessary to approve any motion, resolution, or order under consideration.~~

G. ~~Following a decision of the Board with respect to the Hearing Officer's proposed order, the Board shall cause to be prepared a written final order on the member's appeal. The Board's final order shall include separate findings of fact and conclusions of law relied upon by the Board in formulating the final order. A copy of the Board's final order (including the Board's findings of fact and conclusions of law) will be delivered via Certified, First Class, United States mail to the member (and any counsel) by the Executive Director.~~

~~XII. Authority to Settle~~

~~At any time prior to the issuance by the Board of a final order, the Executive Director is authorized to settle any claim in a manner mutually agreeable to ATRS and the member. In settling any claim, the Executive Director shall not exceed the authority previously granted to him or her by the Board. The Executive Director shall report to the Board any settlement that occurs after the Hearing Officer issues a proposed order.~~

~~XIII. Appeals Under the APA~~

~~Any member receiving an adverse ruling from the Board retains certain rights under the Arkansas Administrative Procedures Act (See A.C.A. §§ 25-15-201 to -219.) The member may file a petition for judicial review. Any petition for judicial review of a final Board administrative decision shall be filed in Pulaski County Circuit Court. See A.C.A. § 25-15-212 and § 24-7-211. Such action must be filed within thirty (30) days after service upon the member of the Board's final order. See *id.*~~

~~XIV. Communications With the Hearing Officer and Board of Trustees~~

A. ~~The Arkansas Administrative Procedures Act prohibits direct or indirect communications by the members and employees of ATRS with a Hearing Officer or the Board in connection with any issue of fact or law regarding an appeal, except upon notice that provides an opportunity for all parties to participate. Hearing Officers and the members of the Board will not consider any "ex parte" or "off-the-record" evidence or statements made to them by the member or any employee of ATRS in connection with a pending appeal.~~

B. ~~This Section does not preclude communications by and between the Hearing Officer, ATRS Staff, and/or the Board concerning minor scheduling and procedural matters necessary to the timely and efficient processing and handling of appeals under these rules.~~

~~Approved: February 1, 2010 (Emergency)
June 7, 2010 Permanent~~

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

~~Amended: October 9, 2013~~

~~Effective: November 8, 2013~~

~~FINAL Approval by Board: February 5, 2018~~

~~Effective: February 16, 2018~~

ATRS Rule 13
Administrative Adjudications and Informal Resolutions: Staff
Determinations and Manifest Injustice Referrals

§ 13-101. Definitions.

As used in this rule:

(1) "Manifest injustice" has the same meaning as provided in Arkansas Code § 24-7-202; and

(2) "Member" for the purposes of the staff determination and appeal process means any member of the Arkansas Teacher Retirement System as defined in Arkansas Code § 24-7-202 and includes:

(A) A beneficiary of a member;

(B) A retiree of the system;

(C) A guardian, an administrator, or an executor of a member, retiree, or beneficiary; or

(D) A public school.

§ 13-102. Staff determinations — Scope and purpose.

(a) This rule governs the practice and procedures of the Arkansas Teacher Retirement System concerning the adjudication of a claim that concerns any retirement plan or program administered by the system and arises as a result of a determination made by the staff or administration of the system.

(b)(1) The system's staff is responsible for administering the accounts of members of the system and may make determinations based on the law and rules applicable to the system that may be adverse to a member's claim.

(2) This rule outlines the procedure for a member to appeal the determination of the system's staff or administration concerning a claim of the member.

(c)(1) The rules concerning the staff determination and appeal process should be read in conjunction with the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(2) To the extent that the rules concerning the staff determination and appeal process conflict with the Arkansas Administrative Procedures Act, the terms and provisions of the Arkansas Administrative Procedures Act shall supersede the rules concerning the staff determination appeal process and control.

(d) The rules concerning the staff determination and appeal process do not apply to claims or causes of action that the system or the Board of Trustees of the Arkansas Teacher Retirement System may have against a member or any other person or entity, regardless of the origin or nature of the claim.

§ 13-103. Staff determinations — Extension of deadlines.

(a)(1) The Board of Trustees of the Arkansas Teacher Retirement System and the Executive Director of the Arkansas Teacher Retirement System may extend any deadline applicable to a member's appeal upon a showing of good cause unless a Hearing Officer has been assigned.

(2) Only the board may extend a deadline after the deadline has passed.

(3) If a hearing officer has been assigned, until the completion of the hearing, only

the hearing office may extend a deadline applicable to a member's appeal upon a showing of good cause.

(b) When compliance with the rules concerning the staff determination and appeal process is based on delivery having occurred, delivery shall be considered to have occurred on the earlier of either the:

(1) Date of the postmark, if posted with the United States Postal Service;

(2) Date of actual delivery by one of the following methods:

(A) Hand delivery;

(B) Electronic transmission; or

(C) Delivery service other than USPS.

§ 13-104. Staff determinations — Informal resolutions.

(a)(1) A member's claim may be resolved informally through correspondence or conference between the member and the staff of the Arkansas Teacher Retirement System.

(2) All reasonable efforts shall be made to informally resolve a member's claim with the member.

(b)(1) The executive director may implement a resolution of a member's claim that has a direct impact to the system of up to five thousand dollars (\$5,000).

(2) Board approval shall be required to implement a resolution that has a direct financial impact to the system in excess of five thousand dollars (\$5,000).

(c)(1) The system's staff and the member are strongly encouraged to engage in a good faith attempt to resolve claims informally based upon the proper application of the law, rules, and policies applicable to the system and to the specific facts of the member's claim.

(2) A member's claim shall not be resolved in a manner that contravenes the law, rules, and policies applicable to the system.

(d) If a claim is not resolved informally and a staff determination letter adverse to the member's claim is issued to the member, the member may request a review of the staff determination by the Executive Director of the Arkansas Teacher Retirement System.

(e) The manifest injustice referral process shall not be used with regard to a member if the manifest injustice referral concerns the same questions of the law and fact that are at issue in a claim concerning the member that is resolved through the staff determination and appeals process.

§ 13-105. Staff determinations — Notice of adverse determination.

(a)(1) If the staff of the Arkansas Teacher Retirement System make a determination that is adverse to a member's claim, the system shall send a staff determination letter to the member if the claim involves:

(A) An ambiguity in the interpretation of the specific facts of the member's claim that would impact the manner in which the law, rules, or policy applicable to the system are applied to the member's claim;

(B) An ambiguity in the interpretation of the law, rules, or policy applicable to the system; or

(C) An ambiguity concerning the proper application of the law, rules, or policy applicable to the system to the specific facts of the member's claim.

(2) A staff determination letter shall not be issued to a member unless the staff determination letter has been reviewed and approved by an attorney for the system.

(b) A staff determination letter that is issued to a member shall:

(1) Advise the member of the determination and the reasons for the determination;
and

(2) Advise the member of the procedure for requesting a review of the staff determination by the Executive Director of the Arkansas Teacher Retirement System;

(3) Advise the member of the deadline to request a review by the executive director; and

(4) Not include findings of fact and conclusions of law, separately stated.

(c) The written determination of system staff concerning an overpayment collection dispute or the applicability of a salary limitation to a plan or payment shall be treated as a staff determination letter.

(d) A staff determination letter is not and shall not be construed as a final decision or order of the system that may be appealed under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(e) The system shall consider a member's claim as closed if the member does not request a review of the staff determination by the executive director within thirty (30) calendar days of the date of the staff determination letter.

§ 13-106. Staff determinations — Review by executive director.

(a)(1) A member shall submit a request for a review of a staff determination by the Executive Director of the Arkansas Teacher Retirement System in writing.

(2) A member shall not be required to resubmit any documents or information with his or her request for a review.

(b)(1) Unless an extension is granted by the Board of Trustees of the Arkansas Teacher Retirement System or the executive director, a member shall not be permitted to request a review of a staff determination by the executive director unless the member's request is received by the Arkansas Teacher Retirement System within thirty (30) calendar days of the date of the staff determination letter.

(2) If the last day to request a review of a staff determination by the executive director falls on an official state holiday or weekend, the member shall have until the next business day to request a review.

(c)(1) The executive director shall promptly send a letter to the member acknowledging the member's request for a review.

(2)(A) The member may submit for review by the executive director any additional relevant documents or information not previously submitted by the member to the system.

(B) The member shall submit the additional documents and information to the executive director within thirty-five (35) calendar days of the date of the executive director's acknowledgement letter.

(d)(1) Upon receiving a member's request for a review of a staff determination, the executive director shall independently review the facts and the law, rules, and policy applicable to the member's claim.

(2) The executive director shall consider the staff determination as well as any relevant documents and information provided by the member.

(3) The executive director may affirm, reverse, or modify the staff determination

before a final determination on the member's claim is made by the board.

(e)(1) The executive director shall send a review determination letter to the member within ninety (90) calendar days from the date on which the member's request for a review was received by the system.

(2) A review determination letter shall:

(A) Advise the member of the determination and the applicable law, rules, and policy used by the executive director to reach his or her determination;

(B) Advise the member of the procedure for appealing the review determination letter to the board;

(C) Advise the member of the deadline to appeal the review determination letter to the board; and

(D) Not include findings of fact and conclusions of law, separately stated.

(f) A review determination letter is not and shall not be construed as a final decision or order of the system that may be appealed under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(g) The system shall consider a member's claim as closed if the member does not appeal the executive director's review determination within thirty (30) calendar days of the date of the review determination letter.

§ 13-107. Staff determinations — Appeals — Initiation of appeal to the Board of Trustees of the Arkansas Teacher Retirement System.

(a) A review determination of the Executive Director of the Arkansas Teacher Retirement System may be appealed by the member to the Board of Trustees of the Arkansas Teacher Retirement System.

(b)(1) A member shall appeal a review determination of the executive director in writing by filing a signed notice of appeal with the Arkansas Teacher Retirement System in the manner required by the system.

(2) A member shall file his or her signed notice of appeal with the system within thirty (30) calendar days of the date of the review determination letter.

(c) A member shall address and deliver his or her signed notice of appeal to the Board of Trustees of the Arkansas Teacher Retirement System, Member Appeals, ATTN: Legal Department, 1400 West Third Street, Little Rock, Arkansas, 72201.

§ 13-108. Staff determinations — Appeals — Assignment of hearing officer.

(a)(1) All member appeals of a review determination shall be assigned to a hearing officer.

(2) The executive director or his or her designee shall appoint a hearing officer from a list of qualified individuals approved by the executive director.

(3) The hearing officer shall conduct an administrative hearing, recommend factual and legal determinations, and prepare a proposed order for the board that includes findings of fact and conclusions of law, separately stated.

(b)(1) Following appointment, the hearing officer shall issue a written scheduling order to the member, executive director, and legal counsel for the system.

(2) The scheduling order shall contain include all information required under the Arkansas Administrative Procedures Act, § 25-19-201 et seq.

(3) The hearing officer, at his or her discretion, may include in the scheduling order reasonable deadlines for the submission and exchange of exhibits, witness lists, and

related materials before the hearing, including without limitation, any requested proposed findings of fact and conclusions of law.

(4) The hearing officer may continue any scheduled matter at his or her discretion for good cause shown by any party or counsel of record.

(c) Unless otherwise ordered, hearings shall be held at the Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201.

§ 13-109. Staff determinations — Appeals — Filing documents.

(a) Following the appointment of a hearing officer, all correspondence, documents, requests, submissions, filings and other documents relating to an appeal shall be mailed or hand delivered to the Arkansas Teacher Retirement System, Member Appeals, ATTN: Legal Department, 1400 West Third Street, Little Rock, Arkansas, 72201.

(b) Any party submitting or filing a document relating to an appeal shall simultaneously deliver a copy of the filing or document to the opposing party or, if applicable, opposing counsel.

(c) The Arkansas Teacher Retirement System shall be the responsible for ensuring that:

(1) Copies of all correspondence, documents, requests, submissions, filings, and other documents relating to an appeal are provided in a timely manner to the hearing officer; and

(2) A complete record of each appellate proceeding before a hearing officer and the Board of Trustees of the Arkansas Teacher Retirement System is prepared and maintained in a single, centralized location.

§ 13-110. Staff determinations — Appeals — Hearings.

(a) The hearing is an administrative hearing before the hearing officer and is not a hearing before the Board of Trustees of the Arkansas Teacher Retirement System.

(b)(1) All hearings shall be conducted according to [the rules concerning the staff determination appeal process](#) and the corresponding procedural provisions of the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(2) The hearing shall be informal and the formal rules of evidence shall not apply.

(3) In conducting a hearing, the hearing officer shall not be bound by the formal rules of evidence, and no informality in any proceedings or in the manner of taking of testimony shall invalidate any order or decision of the board.

(c) A member shall at all times have the right to counsel, provided that such counsel:

(1) Is duly licensed to practice law in the State of Arkansas; or

(2) Has been granted permission to appear *pro hac vice* by the hearing officer.

(d)(1) All hearings shall be conducted in an orderly manner.

(2) The hearing officer shall have the authority to maintain the decorum of the hearing and may clear the hearing room of witnesses who are not under examination.

(e) If a member fails to appear at the hearing, the member waives his or her right to present evidence and arguments to the hearing officer and the hearing officer may proceed with the hearing and prepare a proposed order for the board's consideration based on the evidence presented.

(f) The hearing officer shall have the authority to administer oaths and affirmations.

(g)(1) Each party shall be entitled to examine and cross-examine witnesses, present evidence, make arguments, and generally participate in the conduct of the proceeding.

(2) The hearing officer may question a witness during any portion of the direct or cross-examination of the witness.

(3)(A) Before giving testimony, each witness shall swear or affirm that the testimony about to be given shall be the truth, the whole truth, and nothing but the truth.

(B) All testimony considered by the hearing officer, except for matters officially noticed or entered by stipulation, shall be sworn testimony.

(h)(1) The hearing officer may admit into the record any evidence that in his or her judgment:

(A) Has a reasonable degree of probative value and trustworthiness; or

(B) Is of a type or nature commonly relied upon by reasonably prudent people in the conduct of their affairs.

(2) The hearing officer may exclude evidence that is irrelevant, immaterial, or unduly repetitious.

(3) Objections to evidentiary offers may be made and shall be noted of record.

(4) Documents received into evidence by the hearing officer shall be marked and filed as part of the record.

(i) Following the close of evidentiary submissions and witness testimony, the hearing officer may in his or her discretion allow summations and closing arguments by the parties.

(j)(1) The Arkansas Teacher Retirement System shall arrange for a court reporter to attend and record all hearings.

(2)(A) The system shall pay the cost for preparing a transcript of the hearing.

(B) Upon receiving the hearing transcript, the system shall promptly forward a copy of the transcript to the hearing officer and the member or, if applicable, the member's counsel.

§ 13-111. Staff determinations — Appeals — Post-hearing briefs.

(a)(1) Upon the completion of the hearing, the hearing officer may allow the parties to submit post-hearing briefs to be included as part of the record on appeal.

(2) The decision on whether or not to allow the submission of post-hearing briefs is within the sole discretion of the hearing officer.

(3) A hearing officer's decision to not allow post-hearing briefs shall have no effect on the validity of any order or decision issued by the Board of Trustees of the Arkansas Teacher Retirement System.

(b) If a hearing officer grants the member or the Arkansas Teacher Retirement System an opportunity to submit a post-hearing brief, the hearing officer shall provide the opposing party an opportunity to submit a response.

(c) The hearing officer shall have discretion to set reasonable deadlines for the parties to submit post-hearing briefs and responses, provided that the parties shall be allowed a minimum of fourteen (14) calendar days from the date of receipt of the hearing transcript before any initial post-hearing brief shall be due for filing.

§ 13-112. Staff determinations — Appeals — Proposed orders.

(a) After the hearing officer receives all evidence, arguments, and, if applicable, post-hearing briefs, the record before the hearing officer shall be officially closed.

(b)(1) After the record before the hearing officer is closed and the hearing officer has

considered all of the evidence, the hearing officer shall, as soon as practical, prepare a proposed order to be delivered to the Board of Trustees of the Arkansas Teacher Retirement System.

(2) The proposed order shall include:

(A) Findings of fact based exclusively on the evidence and testimony in the record of the hearing;

(B) Conclusions of law **that shall be separately stated from the findings of fact;** and

(C) A recommendation to the board.

(3)(A) The hearing officer shall provide the proposed order to the board via e-mail and via United States mail addressed to the Arkansas Teacher Retirement System, Member Appeals, ATTN: Legal Department, 1400 West Third Street, Little Rock, Arkansas, 72201.

(B) Upon receiving the proposed order, the system shall mail a copy of the proposed order to the member and, if applicable, the member's counsel via Certified, First Class, United States mail, with a copy to the Executive Director of the Arkansas Teacher Retirement System.

§ 13-113. Staff determinations — Appeals — Objections to proposed orders.

(a)(1) The member shall have the right to file a written statement of objections outlining any objections, exceptions, and arguments that the member determines should be considered by the Board of Trustees of the Arkansas Teacher Retirement System during the board's evaluation of the hearing officer's proposed order.

(2) A member shall not be permitted to introduce additional evidence or testimony in his or her statement of objections.

(b) A member's written statement of objections shall be delivered to the Arkansas Teacher Retirement System within twenty-one (21) calendar days of the member's receipt of the hearing officer's proposed order.

(c)(1) Counsel for the system may prepare a written response to any written statement of objections filed by the member.

(2) A copy of any response by the system shall be provided to the board and the member and, if applicable, the member's counsel, before the board meeting at which the hearing officer's proposed order is scheduled to be considered by the board.

§ 13-114. Staff determinations — Appeals — Consideration of proposed orders by the Board of Trustees of the Arkansas Teacher Retirement System.

(a) The Board of Trustees of the Arkansas Teacher Retirement System shall render a final determination on the hearing officer's proposed order.

(b)(1) The board's consideration of the hearing officer's proposed order shall be scheduled within a reasonable time to be heard, at a regular meeting of the board after the issuance of the proposed order.

(2) The board may call an emergency meeting to consider the hearing officer's proposed order if the situation warrants.

(3) The Arkansas Teacher Retirement System shall notify the member and, if applicable, the member's counsel in writing of the date, time, and location of the board meeting at which the board intends to consider the hearing officer's proposed order.

(c)(1) Before rendering a decision on the hearing officer's proposed order, the board may request that the member and, if applicable, the member's counsel make a brief statement to the board concerning facts and any arguments that the member wishes to present and respond to any questions from the board.

(2) The board's consideration of a brief statement and any responses to questions made by the member or, if applicable, the member's counsel shall not require the board to conduct another hearing and shall be based on the hearing previously conducted before the hearing officer.

(2) The chairman of the board shall have the final authority to set the amount of time any party may have to make a statement to the board.

(d)(1) Failure of a member to appear at the meeting of the board without prior notification shall result in the member waiving his or her right to be heard by the board.

(2)(A) A member may petition the board for another opportunity to address the board.

(B) The board may grant a member's petition for another opportunity to address the board if the board determines that the member's absence was for good cause.

(e)(1) After the board's consideration of the hearing officer's proposed order, the board shall either accept or reject all or part of the hearing officer's proposed order.

(2) The board may either accept the proposed order, reject the proposed order, or accept the proposed order as modified by the board.

(3) If the board rejects the proposed order or accepts the proposed order as modified by the board, the board may:

(A) Prepare its own written findings of fact and conclusions of law, **separately state**, and issue its own order based upon those findings and conclusions;

(B) Consider manifest injustice as a basis for any remedy; or

(C) Remand the matter in whole or in part to the hearing officer for reconsideration of additional findings of fact or conclusions of law or both additional findings of fact and conclusions of law.

(f) A quorum of votes of the board is necessary to approve any motion, resolution, or order under the board's consideration.

(g)(1) Following the board's decision on the hearing officer's proposed order, the board shall prepare a written final order on the member's appeal.

(2) The board's final order shall include findings of fact and conclusions of law, separately stated, that were relied upon by the board in formulating the final order.

(3) **The board's final order shall be a final decision or order of the system that may be appealed under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.**

(4) A copy of the board's final order, including the board's findings of fact and conclusions of law, **separately stated**, shall be delivered by the Executive Director of the Arkansas Teacher Retirement System to the member and, if applicable, the member's counsel via Certified, First Class, United States.

§ 13-115. Staff determinations — Appeals — Settlement authority.

(a) **With the member's written consent or, if applicable, the written consent of the member's counsel, the Executive Director the Arkansas Teacher Retirement System may suspend his or her review of a member's claim being considered under the rules**

concerning the staff determination and appeal process if the member's claim may be more expediently resolved using the manifest injustice process.

(b) The executive director may settle any claim in a manner mutually agreeable to the Arkansas Teacher Retirement System and the member at any time before the Board of Trustees of the Arkansas Teacher Retirement System issues its final order on the member's appeal.

(c) In settling any claim, the executive director shall not exceed the authority previously granted to him or her by the board.

(d) The executive director shall report any settlement that occurs after the hearing officer issues a proposed order to the board.

§ 13-116. Staff determinations — Appeals — Rights of members under the Arkansas Administrative Procedures Act.

(a) A member who receives an adverse final order from the Board of Trustees of the Arkansas Teacher Retirement System retains certain rights under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(b)(1) A member may file a petition for judicial review under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(2) A petition for judicial review of a final or of the board shall be filed by the member within thirty (30) days after service of the board's final order on the member.

(3) A member shall file the petition for judicial review in Pulaski County Circuit Court or the circuit court of any county in which the member resides or does business.

§ 13-117. Staff determinations — Appeals — Ex parte communications.

(a) The Arkansas Administrative Procedures Act, § 25-15-201 et seq., prohibits direct or indirect communications between the members and staff of the Arkansas Teacher Retirement System and a hearing officer or a member of the Board of Trustees of the Arkansas Teacher Retirement System concerning any issue of fact or law at issue in a member's appeal unless there has been notice providing all parties with an opportunity to participate in the communication.

(b) A hearing officer and a member of the board shall not consider any ex-parte or off-the-record evidence or statements made to them by the member or a staff member of the system in connection with a pending appeal.

(c) This section does not preclude communications by and between the hearing officer, system staff, and the board concerning minor scheduling and procedural matters necessary to timely and efficiently process and handle member appeals under the rules concerning the staff determination and appeal process.

§ 13-118. Manifest injustice.

(a) The Board of Trustees of the Arkansas Teacher Retirement System may waive or modify the impact of a rule, provision, or law applicable to the Arkansas Teacher Retirement System that does not violate a federal law or jeopardize the tax qualified status of the system in order to prevent a manifest injustice to a member, benefit participant, covered employer, or the system.

(b)(1) The process of declaring a manifest injustice is a rare and extraordinary remedy that shall not be used as a routine method of addressing error, oversight, or simple

mistake.

(2) As an extraordinary remedy, manifest injustice shall be cautiously and carefully used to prevent unfairness, to preserve the integrity of the system, and to avoid or correct unduly harsh or unconscionable outcomes.

(c) In determining whether or not a manifest injustice exists, the system may consider:

(1) The degree of fault of the system, benefit participant, or employer;

(2) An ambiguity in the interpretation of the circumstances, rule, or law;

(3) The cost to the system of correcting the error that is far outweighed by the benefit afforded to the system, benefit participant, or employer;

(4) Whether or not an expedited decision is in the public interest;

(5) The fundamental fairness of a remedy in a particular situation; and

(6) Whether or not the status quo would result in an unconscionable outcome.

(d)(1) The manifest injustice process shall not be used to address a change, omission, or error in the records of the system that may be corrected within the look-back period.

(2) The manifest injustice process may be used to correct a change, omission, or error in the records of the system discovered after the look-back period if the board determines that the time limitation imposed by the look-back period would cause a manifest injustice.

§ 13-119. Manifest injustice — Referrals.

(a) A manifest injustice referral shall be made to the Executive Director of the Arkansas Teacher Retirement System.

(b)(1) The following persons or entities may submit a manifest injustice referral to the executive director:

(A) A member of the Board of Trustees of the Arkansas Teacher Retirement System;

(B) A staff member of the system, including without limitation the executive director;

(C) A benefit participant as defined by Arkansas Code § 24-7-202;

(D) A covered employer; or

(E) A guardian, fiduciary, or other interested party.

(2) A member of the Manifest Injustice Committee shall not be permitted to make a manifest injustice referral to the executive director.

(c)(1) The Arkansas Teacher Retirement System shall create and maintain a record of each manifest injustice referral submitted to the executive director and the resolution of the manifest injustice referral.

(2) The executive director shall submit all manifest injustice referrals to the committee.

(3) Each referral shall be given a number and a year designation by the committee.

§ 13-120. Manifest injustice — Authority of executive director.

(a) With the member's written consent or, if applicable, the written consent of the member's counsel, the Executive Director the Arkansas Teacher Retirement System may suspend his or her review of a member's claim being considered under the rules concerning the staff determination and appeal process if the member's claim may be

more expediently resolved using the manifest injustice process.

(b)(1) The executive director is authorized to implement a resolution of a manifest injustice after a determination is made that a manifest injustice exists using the rules concerning the manifest injustice process.

(2)(A) The executive director may implement a resolution of a manifest injustice of up to **five thousand dollars (\$5,000)** of direct financial impact to the Arkansas Teacher Retirement System.

(B) The executive director shall provide the chair of the Board of Trustees of the Arkansas Teacher Retirement System with written notice of a manifest injustice determination and the proposed resolution before implementing the resolution if a resolution has a direct financial impact on the system in an amount exceeding five thousand dollars (\$5,000).

(c)(1) The executive director shall not waive a deadline that may apply in the law or rules applicable to the system.

(2) Only the Board of Trustees of the Arkansas Teacher Retirement System may waive a deadline.

(d)(1) The executive director shall provide a report to the board at least biannually that:

(A) Outlines the facts and circumstances of each manifest injustice referral;

(B) Describes findings and recommendations of the manifest injustice committee; and

(C) Provides and explains the resolution of the manifest injustice referral if a manifest injustice is found.

(2) The names of members or other information that is not material to the findings shall not be required in the report to the board.

§ 13-121. Manifest injustice — Manifest Injustice Committee.

(a) The Arkansas Teacher Retirement System's General Counsel and two (2) members of senior management designated by the Executive Director shall be the sole members of the Manifest Injustice Committee.

(b)(1) The committee shall review all manifest injustice referrals and shall meet on a reasonable schedule or as needed to review manifest injustice referrals.

(2) If a committee member has a conflict or otherwise cannot review or act on a manifest injustice referral due to absence, sickness, or work load, the committee member may appoint a representative from his or her supervised staff to review or act on the manifest injustice referral on the committee member's behalf.

(3) A majority vote of the committee shall constitute a recommendation on a manifest injustice referral.

(c)(1) The committee may request that a party to the manifest injustice referral provide information or input concerning the manifest injustice referral.

(2) A party to the manifest injustice referral is not required to provide any information or input requested by the committee.

(d)(1) The committee shall make a recommendation on the existence of a manifest injustice to the Executive Director of the Arkansas Teacher Retirement System based upon the committee's review of the manifest injustice referral.

(2) If the committee finds that a manifest injustice exists, then the committee shall propose and include in its recommendation a resolution of the manifest injustice.

§ 13-122. Manifest injustice — Review of recommendation.

(a)(1) The Executive Director of the Arkansas Teacher Retirement System shall review the manifest injustice referral and the Manifest Injustice Committee's basis for the recommendation.

(2)(A) The executive director may request that a party to the manifest injustice referral provide information or input concerning the manifest injustice referral.

(B) A party to the manifest injustice referral is not required to provide any information or input requested by the executive director.

(b)(1) The executive director may either accept the committee's recommendation or return the manifest injustice referral to the committee for further consideration if the executive director disagrees with the committee's recommendation.

(2)(A) The manifest injustice referral shall be considered reviewed and closed if the committee recommends that a manifest injustice exists and the executive director accepts the recommendation.

(B) If the committee recommends that a manifest injustice exists and the executive director accepts the recommendation, the executive director may either adopt the resolution suggested by the committee or an alternative resolution that the executive director is authorized to implement.

(C) A committee's recommendation that is accepted by the executive director and finds that a manifest injustice exists is not appealable under the rules concerning the staff determination appeal process or the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(3)(A) The manifest injustice referral shall be considered reviewed and closed if the committee recommends that a manifest injustice does not exist, the executive director accepts the recommendation, and the recommendation is not appealed to the Board of Trustees of the Arkansas Teacher Retirement System using the rules concerning the staff determination appeal process.

(B)(i) A committee's recommendation that is accepted by the executive director and finds that a manifest injustice does not exist may be appealed to the board using the rules concerning the staff determination appeal process if the manifest injustice referral involves:

(a) An ambiguity in the interpretation of the specific facts of the member's claim that would impact the manner in which the law, rules, or policy applicable to the system are applied to the member's claim;

(b) An ambiguity in the interpretation of the law, rules, or policy applicable to the system; or

(c) An ambiguity concerning the proper application of the law, rules, or policy applicable to the system to the specific facts of the member's claim.

(ii) A board member or staff member of the system shall not be permitted to appeal a committee's recommendation that is accepted by the executive director.

(iii) A committee's written recommendation shall not be considered a final decision or order of the system that may be appealed under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(4)(A) If a manifest injustice referral is returned to the committee by the executive director, the manifest injustice committee shall reconsider the manifest injustice referral

and take into consideration any addition information provided by the executive director.

(B) The committee may maintain or amend its original recommendation after reconsidering a manifest injustice referral that is returned by the executive director.

(C)(i) If the committee maintains its original recommendation and the executive director does not accept the recommendation, the executive director may include the manifest injustice referral as an action item on the agenda of the board's next scheduled meeting for consideration and resolution by board.

(ii) If the manifest injustice referral was submitted by a person or entity who is not a board or staff member of the Arkansas Teacher Retirement System, the system shall send the person or entity written notice that:

(a) Provides the time and date on which the board intends to consider the manifest injustice referral;

(b) Advises the person or entity that the person or entity may present arguments to the board concerning the manifest injustice referral;

(c) Advises the person or entity that the system will send the person or entity a written final order of the board after the board meeting; and

(d) Advises that the board's final order shall be a final decision or order of the system that may be appealed by the person or entity under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(D) If the board finds that a manifest injustice does exist, the board may implement a resolution suggested by the system's staff or an alternative resolution.

(E) A final order of the board concerning a manifest injustice referral shall be considered the final decision or order of the system that may be appealed under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

Authority: Arkansas Code §§ 24-7-202, 24-7-205, and 25-15-201 — 24-15-219.

History

<u>Approved:</u>	<u>February 1, 2010</u>	<u>(Emergency), 13-1</u>
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<u>Effective:</u>	<u>TBD</u>	<u>Rule 13-1</u>

~~Retirement Fund Asset Accounts~~

~~A.C.A. § 24-7-405~~

1. ~~The Board of Trustees of the Arkansas Teacher Retirement System in accordance with A.C.A. § 24-7-405 establishes the following accounts to manage the system's fund assets and liabilities:~~
 - A. ~~The Members' Deposit Account is the account in which members' contributions, interest, purchases of service, refunds, transfers and other related activity are reported in accordance with current accounting processes and procedures used by the Arkansas Teacher Retirement System's fiscal department;~~
 - B. ~~The Employer Accumulation Account is the account in which employers' contributions and transfers are reported in accordance with current accounting processes and procedures used by the Arkansas Teacher Retirement System's fiscal department;~~
 - C. ~~The Retirement Reserve Account is the account into which transfers for the payment of benefits to retirants and beneficiaries are reported in accordance with current accounting processes and procedures used by the Arkansas Teacher Retirement System's fiscal department;~~
 - D. ~~The Income-Expense Account is the account in which all investment income is reported and from which interest credits and other expenses of the Board of Trustees are reported for the administration and operation of the system in accordance with current accounting processes and procedures used by the Arkansas Teacher Retirement System's fiscal department; and~~
 - E. ~~The Teacher Deferred Retirement Option Plan Account is the account in which T-DROP participants' T-DROP account activity is reported in accordance with current accounting processes and procedures used by the Arkansas Teacher Retirement System's fiscal department.~~
2. ~~The accounts established by the Board of Trustees may have subaccounts as deemed necessary by staff to further classify and manage the assets of the system.~~

Adopted: July 1, 2011 (Emergency)

Adopted: ~~August 8, 2011~~

Effective: ~~November 11, 2011~~

14-1-1

ATRS Rule 14
Retirement Fund Asset Accounts

§ 14-101. Retirement fund asset accounts.

(a) In accordance with Arkansas Code § 24-7-405, the Board of Trustees of the Arkansas Teacher Retirement establishes the following accounts to manage the Arkansas Teacher Retirement System's fund assets and liabilities:

(1) The Members' Deposit Account is the account in which members' contributions, interest, purchases of service, refunds, transfers, and other related activity are reported in accordance with current accounting processes and procedures used by the system's fiscal department;

(2) The Employer Accumulation Account is the account in which employers' contributions and transfers are reported in accordance with current accounting processes and procedures used by the system's fiscal department;

(3) The Retirement Reserve Account is the account into which transfers for the payment of benefits to retirees and beneficiaries are reported in accordance with current accounting processes and procedures used by the system's fiscal department;

(4) The Income-Expense Account is the account in which all investment income is reported and from which interest credits and other expenses of the board are reported for the administration and operation of the system in accordance with current accounting processes and procedures used by the system's fiscal department; and

(5) The Teacher Deferred Retirement Option Plan Account is the account in which T-DROP participants' T-DROP account activity is reported in accordance with current accounting processes and procedures used by the system's fiscal department.

(b) The accounts established by the board may have subaccounts as deemed necessary by the system's staff to further classify and manage the assets of the system.

Authority: Arkansas Code § 24-7-405

History

<u>Adopted:</u>	<u>July 1, 2011</u>	<u>(Emergency)</u>
<u>Adopted:</u>	<u>August 8, 2011</u>	
<u>Effective:</u>	<u>November 11, 2011</u>	
<u>Effective:</u>	<u>TBD</u>	<u>Rule 14.1</u>

ATRS Rule 15
Benefit Restoration Plan and Trust

§ 15-101. Purpose, construction, and establishment of plan and trust.

(a) The Arkansas Teacher Retirement System Benefit Restoration Plan and Trust is established effective upon final adoption by the Board of Trustees of the Arkansas Teacher Retirement System pursuant to authority granted by Arkansas Code § 24-7-305.

(b)(1) The purpose of the plan is solely to restore the part of a participant's retirement benefit that would otherwise have been payable by the except for the limitations of 26 U.S.C. § 415(b).

(2) The plan is intended to be a "qualified governmental excess benefit arrangement" within the meaning of 26 U.S.C. § 415(m)(3) and shall be interpreted and construed consistently with that intent.

(3) This plan is deemed a portion of the employers' qualified plan solely to the extent required under, and within the meaning of, 26 U.S.C. § 415(m)(3) and Arkansas Code § 24-7-305.

(c)(1) The plan is an "exempt governmental deferred compensation plan" described in 26 U.S.C. § 3121(v)(3). 26 U.S.C. §§ 83, 402(b), 457(a) and 457(f)(1) do not apply to this plan.

(2) The system shall not hold any assets or income under this plan in trust for the exclusive benefit of participants or their beneficiaries.

(d) Whenever any actuarial present value or actuarial equivalency is to be determined under the plan to establish a benefit, it shall be based on reasonable actuarial assumptions approved by the board in its sole discretion, and will be determined in a uniform manner for all similarly situated participants.

§ 15-102. Definitions.

(a) The definitions in this rule are exclusive to the Arkansas Teacher Retirement System Benefit Restoration Plan and Trust unless stated otherwise.

(b) As used in this rule:

(1) "Actuary" means the actuary selected by the Board of Trustees of the Arkansas Teacher Retirement System from time to time;

(2) "Administrator" means the Arkansas Teacher Retirement System and includes any person with whom the system contracts to provide services to the plan;

(3) "Beneficiary" means an individual receiving joint and survivor benefits from the system;

(4) "Benefit restoration" means the benefit determined in accordance with § 15-1-104 of this rule;

(5) "Benefit Restoration Trust Fund" or "trust fund" means the Benefit Restoration Trust Fund established pursuant to § 15-1-106 of this rule which fund constitutes a valid trust under the laws of this State;

(6) "Employer" means any public school, other educational agency, or other eligible employer participating in the system as provided under Arkansas Code § 24-7-202;

(7) "Participant" means a retiree or beneficiary who is entitled to benefits under this plan;

(8) "Plan" means the Arkansas Teacher Retirement System Benefit Restoration Plan and Trust established pursuant to Arkansas Code § 24-7-305;

(9) "Plan year" means the twelve-calendar month period ending on December 31 of each year;

(10) "Retiree" means a member of the system who is receiving a retirement benefit from the system;

(11) "Retirement benefit" means the amount of retirement income payable to a retiree, or the benefit payable to a beneficiary, without regard to any limitations on that retirement income or benefit under 26 U.S.C. § 415(b); and

(12) "Retirement fund" means the trust fund established pursuant to Acts 1937, No. 266, approved March 17, 1937.

§ 15-103. Participation.

(a)(1) All retirees and beneficiaries of the Arkansas Teacher Retirement System are eligible to participate in the Arkansas Teacher Retirement System Benefit Restoration Plan and Trust if their retirement benefits from the system for a plan year are or have been since January 1, 2013, limited by 26 U.S.C. § 415(b).

(2) The Board of Trustees of the Arkansas Teacher Retirement System determine for each plan year which retirees and beneficiaries are eligible to participate in the plan.

(b)(1) Participation in the plan begins each plan year after a retiree or beneficiary has the benefit restoration in that plan year.

(2) Participation in the plan ends for any portion of a plan year in which the retirement benefit of a retiree or beneficiary is not limited by 26 U.S.C. § 415(b) or when all benefit obligations under the plan to the retiree or beneficiary have been satisfied.

§ 15-104. Payment of benefits.

(a)(1) A participant in the Arkansas Teacher Retirement System Benefit Restoration Plan and Trust shall receive a benefit equal to the amount of retirement income that would have been payable by the Arkansas Teacher Retirement System to, or with respect to, a participant, that could not be paid because of the application of the limitations on the participant's retirement income under 26 U.S.C. § 415(b).

(2) The benefit restoration under the plan shall be paid only if and to the extent the participant is receiving retirement benefits from the retirement fund.

(b) The benefit restoration shall be paid at the same time and in the same manner as the retirement benefit payable under the system

(2) The timing of the benefit restoration shall take into consideration the existence of monthly deductions from the retirement benefit.

(3) No election shall be directly or indirectly provided by the system at any time to the participant to defer compensation under this plan.

(c)(1) A participant's right to a restoration benefit shall be vested as of the participant's vesting under the retirement fund.

(2) Additionally, each member in the retirement fund who is receiving a retirement benefit under the retirement fund on the date of adoption of this plan shall be vested.

(3) A beneficiary's right to a restoration benefit shall be vested as of the date of the participant's death.

(d) Notwithstanding the § 15-1-103 of this rule, if the retirement fund is terminated and

employers are making no further contributions to the retirement fund, no further restoration benefits shall be payable after the date that the employers' contributions to the retirement fund cease unless the employers establish another plan to serve the same purpose or to make other arrangements to pay benefit amounts that would have been payable had the plan continued to receive employers' contributions to fully fund the plan.

§ 15-105. Contributions and funding.

(a)(1) The Arkansas Teacher Retirement System Benefit Restoration Plan and Trust is and shall remain unfunded and the rights, if any, of any person to any benefits under the plan are limited to those specified in the plan.

(2) The plan constitutes a mere unsecured promise by the employers to make benefit payments in the future.

(b)(1) The Executive Director of the Arkansas Teacher Retirement System, using authority delegated by the Board of Trustees of the Arkansas Teacher Retirement System shall determine the amount necessary to pay the benefit restoration under the plan for each plan year.

(2) The system shall provide an estimate of the benefit restoration on or before March 1 of each year, provided however, in 2013, the plan administrator will provide an estimate of the benefit restoration within ten (10) days of the effective date of this rule.

(c)(1) The required contribution will be the aggregate of the benefit restorations payable to all participants for the plan year and an amount determined by the executive director, through delegation, to be a necessary and reasonable expense of administering the plan.

(2)(A) The employers will contribute the amount determined to be necessary to pay the benefit restoration of the participants and administrative expenses of the plan, and these payments will be made before the employers' deposits are credited to the retirement fund.

(B) The employers' required contribution will be due at the same time as contributions to the retirement fund.

(C) Under no circumstances will the employers' contributions to fund the benefit restorations be credited to the retirement fund.

(3)(A) Any contributions not used to pay the benefit restoration for a current plan year, together with any income accruing to the trust fund, shall be used to pay the administrative expenses of the plan for the plan year.

(E) Any contributions not used to pay the benefit restoration for the current plan year that remain after paying administrative expenses of the plan for the plan year will be used to fund administrative expenses or benefits of participants in future plan years.

(d)(1) The system shall account separately for the amounts the executive director, using the authority delegated by the board, determines to be necessary to provide the benefit restoration under the plan for each participant.

(2) However, the separate accounting will not be deemed to set aside these amounts for the benefit of a participant.

(e) Benefits under this plan will be paid from the trust fund.

(f)(1) The consultants, independent auditors, attorneys, and actuaries performing services for the system may also perform services for this plan.

(2) However, any fees attributable to services performed with respect to this plan

will be payable solely from the trust fund.

§ 15-106. Trust fund.

(a)(1) The Benefit Restoration Trust Fund is established pursuant to Arkansas Code § 24-7-305, separate from the retirement fund, to hold employers' contributions to the trust fund.

(2) The trust fund is maintained solely to provide benefits under a qualified governmental excess benefit arrangement within the meaning of 26 U.S.C § 415(m) and pay administrative expenses of this arrangement.

(b) Contributions to the trust fund shall be held separate and apart from the funds comprising the retirement fund and shall not be commingled with assets of the retirement fund, and must be accounted for separately.

(c)(1) All assets held by the trust fund to assist in meeting the employers' obligations under the plan, including all amounts of employers' contributions made under the Arkansas Teacher Retirement System Benefit Restoration Plan and Trust, all property and rights acquired or purchased with these amounts and all income attributable to these amounts, shall be held separate and apart from other funds of the employers and shall be used exclusively for the uses and purposes of participants and general creditors as set forth in this plan.

(2) Participants do not have a preferred claim on, or any beneficial interest in, any assets of the trust fund.

(3) Any rights created under the plan are unsecured contractual rights of participants against the employers.

(4) Any assets held by the trust fund are subject to the claims of the employers' general creditors under federal and state law in the event of insolvency.

(d)(1) The trust fund is intended to be a grantor trust, of which the employers are the grantors, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code as defined by Arkansas Code § 24-7-202, and will be construed accordingly.

(2) Section 15-1-106(d) of this rule does not create an irrevocable trust of any kind.

(e) Income accruing to the trust fund under the plan constitutes income derived from the exercise of an essential governmental function upon which the trust fund is exempt from tax under 26 U.S.C. §§ 415(m)-(l) and 115.

§ 15-107. Administration.

(a)(1) The Board of Trustees of the Arkansas Teacher Retirement System has the exclusive authority to control and manage the operation and administration of the Arkansas Teacher Retirement System Benefit Restoration Plan and Trust.

(2) The board has the same rights, duties and responsibilities respecting the plan as it has with respect to the retirement fund.

(3) The administrator has the same duties and authority respecting the plan as the administrator has with respect to the retirement fund.

(b) The board has the power and authority, including without limitation discretion with respect to the exercise of that power and authority, necessary, advisable, desirable or convenient to enable it to:

(1) Establish procedures to administer the plan in a manner that is not inconsistent

with the plan and the Internal Revenue Code as defined by Arkansas Code § 24-7-202, and to amend or rescind these procedures;

(2) Determine, consistent with the plan, applicable law, rules or regulations, all questions of law or fact that may arise as to eligibility for participation in the plan and eligibility for distribution of benefits from the plan, and the status of any person claiming benefits under the plan;

(3) Make payments from the trust fund to participants pursuant to § 15-1-104;

(4) Contract with a third-party to perform designated administrative services under this plan; and

(5) Construe and interpret the plan as to administrative issues and to correct any defect, supply any omission or reconcile any inconsistency in the plan with respect to same, subject to and consistent with the Internal Revenue Code as defined by Arkansas Code § 24-7-202.

(c)(1) Any action by the board that is not found to be an abuse of discretion will be final, conclusive and binding on all individuals affected thereby.

(2) The board may take any such action in such manner and to such extent as the board in its sole discretion may deem expedient, and the board will be the sole and final judge of such expediency.

(d)(1) The board may delegate any of its authority to the administrator with respect to the trust fund.

(2) The board has delegated certain authority as set forth herein, to the executive director.

(e)(1) The board may obtain assistance and advice with regard to its responsibilities under the plan.

(2) If in doubt concerning the correctness of their action in making a payment of a benefit, the board may suspend payment until satisfied as to the correctness of the payment or the person to receive the payment.

(f) The administrator shall handle the day-to-day operation of the plan and may delegate certain functions to a third-party as required.

§ 15-108. Plan amendments.

The Board of Trustees of the Arkansas Teacher Retirement System, from time to time, may amend, suspend, or terminate any or all of the provisions of the Arkansas Teacher Retirement System Benefit Restoration Plan and Trust as may be necessary to comply with 26 U.S.C. § 415(m) and to maintain the plan's or the retirement fund's qualified status under the Internal Revenue Code as defined by Arkansas Code § 24-7-202.

§ 15-109. Nonassignability and exemption from taxation and execution.

The interests of participants under the Arkansas Teacher Retirement System Benefit Restoration Plan and Trust are exempt from any state, county, municipal or local tax, and are not subject to execution, garnishment, attachment, or any other process of law whatsoever, and are unassignable and nontransferable.

§ 15-109. Miscellaneous.

(a) The Board of Trustees of the Arkansas Teacher Retirement System, the employers, and the administrator, if any, do not guarantee that any particular federal or state income,

payroll, or other tax consequence will occur because of participation in the Arkansas Teacher Retirement System Benefit Restoration Plan and Trust.

(b) The board may hold the assets of the plan uninvested as it deems advisable for making distributions under the plan.

(c) In resolving any conflict between provisions of the plan, and in resolving any other uncertainty as to the meaning or intention of any provision of the plan, the prevailing interpretation shall be the interpretation that:

(1) Causes the plan to constitute a qualified governmental excess benefit arrangement under 26 U.S.C. § 415(m) and the trust fund to be exempt from tax under 26 U.S.C. §§ 115 and 415(m);

(2) Causes the plan and the Arkansas Teacher Retirement System to comply with all applicable requirements of the Internal Revenue Code as defined by Arkansas Code § 24-7-202; and

(3) Causes the plan and the system to comply with all applicable laws of this state.

(d) Neither the establishment or maintenance of the plan, nor any amendment to the plan, nor any act or omission under the plan or resulting from the operation of the plan shall be construed:

(1) As conferring upon any participant or any other person a right or claim against the board, trustees on the board, employers, or administrator, if any, except to the extent that the right or claim is specifically expressed and provided in the plan;

(2) As creating any responsibility or liability of the employers for the validity or effect of the plan;

(3) As a contract between the employers and any participant or other person;

(4) As being consideration for, or an inducement or condition of, employment of any Participant or other person, or as affecting or restricting in any manner or to any extent whatsoever the rights or obligations of the employers or any participant or other person to continue or terminate the employment relationship at any time; or

(5) As giving any Participant the right to be retained in any employer's service or to interfere with any Employer's right to discharge any Participant or other person at any time.

(e) Any benefit payment that should not have been made according to the terms of the plan and the benefits provided under the plan may be recovered as provided by law.

(f)(1) Any payment to any participant shall, to the extent of the payment, be in full satisfaction of the participant's claim for which the payment is being made.

(2) The board may condition the payment on the participant's delivery of a duly executed receipt and release in a form determined by the board.

(g)(1) The board, board trustees, administrator, if any, shall not incur any liability in acting upon any paper or document or electronic transmission believed by the board, board trustees, or administrator to be genuine or to be executed or sent by an authorized person.

(2) The plan shall hold harmless and indemnify the board, the board trustees, and the administrator, and the officers and employees thereof, from financial loss arising out of any claim, demand, suit or judgment by reason of alleged negligence or other act by that board member, trustee, officer or employee if:

(A) The board member, trustee, officer or employee at the time of the alleged negligence or act was acting in the discharge of his or her duties and within the scope of his or her employment;

(B) The damages did not result from a willful and wrongful act of gross negligence of the board member, trustee, officer or employee; and

(C) The board member, trustee, officer or employee shall, within five (5) days of the time he or she is served with any summons, complaint, process, notice, demand or pleading, deliver the original or a copy thereof to the administrator's legal advisor.

(3) The board may obtain insurance to provide coverage for any liabilities that may arise as described by this rule.

(h) The plan does not directly or indirectly waive any sovereign immunity protection of the board, board trustees, administrator, or officers and employees thereof.

(i) The laws of Arkansas apply in determining the construction and validity of this plan.

(j)(1) The only party necessary to any accounting, litigation or other proceedings relating to the plan is the administrator.

(2) The settlement or judgment in any case in which the administrator is duly served will be binding upon all affected participants in the plan, their beneficiaries, estates, and all persons claiming by, through, or under them.

(k) If any provision of the plan is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the plan will continue to be fully effective.

Authority: Arkansas Code § 24-7-305.

History

<u>Approved by Board:</u>	<u>July 26, 2013</u>	
<u>Adopted:</u>	<u>October 9, 2013</u>	
<u>Effective:</u>	<u>November 8, 2013</u>	
<u>Effective:</u>	<u>TBD</u>	

~~ATRS Rule 16~~

~~CASH AND SAVINGS HELP (CASH) PROGRAM~~

~~A.C.A. §§ 24-7-505, 24-7-707~~

~~I. Purpose and Scope~~

- ~~A. The purpose of this rule is to allow members an opportunity to receive a one-time lump-sum cash payment in exchange for terminating their membership in ATRS. The benefit offering under this rule shall be known as the "CASH Program". The one-time lump-sum cash payment shall be known as "CASH Program payment". The tender of the CASH Program payment by ATRS extinguishes any service credit or future retirement benefit from ATRS to the member that would have been based upon the member's service, and for all purposes "buys out" the membership, the retirement benefit rights, and all future rights in the system of the member.~~
- ~~B. The opportunity for a CASH Program payment is available only under this rule and only for a specific and temporary period of time to a specific category of members. The CASH Program payment is calculated under a formula that is unique to that category of members and is applicable for the offering period exclusively.~~
- ~~C. ATRS is under no obligation to extend the offer or to make a future, similar offer. Terms, rules and rights for any CASH Program under a specific offering period do not apply to a subsequent CASH Program offering.~~
- ~~D. This CASH Program is only applicable to ATRS members for their ATRS service. Reciprocal service shall not be eligible for the CASH Program.~~
- ~~E. The ATRS Board may target a CASH Program offering to a certain category of members within ATRS.~~
- ~~F. A CASH Program payment may be made to a member by a check mailed to the member's address. A CASH Program payment may also be directly rolled over into a qualifying retirement plan under § 24-7-719, at the direction of the member. ATRS shall only roll over the CASH Program payment into one qualifying plan.~~
- ~~G. CASH Offering Period~~
 - ~~1. The Board shall set the dates for any offering period. To qualify for the CASH Program payment in a specific offering period, the member shall deliver the CASH Program Election Form to ATRS before the end of the offering period.~~

2. A CASH Program Election Form that is postmarked after the offering period deadline is invalid. If sent by facsimile, the date stamp shall be before the offering period deadline. If sent as an attachment to an email, the email shall be sent before the offering period deadline.
 3. The Board may re-offer a previously expired buyout plan or may extend the duration of a current offering through a resolution adopted by the Board at a meeting of the Board.
- H. While ATRS may make reasonable efforts to contact members eligible for the CASH Program, ATRS is under no duty to contact members, to verify the accuracy of the addresses, or to confirm receipt of the offer by the member, to confirm receipt of the election form by members, or to confirm receipt by ATRS of the CASH Program Election Form from members.

II. ~~CASH Program Election Form~~

- A. ~~To participate in the CASH Program, a member shall submit a CASH Program Election Form to ATRS during the offering period. The CASH Program Election Form shall be completed in its entirety by the member in order to be accepted as a valid CASH Program Election Form.~~ B. ~~The CASH Program Election Form shall include the following:~~
1. ~~A statement, signed by the member, that the member understands the purpose and scope of the CASH Program, and once ATRS tenders payment of CASH Program payment, the CASH Program Election Form may not be withdrawn.~~
 2. ~~A member who participates in the CASH Program plan shall receive a one-time lump sum payment from ATRS that cancels the member's interest in any retirement benefit and all future rights in ATRS effective upon tender of payment by ATRS.~~
 3. ~~The signature of the member; and~~
 4. ~~The date signed.~~
- C. ~~The CASH Program Election Form shall be made available to members using standard ATRS procedures.~~
- D. ~~ATRS is not required to accept any CASH Program Election Form that is not received during the offering period in the manner prescribed in this rule.~~
- E. ~~ATRS is not responsible for the member's receipt of a CASH Program Election Form, regardless of the manner in which it is requested.~~
- F. ~~The member is exclusively responsible for obtaining and submitting the CASH Program Election Form as required under this rule.~~
- G. ~~ATRS shall determine if the member is qualified to receive a CASH~~

~~Program payment. Only qualifying members may receive the CASH Program payment and any erroneous delivery of a CASH Program Election Form by ATRS to a member does not establish a right to payment.~~

~~III. CASH Program Offering~~

~~The applicable members, offering period, and CASH Program formula for a particular CASH Program offering will be established and approved by the Board through a properly adopted resolution.~~

HISTORY

~~Approved by Board: July 26, 2013
Adopted: October 9, 2013
Effective: November 8, 2013
Effective: August 5, 2019~~

RESOLUTIONS

2017-18	May 10, 2017	Expand to include contributory service.
2018-35	October 1, 2018	Create offer period for FY 2019.
2019-30	June 3, 2019	Create offer period for FY 2020.

ATRS Rule 16 Cash and Savings Help Program

§ 16-101. Definitions.

As used in this rule:

(1) "CASH Program" has the same meaning as "buyout plan" as defined in Arkansas Code § 24-7-505; and

(2) "CASH Program payment" means the one-time lump-sum cash payment made to a member who elects to participate in the CASH Program.

§ 16-102. CASH Program.

(a) The Board of the Arkansas Teacher Retirement System by resolution shall establish and approve the category of members who are eligible to participate in the CASH Program, the CASH Program offering period, and the formula to be used during a CASH Program offering period.

(b)(1) In accordance with Arkansas Code § 24-7-505, this rule, and applicable resolutions of the board, the Arkansas Teacher Retirement System shall determine if a member is qualified to receive a CASH Program payment.

(2) Only qualifying members may receive a CASH Program payment.

(3) Any erroneous delivery of a CASH Program election form by the system to a member shall not establish the member's right to a CASH Program payment.

§ 16-103. CASH Program payment.

(a) The tender of a CASH Program payment by the Arkansas Teacher Retirement System to a member who elects to participate in the CASH Program shall:

(1) Cancel the member's membership in the system;

(2) Extinguish any credited service the member has accumulated in the system;

and

(3) Extinguish the member's right to any future retirement benefit that the member would have received from the system based on the member's service.

(b)(1) The opportunity for a CASH Program payment shall be available in accordance with the provisions of Arkansas Code § 24-7-505 and this rule and only for a specific and temporary period of time to a specific category of members.

(2) The Board of the Arkansas Teacher Retirement System may determine the category of members of the system to whom a CASH Program payment may be offered.

(c)(1) The CASH Program payment shall be calculated under a formula that is:

(A) Unique to the category of members to whom the CASH Program payment is available; and

(B) Applicable for the offering period exclusively.

(2)(A) The system shall not be obligated to extend a CASH Program payment offer or to make a future or similar CASH Program payment offer.

(B) The terms, rules, and rights for any CASH Program payment offer under a specific offering period shall not apply to a subsequent CASH Program payment offering.

(d) A CASH Program payment shall be tendered only for actual service credit that a member has in the system and shall not be tendered for reciprocal service credit that a member has in the system.

(e)(1) A CASH Program payment may be:

(A) Made by check and may be mailed to a member's address; or

(B)(i) At the member's direction, directly rolled over into a qualifying retirement plan under Arkansas Code § 24-7-719.

(ii) The system shall roll over a CASH Program payment into only one (1) qualifying retirement plan.

(2)(A) The system shall make reasonable efforts to contact all members who are eligible to participate in the CASH Program.

(B) However, the system shall not be obligated to:

(i) Contact a member to verify the accuracy of the member's last address of record on file with the system;

(ii) Confirm a member's receipt of a CASH Program offer;

(iii) Confirm a member's receipt of a CASH Program election form;

or

(iv) Confirm that the system has received a CASH Program election form submitted by a member.

§ 16-104. CASH Program — Offering period.

(a) The Board of the Arkansas Trustee Retirement System shall set the dates for any CASH Program offering period.

(b)(1) After the board sets a specific CASH Program offering period, only members who submit an election to participate in the CASH Program to the Arkansas Teacher Retirement System shall qualify to receive a CASH Program payment that is available during the CASH Program offering period set by the board.

(2) However, a member shall not qualify to receive a CASH Program payment that is available during a CASH Program offering period set by the board if the member submits his or her election to participate in the CASH Program after the CASH Program offering period deadline.

(c) The board by resolution may re-offer a previously expired CASH Program or may extend the duration of a current CASH Program offering period.

§ 16-105. CASH Program — Election form.

(a)(1) The CASH Program election form shall be made available to members using the Arkansas Teacher Retirement System's standard procedures.

(2) The system shall not be responsible for confirming the member's receipt of a CASH Program election form, regardless of the manner in which the member requested to be provided with the CASH Program election form.

(3) The member shall be solely responsible for obtaining and submitting to the system a CASH Program election form as required under this rule.

(b)(1) A member's election to participate in the CASH Program shall be submitted to the Arkansas Teacher Retirement System on a form approved by the system before the applicable CASH Program offering period deadline.

(2) A CASH Program election form is invalid and shall not be accepted by the system if it:

(A) Has not been completed in its entirety by the member or as required by this rule;

(B) Is postmarked after the CASH Program offering period deadline;

(C) Is submitted by facsimile and has a date-stamp that is after the CASH Program offering period deadline; or

(D) Is sent as an attachment to an e-mail and the e-mail is sent after the CASH Program offering deadline.

(c) A CASH Program election form shall include the following:

(1) The member's signature and the date on which the member signed the election form; and

(2) The member's signed statement that he or she understands that:

(A) The purpose and scope of the CASH Program and that the CASH Program election form cannot be withdrawn by the member after the Arkansas Teacher Retirement System tenders the CASH Program payment to the member; and

(B) A member who participates in the CASH Program plan shall receive a one-time lump-sum payment from the system that, upon the system's tender of payment, cancels the member's interest in any retirement benefit and all future rights in the system.

Authority: Arkansas Code §§ 24-7-505 and 24-7-707

Resolutions

<u>2017-18</u>	<u>May 10, 2017</u>	<u>Expand to include contributory service.</u>
<u>2018-35</u>	<u>October 1, 2018</u>	<u>Create offer period for FY2019</u>
<u>2019-30</u>	<u>June 3, 2019</u>	<u>Create offer period for FY 2020</u>

History

<u>Approved by Board:</u>	<u>July 26, 2013</u>	
<u>Adopted:</u>	<u>October 9, 2013</u>	
<u>Effective:</u>	<u>November 8, 2013</u>	
<u>Effective:</u>	<u>August 5, 2019</u>	
<u>Effective:</u>	<u>TDB</u>	<u>Rule 16</u>

~~RULE 17-1~~

~~MANIFEST INJUSTICE~~

~~I. BACKGROUND AND PURPOSE.~~

~~The 89th General Assembly provided the ATRS Board the extraordinary remedy of waiving any rule, provision, or law that does not violate a federal law or rule in order to prevent a manifest injustice to a member, benefit participant, ATRS employer, or ATRS. Act 303 of 2013 grants that authority to the Board, and is codified at A.C.A. § 24-7-205 as follows:~~

~~"(e) The board or its designee may waive or modify the impact of a rule, provision, or law that does not violate federal law or jeopardize the taxqualified status of the system to correct or prevent a **manifest injustice** (emphasis added) that would affect the system, benefit participant, or employer in a particular instance."~~

~~The definition of manifest injustice can be found at Ark. Code. Ann 24-7202(40)(A) as follows:~~

~~"(40)(A) "Manifest injustice" means an obvious unfairness that has a direct and observable unconscionable effect that will occur as a result of a technical error or error of judgment, when the error made by the system, a benefit participant, or employer, and the disparity of outcome to the parties, when taken together and supported by clear and convincing evidence, show a great harm to the integrity of the system as a whole, the benefit participant, or an employer, unless the system is afforded the discretion to resolve the matter in a fair manner.~~

~~(B) In determining manifest injustice the system may consider:~~

- ~~(i) The degree of fault of the system, benefit participant, or employer;~~
- ~~(ii) An ambiguity in the interpretation of the circumstances, rule, or law;~~
- ~~(iii) The cost to the system of correcting the error that is far outweighed by the benefit afforded to the system, benefit participant, or employer;~~

- (iv) Whether or not an expedited decision is in the public interest;*
- (v) The fundamental fairness of a remedy in a particular situation; and*
- (vi) Whether or not the status quo would result in an unconscionable outcome."*

II. GENERAL

The process of declaring a manifest injustice is a rare and extraordinary remedy that shall not be used as a routine method of addressing error, oversight, or simple mistake. As an extraordinary remedy, manifest injustice shall be cautiously and carefully used to prevent unfairness, to preserve the integrity of ATRS, and to avoid or correct unduly harsh or unconscionable outcomes.

III. DELEGATION TO ATRS EXECUTIVE DIRECTOR.

- A. The ATRS Executive Director is hereby given authority to implement a resolution of a manifest injustice once a determination is made that a manifest injustice exists using the review process set forth herein. The Executive Director may implement a resolution of a manifest injustice of up to \$10,000 of direct financial impact to ATRS. The Executive Director is specifically prohibited from waiving any deadlines that may apply in the ATRS Rules or law. Any waiver of a deadline is exclusively a Board remedy and not a remedy available to the ATRS Executive Director. Provided however, if any resolution that has a direct financial impact of more than \$5,000, then ATRS Executive Director shall provide the Chair of the ATRS Board of Trustees written notice about the manifest injustice determination and proposed resolution prior to implementing the resolution.
- B. The Executive Director is specifically prohibited from waiving any deadline that may apply in the ATRS Rules or law. A waiver of a deadline is exclusively a Board remedy and not a remedy available to the Executive Director.
- C. The Executive Director shall provide a report to the Board at least biannually that outlines the facts and circumstances of each manifest injustice referral, sets forth the findings and recommendations of the Manifest Injustice Committee, and sets forth and explains the resolution of the manifest injustice, if a manifest injustice is found. Members' names or other information that is not material to the findings shall not be required in the report to the Board.

IV. ~~MANIFEST INJUSTICE COMMITTEE.~~

- A. ~~The ATRS General Counsel, Assistant Director of Fiscal Affairs, and Member Services Administrator shall act as a 3-person Manifest Injustice Committee (the "Committee") to review all manifest injustice referrals.~~
- i. ~~The Committee will meet on a reasonable schedule or as needed to review any referral.~~
 - ii. ~~A majority vote of the Committee shall constitute a recommendation on the referral.~~
 - iii. ~~The Committee shall make an initial recommendation to the Executive Director based upon its review of the referral regarding whether or not a manifest injustice exists. If a manifest injustice exists, then the Committee shall propose a resolution of the manifest injustice to the Executive Director.~~
- B. ~~If the Committee determines that no manifest injustice exists in a referral, then the Executive Director shall review the referral and the Committee's basis for the recommendation. The Executive Director may either accept the recommendation or return the referral to the Committee for further consideration.~~
- i. ~~If the Executive Director accepts the recommendation from the Committee, the discretionary review is officially ended and the matter is to be considered officially closed.~~
 - ii. ~~If the referral is returned to the Committee, the Committee shall consider the matter again in light of any additional information provided by the Executive Director. If the Committee's recommendation remains that no manifest injustice exists, the matter shall be considered officially closed, unless referred to the Board.~~
- C. ~~If the Committee determines that a manifest injustice does exist, then the Executive Director may implement the resolution suggested by the Committee or adopt an alternate resolution that falls within the Executive Director's delegated authority.~~
- D. ~~If the Executive Director disagrees with the Committee's determination that a manifest injustice exists, then the Executive Director may return the referral~~

~~for further consideration. If the Committee maintains the determination that a manifest injustice exists after the return of the referral, and the Executive Director continues to disagree, then the Executive Director may place the item on the Board agenda for the Board to consider and resolve, with input from both the Committee and Executive Director concerning the referral.~~

- ~~E. If a member of the Committee has a conflict or otherwise cannot act on a manifest injustice referral due to absence, sickness, or work load, a Committee member may appoint a representative from their Staff for a committee meeting.~~
- ~~F. A party may not administratively appeal a determination of a referral of manifest injustice, regardless of whether the determination occurs from the Executive Director's decision or through the Board's decision.~~

~~V. The Executive Director may suspend an Executive Director Review if a manifest injustice determination might resolve the issue within the Executive Director review. The Executive Director review shall not be suspended absent the consent of the affected party/parties in the Executive Director review.~~

~~VI. REFERRALS.~~

~~A. A referral of a potential or alleged manifest injustice may be made to the Executive Director by any:~~

- ~~i. ATRS Trustee; ii. ATRS Staff member, including the Executive Director; iii. Benefit Participant; iv. Beneficiary;~~
- ~~v. ATRS covered Employer; or vi. Other interested party such as guardian or fiduciary.~~

~~B. A referral shall be made to the Executive Director in order to create and preserve an appropriate record with ATRS.~~

- ~~i. Each referral shall be given a number and a year designation. For _____ example: "2013-MI-1, 2013-MI-2, 2013-MI-3" and so forth.~~

- ~~ii. The Executive Director shall submit all referrals to the Committee.~~

- VII.** ~~The Committee or the Executive Director may request that a party to a manifest injustice referral provide information or input concerning the referral. A party is not required to provide information.~~
- VIII.** ~~A Board decision on a manifest injustice referral is a final discretionary decision and is not subject to further review.~~

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

~~**Adopted:** October 9, 2013~~

~~**Effective:** November 8, 2013~~

ATRS Rule 13
Administrative Adjudications and Informal Resolutions: Staff
Determinations and Manifest Injustice Referrals

§ 13-101. Definitions.

As used in this rule:

(1) "Manifest injustice" has the same meaning as provided in Arkansas Code § 24-7-202; and

(2) "Member" for the purposes of the staff determination and appeal process means any member of the Arkansas Teacher Retirement System as defined in Arkansas Code § 24-7-202 and includes:

(A) A beneficiary of a member;

(B) A retiree of the system;

(C) A guardian, an administrator, or an executor of a member, retiree, or beneficiary; or

(D) A public school.

§ 13-102. Staff determinations — Scope and purpose.

(a) This rule governs the practice and procedures of the Arkansas Teacher Retirement System concerning the adjudication of a claim that concerns any retirement plan or program administered by the system and arises as a result of a determination made by the staff or administration of the system.

(b)(1) The system's staff is responsible for administering the accounts of members of the system and may make determinations based on the law and rules applicable to the system that may be adverse to a member's claim.

(2) This rule outlines the procedure for a member to appeal the determination of the system's staff or administration concerning a claim of the member.

(c)(1) The rules concerning the staff determination and appeal process should be read in conjunction with the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(2) To the extent that the rules concerning the staff determination and appeal process conflict with the Arkansas Administrative Procedures Act, the terms and provisions of the Arkansas Administrative Procedures Act shall supersede the rules concerning the staff determination appeal process and control.

(d) The rules concerning the staff determination and appeal process do not apply to claims or causes of action that the system or the Board of Trustees of the Arkansas Teacher Retirement System may have against a member or any other person or entity, regardless of the origin or nature of the claim.

§ 13-103. Staff determinations — Extension of deadlines.

(a)(1) The Board of Trustees of the Arkansas Teacher Retirement System and the Executive Director of the Arkansas Teacher Retirement System may extend any deadline applicable to a member's appeal upon a showing of good cause unless a Hearing Officer has been assigned.

(2) Only the board may extend a deadline after the deadline has passed.

(3) If a hearing officer has been assigned, until the completion of the hearing, only

the hearing office may extend a deadline applicable to a member's appeal upon a showing of good cause.

(b) When compliance with the rules concerning the staff determination and appeal process is based on delivery having occurred, delivery shall be considered to have occurred on the earlier of either the:

(1) Date of the postmark, if posted with the United States Postal Service;

(2) Date of actual delivery by one of the following methods:

(A) Hand delivery;

(B) Electronic transmission; or

(C) Delivery service other than USPS.

§ 13-104. Staff determinations — Informal resolutions.

(a)(1) A member's claim may be resolved informally through correspondence or conference between the member and the staff of the Arkansas Teacher Retirement System.

(2) All reasonable efforts shall be made to informally resolve a member's claim with the member.

(b)(1) The executive director may implement a resolution of a member's claim that has a direct impact to the system of up to five thousand dollars (\$5,000).

(2) Board approval shall be required to implement a resolution that has a direct financial impact to the system in excess of five thousand dollars (\$5,000).

(c)(1) The system's staff and the member are strongly encouraged to engage in a good faith attempt to resolve claims informally based upon the proper application of the law, rules, and policies applicable to the system and to the specific facts of the member's claim.

(2) A member's claim shall not be resolved in a manner that contravenes the law, rules, and policies applicable to the system.

(d) If a claim is not resolved informally and a staff determination letter adverse to the member's claim is issued to the member, the member may request a review of the staff determination by the Executive Director of the Arkansas Teacher Retirement System.

(e) The manifest injustice referral process shall not be used with regard to a member if the manifest injustice referral concerns the same questions of the law and fact that are at issue in a claim concerning the member that is resolved through the staff determination and appeals process.

§ 13-105. Staff determinations — Notice of adverse determination.

(a)(1) If the staff of the Arkansas Teacher Retirement System make a determination that is adverse to a member's claim, the system shall send a staff determination letter to the member if the claim involves:

(A) An ambiguity in the interpretation of the specific facts of the member's claim that would impact the manner in which the law, rules, or policy applicable to the system are applied to the member's claim;

(B) An ambiguity in the interpretation of the law, rules, or policy applicable to the system; or

(C) An ambiguity concerning the proper application of the law, rules, or policy applicable to the system to the specific facts of the member's claim.

(2) A staff determination letter shall not be issued to a member unless the staff determination letter has been reviewed and approved by an attorney for the system.

(b) A staff determination letter that is issued to a member shall:

(1) Advise the member of the determination and the reasons for the determination;
and

(2) Advise the member of the procedure for requesting a review of the staff determination by the Executive Director of the Arkansas Teacher Retirement System;

(3) Advise the member of the deadline to request a review by the executive director; and

(4) Not include findings of fact and conclusions of law, separately stated.

(c) The written determination of system staff concerning an overpayment collection dispute or the applicability of a salary limitation to a plan or payment shall be treated as a staff determination letter.

(d) A staff determination letter is not and shall not be construed as a final decision or order of the system that may be appealed under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(e) The system shall consider a member's claim as closed if the member does not request a review of the staff determination by the executive director within thirty (30) calendar days of the date of the staff determination letter.

§ 13-106. Staff determinations — Review by executive director.

(a)(1) A member shall submit a request for a review of a staff determination by the Executive Director of the Arkansas Teacher Retirement System in writing.

(2) A member shall not be required to resubmit any documents or information with his or her request for a review.

(b)(1) Unless an extension is granted by the Board of Trustees of the Arkansas Teacher Retirement System or the executive director, a member shall not be permitted to request a review of a staff determination by the executive director unless the member's request is received by the Arkansas Teacher Retirement System within thirty (30) calendar days of the date of the staff determination letter.

(2) If the last day to request a review of a staff determination by the executive director falls on an official state holiday or weekend, the member shall have until the next business day to request a review.

(c)(1) The executive director shall promptly send a letter to the member acknowledging the member's request for a review.

(2)(A) The member may submit for review by the executive director any additional relevant documents or information not previously submitted by the member to the system.

(B) The member shall submit the additional documents and information to the executive director within thirty-five (35) calendar days of the date of the executive director's acknowledgement letter.

(d)(1) Upon receiving a member's request for a review of a staff determination, the executive director shall independently review the facts and the law, rules, and policy applicable to the member's claim.

(2) The executive director shall consider the staff determination as well as any relevant documents and information provided by the member.

(3) The executive director may affirm, reverse, or modify the staff determination

before a final determination on the member's claim is made by the board.

(e)(1) The executive director shall send a review determination letter to the member within ninety (90) calendar days from the date on which the member's request for a review was received by the system.

(2) A review determination letter shall:

(A) Advise the member of the determination and the applicable law, rules, and policy used by the executive director to reach his or her determination;

(B) Advise the member of the procedure for appealing the review determination letter to the board;

(C) Advise the member of the deadline to appeal the review determination letter to the board; and

(D) Not include findings of fact and conclusions of law, separately stated.

(f) A review determination letter is not and shall not be construed as a final decision or order of the system that may be appealed under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(g) The system shall consider a member's claim as closed if the member does not appeal the executive director's review determination within thirty (30) calendar days of the date of the review determination letter.

§ 13-107. Staff determinations — Appeals — Initiation of appeal to the Board of Trustees of the Arkansas Teacher Retirement System.

(a) A review determination of the Executive Director of the Arkansas Teacher Retirement System may be appealed by the member to the Board of Trustees of the Arkansas Teacher Retirement System.

(b)(1) A member shall appeal a review determination of the executive director in writing by filing a signed notice of appeal with the Arkansas Teacher Retirement System in the manner required by the system.

(2) A member shall file his or her signed notice of appeal with the system within thirty (30) calendar days of the date of the review determination letter.

(c) A member shall address and deliver his or her signed notice of appeal to the Board of Trustees of the Arkansas Teacher Retirement System, Member Appeals, ATTN: Legal Department, 1400 West Third Street, Little Rock, Arkansas, 72201.

§ 13-108. Staff determinations — Appeals — Assignment of hearing officer.

(a)(1) All member appeals of a review determination shall be assigned to a hearing officer.

(2) The executive director or his or her designee shall appoint a hearing officer from a list of qualified individuals approved by the executive director.

(3) The hearing officer shall conduct an administrative hearing, recommend factual and legal determinations, and prepare a proposed order for the board that includes findings of fact and conclusions of law, separately stated.

(b)(1) Following appointment, the hearing officer shall issue a written scheduling order to the member, executive director, and legal counsel for the system.

(2) The scheduling order shall contain include all information required under the Arkansas Administrative Procedures Act, § 25-19-201 et seq.

(3) The hearing officer, at his or her discretion, may include in the scheduling order reasonable deadlines for the submission and exchange of exhibits, witness lists, and

related materials before the hearing, including without limitation, any requested proposed findings of fact and conclusions of law.

(4) The hearing officer may continue any scheduled matter at his or her discretion for good cause shown by any party or counsel of record.

(c) Unless otherwise ordered, hearings shall be held at the Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201.

§ 13-109. Staff determinations — Appeals — Filing documents.

(a) Following the appointment of a hearing officer, all correspondence, documents, requests, submissions, filings and other documents relating to an appeal shall be mailed or hand delivered to the Arkansas Teacher Retirement System, Member Appeals, ATTN: Legal Department, 1400 West Third Street, Little Rock, Arkansas, 72201.

(b) Any party submitting or filing a document relating to an appeal shall simultaneously deliver a copy of the filing or document to the opposing party or, if applicable, opposing counsel.

(c) The Arkansas Teacher Retirement System shall be the responsible for ensuring that:

(1) Copies of all correspondence, documents, requests, submissions, filings, and other documents relating to an appeal are provided in a timely manner to the hearing officer; and

(2) A complete record of each appellate proceeding before a hearing officer and the Board of Trustees of the Arkansas Teacher Retirement System is prepared and maintained in a single, centralized location.

§ 13-110. Staff determinations — Appeals — Hearings.

(a) The hearing is an administrative hearing before the hearing officer and is not a hearing before the Board of Trustees of the Arkansas Teacher Retirement System.

(b)(1) All hearings shall be conducted according to [the rules concerning the staff determination appeal process](#) and the corresponding procedural provisions of the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(2) The hearing shall be informal and the formal rules of evidence shall not apply.

(3) In conducting a hearing, the hearing officer shall not be bound by the formal rules of evidence, and no informality in any proceedings or in the manner of taking of testimony shall invalidate any order or decision of the board.

(c) A member shall at all times have the right to counsel, provided that such counsel:

(1) Is duly licensed to practice law in the State of Arkansas; or

(2) Has been granted permission to appear *pro hac vice* by the hearing officer.

(d)(1) All hearings shall be conducted in an orderly manner.

(2) The hearing officer shall have the authority to maintain the decorum of the hearing and may clear the hearing room of witnesses who are not under examination.

(e) If a member fails to appear at the hearing, the member waives his or her right to present evidence and arguments to the hearing officer and the hearing officer may proceed with the hearing and prepare a proposed order for the board's consideration based on the evidence presented.

(f) The hearing officer shall have the authority to administer oaths and affirmations.

(g)(1) Each party shall be entitled to examine and cross-examine witnesses, present evidence, make arguments, and generally participate in the conduct of the proceeding.

(2) The hearing officer may question a witness during any portion of the direct or cross-examination of the witness.

(3)(A) Before giving testimony, each witness shall swear or affirm that the testimony about to be given shall be the truth, the whole truth, and nothing but the truth.

(B) All testimony considered by the hearing officer, except for matters officially noticed or entered by stipulation, shall be sworn testimony.

(h)(1) The hearing officer may admit into the record any evidence that in his or her judgment:

(A) Has a reasonable degree of probative value and trustworthiness; or

(B) Is of a type or nature commonly relied upon by reasonably prudent people in the conduct of their affairs.

(2) The hearing officer may exclude evidence that is irrelevant, immaterial, or unduly repetitious.

(3) Objections to evidentiary offers may be made and shall be noted of record.

(4) Documents received into evidence by the hearing officer shall be marked and filed as part of the record.

(i) Following the close of evidentiary submissions and witness testimony, the hearing officer may in his or her discretion allow summations and closing arguments by the parties.

(j)(1) The Arkansas Teacher Retirement System shall arrange for a court reporter to attend and record all hearings.

(2)(A) The system shall pay the cost for preparing a transcript of the hearing.

(B) Upon receiving the hearing transcript, the system shall promptly forward a copy of the transcript to the hearing officer and the member or, if applicable, the member's counsel.

§ 13-111. Staff determinations — Appeals — Post-hearing briefs.

(a)(1) Upon the completion of the hearing, the hearing officer may allow the parties to submit post-hearing briefs to be included as part of the record on appeal.

(2) The decision on whether or not to allow the submission of post-hearing briefs is within the sole discretion of the hearing officer.

(3) A hearing officer's decision to not allow post-hearing briefs shall have no effect on the validity of any order or decision issued by the Board of Trustees of the Arkansas Teacher Retirement System.

(b) If a hearing officer grants the member or the Arkansas Teacher Retirement System an opportunity to submit a post-hearing brief, the hearing officer shall provide the opposing party an opportunity to submit a response.

(c) The hearing officer shall have discretion to set reasonable deadlines for the parties to submit post-hearing briefs and responses, provided that the parties shall be allowed a minimum of fourteen (14) calendar days from the date of receipt of the hearing transcript before any initial post-hearing brief shall be due for filing.

§ 13-112. Staff determinations — Appeals — Proposed orders.

(a) After the hearing officer receives all evidence, arguments, and, if applicable, post-hearing briefs, the record before the hearing officer shall be officially closed.

(b)(1) After the record before the hearing officer is closed and the hearing officer has

considered all of the evidence, the hearing officer shall, as soon as practical, prepare a proposed order to be delivered to the Board of Trustees of the Arkansas Teacher Retirement System.

(2) The proposed order shall include:

(A) Findings of fact based exclusively on the evidence and testimony in the record of the hearing;

(B) Conclusions of law **that shall be separately stated from the findings of fact;** and

(C) A recommendation to the board.

(3)(A) The hearing officer shall provide the proposed order to the board via e-mail and via United States mail addressed to the Arkansas Teacher Retirement System, Member Appeals, ATTN: Legal Department, 1400 West Third Street, Little Rock, Arkansas, 72201.

(B) Upon receiving the proposed order, the system shall mail a copy of the proposed order to the member and, if applicable, the member's counsel via Certified, First Class, United States mail, with a copy to the Executive Director of the Arkansas Teacher Retirement System.

§ 13-113. Staff determinations — Appeals — Objections to proposed orders.

(a)(1) The member shall have the right to file a written statement of objections outlining any objections, exceptions, and arguments that the member determines should be considered by the Board of Trustees of the Arkansas Teacher Retirement System during the board's evaluation of the hearing officer's proposed order.

(2) A member shall not be permitted to introduce additional evidence or testimony in his or her statement of objections.

(b) A member's written statement of objections shall be delivered to the Arkansas Teacher Retirement System within twenty-one (21) calendar days of the member's receipt of the hearing officer's proposed order.

(c)(1) Counsel for the system may prepare a written response to any written statement of objections filed by the member.

(2) A copy of any response by the system shall be provided to the board and the member and, if applicable, the member's counsel, before the board meeting at which the hearing officer's proposed order is scheduled to be considered by the board.

§ 13-114. Staff determinations — Appeals — Consideration of proposed orders by the Board of Trustees of the Arkansas Teacher Retirement System.

(a) The Board of Trustees of the Arkansas Teacher Retirement System shall render a final determination on the hearing officer's proposed order.

(b)(1) The board's consideration of the hearing officer's proposed order shall be scheduled within a reasonable time to be heard, at a regular meeting of the board after the issuance of the proposed order.

(2) The board may call an emergency meeting to consider the hearing officer's proposed order if the situation warrants.

(3) The Arkansas Teacher Retirement System shall notify the member and, if applicable, the member's counsel in writing of the date, time, and location of the board meeting at which the board intends to consider the hearing officer's proposed order.

(c)(1) Before rendering a decision on the hearing officer's proposed order, the board may request that the member and, if applicable, the member's counsel make a brief statement to the board concerning facts and any arguments that the member wishes to present and respond to any questions from the board.

(2) The board's consideration of a brief statement and any responses to questions made by the member or, if applicable, the member's counsel shall not require the board to conduct another hearing and shall be based on the hearing previously conducted before the hearing officer.

(2) The chairman of the board shall have the final authority to set the amount of time any party may have to make a statement to the board.

(d)(1) Failure of a member to appear at the meeting of the board without prior notification shall result in the member waiving his or her right to be heard by the board.

(2)(A) A member may petition the board for another opportunity to address the board.

(B) The board may grant a member's petition for another opportunity to address the board if the board determines that the member's absence was for good cause.

(e)(1) After the board's consideration of the hearing officer's proposed order, the board shall either accept or reject all or part of the hearing officer's proposed order.

(2) The board may either accept the proposed order, reject the proposed order, or accept the proposed order as modified by the board.

(3) If the board rejects the proposed order or accepts the proposed order as modified by the board, the board may:

(A) Prepare its own written findings of fact and conclusions of law, **separately state**, and issue its own order based upon those findings and conclusions;

(B) Consider manifest injustice as a basis for any remedy; or

(C) Remand the matter in whole or in part to the hearing officer for reconsideration of additional findings of fact or conclusions of law or both additional findings of fact and conclusions of law.

(f) A quorum of votes of the board is necessary to approve any motion, resolution, or order under the board's consideration.

(g)(1) Following the board's decision on the hearing officer's proposed order, the board shall prepare a written final order on the member's appeal.

(2) The board's final order shall include findings of fact and conclusions of law, separately stated, that were relied upon by the board in formulating the final order.

(3) **The board's final order shall be a final decision or order of the system that may be appealed under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.**

(4) A copy of the board's final order, including the board's findings of fact and conclusions of law, **separately stated**, shall be delivered by the Executive Director of the Arkansas Teacher Retirement System to the member and, if applicable, the member's counsel via Certified, First Class, United States.

§ 13-115. Staff determinations — Appeals — Settlement authority.

(a) **With the member's written consent or, if applicable, the written consent of the member's counsel, the Executive Director the Arkansas Teacher Retirement System may suspend his or her review of a member's claim being considered under the rules**

concerning the staff determination and appeal process if the member's claim may be more expediently resolved using the manifest injustice process.

(b) The executive director may settle any claim in a manner mutually agreeable to the Arkansas Teacher Retirement System and the member at any time before the Board of Trustees of the Arkansas Teacher Retirement System issues its final order on the member's appeal.

(c) In settling any claim, the executive director shall not exceed the authority previously granted to him or her by the board.

(d) The executive director shall report any settlement that occurs after the hearing officer issues a proposed order to the board.

§ 13-116. Staff determinations — Appeals — Rights of members under the Arkansas Administrative Procedures Act.

(a) A member who receives an adverse final order from the Board of Trustees of the Arkansas Teacher Retirement System retains certain rights under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(b)(1) A member may file a petition for judicial review under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(2) A petition for judicial review of a final or of the board shall be filed by the member within thirty (30) days after service of the board's final order on the member.

(3) A member shall file the petition for judicial review in Pulaski County Circuit Court or the circuit court of any county in which the member resides or does business.

§ 13-117. Staff determinations — Appeals — Ex parte communications.

(a) The Arkansas Administrative Procedures Act, § 25-15-201 et seq., prohibits direct or indirect communications between the members and staff of the Arkansas Teacher Retirement System and a hearing officer or a member of the Board of Trustees of the Arkansas Teacher Retirement System concerning any issue of fact or law at issue in a member's appeal unless there has been notice providing all parties with an opportunity to participate in the communication.

(b) A hearing officer and a member of the board shall not consider any ex-parte or off-the-record evidence or statements made to them by the member or a staff member of the system in connection with a pending appeal.

(c) This section does not preclude communications by and between the hearing officer, system staff, and the board concerning minor scheduling and procedural matters necessary to timely and efficiently process and handle member appeals under the rules concerning the staff determination and appeal process.

§ 13-118. Manifest injustice.

(a) The Board of Trustees of the Arkansas Teacher Retirement System may waive or modify the impact of a rule, provision, or law applicable to the Arkansas Teacher Retirement System that does not violate a federal law or jeopardize the tax qualified status of the system in order to prevent a manifest injustice to a member, benefit participant, covered employer, or the system.

(b)(1) The process of declaring a manifest injustice is a rare and extraordinary remedy that shall not be used as a routine method of addressing error, oversight, or simple

mistake.

(2) As an extraordinary remedy, manifest injustice shall be cautiously and carefully used to prevent unfairness, to preserve the integrity of the system, and to avoid or correct unduly harsh or unconscionable outcomes.

(c) In determining whether or not a manifest injustice exists, the system may consider:

(1) The degree of fault of the system, benefit participant, or employer;

(2) An ambiguity in the interpretation of the circumstances, rule, or law;

(3) The cost to the system of correcting the error that is far outweighed by the benefit afforded to the system, benefit participant, or employer;

(4) Whether or not an expedited decision is in the public interest;

(5) The fundamental fairness of a remedy in a particular situation; and

(6) Whether or not the status quo would result in an unconscionable outcome.

(d)(1) The manifest injustice process shall not be used to address a change, omission, or error in the records of the system that may be corrected within the look-back period.

(2) The manifest injustice process may be used to correct a change, omission, or error in the records of the system discovered after the look-back period if the board determines that the time limitation imposed by the look-back period would cause a manifest injustice.

§ 13-119. Manifest injustice — Referrals.

(a) A manifest injustice referral shall be made to the Executive Director of the Arkansas Teacher Retirement System.

(b)(1) The following persons or entities may submit a manifest injustice referral to the executive director:

(A) A member of the Board of Trustees of the Arkansas Teacher Retirement System;

(B) A staff member of the system, including without limitation the executive director;

(C) A benefit participant as defined by Arkansas Code § 24-7-202;

(D) A covered employer; or

(E) A guardian, fiduciary, or other interested party.

(2) A member of the Manifest Injustice Committee shall not be permitted to make a manifest injustice referral to the executive director.

(c)(1) The Arkansas Teacher Retirement System shall create and maintain a record of each manifest injustice referral submitted to the executive director and the resolution of the manifest injustice referral.

(2) The executive director shall submit all manifest injustice referrals to the committee.

(3) Each referral shall be given a number and a year designation by the committee.

§ 13-120. Manifest injustice — Authority of executive director.

(a) With the member's written consent or, if applicable, the written consent of the member's counsel, the Executive Director the Arkansas Teacher Retirement System may suspend his or her review of a member's claim being considered under the rules concerning the staff determination and appeal process if the member's claim may be

more expediently resolved using the manifest injustice process.

(b)(1) The executive director is authorized to implement a resolution of a manifest injustice after a determination is made that a manifest injustice exists using the rules concerning the manifest injustice process.

(2)(A) The executive director may implement a resolution of a manifest injustice of up to **five thousand dollars (\$5,000)** of direct financial impact to the Arkansas Teacher Retirement System.

(B) The executive director shall provide the chair of the Board of Trustees of the Arkansas Teacher Retirement System with written notice of a manifest injustice determination and the proposed resolution before implementing the resolution if a resolution has a direct financial impact on the system in an amount exceeding five thousand dollars (\$5,000).

(c)(1) The executive director shall not waive a deadline that may apply in the law or rules applicable to the system.

(2) Only the Board of Trustees of the Arkansas Teacher Retirement System may waive a deadline.

(d)(1) The executive director shall provide a report to the board at least biannually that:

(A) Outlines the facts and circumstances of each manifest injustice referral;

(B) Describes findings and recommendations of the manifest injustice committee; and

(C) Provides and explains the resolution of the manifest injustice referral if a manifest injustice is found.

(2) The names of members or other information that is not material to the findings shall not be required in the report to the board.

§ 13-121. Manifest injustice — Manifest Injustice Committee.

(a) The Arkansas Teacher Retirement System's General Counsel and two (2) members of senior management designated by the Executive Director shall be the sole members of the Manifest Injustice Committee.

(b)(1) The committee shall review all manifest injustice referrals and shall meet on a reasonable schedule or as needed to review manifest injustice referrals.

(2) If a committee member has a conflict or otherwise cannot review or act on a manifest injustice referral due to absence, sickness, or work load, the committee member may appoint a representative from his or her supervised staff to review or act on the manifest injustice referral on the committee member's behalf.

(3) A majority vote of the committee shall constitute a recommendation on a manifest injustice referral.

(c)(1) The committee may request that a party to the manifest injustice referral provide information or input concerning the manifest injustice referral.

(2) A party to the manifest injustice referral is not required to provide any information or input requested by the committee.

(d)(1) The committee shall make a recommendation on the existence of a manifest injustice to the Executive Director of the Arkansas Teacher Retirement System based upon the committee's review of the manifest injustice referral.

(2) If the committee finds that a manifest injustice exists, then the committee shall propose and include in its recommendation a resolution of the manifest injustice.

§ 13-122. Manifest injustice — Review of recommendation.

(a)(1) The Executive Director of the Arkansas Teacher Retirement System shall review the manifest injustice referral and the Manifest Injustice Committee's basis for the recommendation.

(2)(A) The executive director may request that a party to the manifest injustice referral provide information or input concerning the manifest injustice referral.

(B) A party to the manifest injustice referral is not required to provide any information or input requested by the executive director.

(b)(1) The executive director may either accept the committee's recommendation or return the manifest injustice referral to the committee for further consideration if the executive director disagrees with the committee's recommendation.

(2)(A) The manifest injustice referral shall be considered reviewed and closed if the committee recommends that a manifest injustice exists and the executive director accepts the recommendation.

(B) If the committee recommends that a manifest injustice exists and the executive director accepts the recommendation, the executive director may either adopt the resolution suggested by the committee or an alternative resolution that the executive director is authorized to implement.

(C) A committee's recommendation that is accepted by the executive director and finds that a manifest injustice exists is not appealable under the rules concerning the staff determination appeal process or the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(3)(A) The manifest injustice referral shall be considered reviewed and closed if the committee recommends that a manifest injustice does not exist, the executive director accepts the recommendation, and the recommendation is not appealed to the Board of Trustees of the Arkansas Teacher Retirement System using the rules concerning the staff determination appeal process.

(B)(i) A committee's recommendation that is accepted by the executive director and finds that a manifest injustice does not exist may be appealed to the board using the rules concerning the staff determination appeal process if the manifest injustice referral involves:

(a) An ambiguity in the interpretation of the specific facts of the member's claim that would impact the manner in which the law, rules, or policy applicable to the system are applied to the member's claim;

(b) An ambiguity in the interpretation of the law, rules, or policy applicable to the system; or

(c) An ambiguity concerning the proper application of the law, rules, or policy applicable to the system to the specific facts of the member's claim.

(ii) A board member or staff member of the system shall not be permitted to appeal a committee's recommendation that is accepted by the executive director.

(iii) A committee's written recommendation shall not be considered a final decision or order of the system that may be appealed under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(4)(A) If a manifest injustice referral is returned to the committee by the executive director, the manifest injustice committee shall reconsider the manifest injustice referral

and take into consideration any addition information provided by the executive director.

(B) The committee may maintain or amend its original recommendation after reconsidering a manifest injustice referral that is returned by the executive director.

(C)(i) If the committee maintains its original recommendation and the executive director does not accept the recommendation, the executive director may include the manifest injustice referral as an action item on the agenda of the board's next scheduled meeting for consideration and resolution by board.

(ii) If the manifest injustice referral was submitted by a person or entity who is not a board or staff member of the Arkansas Teacher Retirement System, the system shall send the person or entity written notice that:

(a) Provides the time and date on which the board intends to consider the manifest injustice referral;

(b) Advises the person or entity that the person or entity may present arguments to the board concerning the manifest injustice referral;

(c) Advises the person or entity that the system will send the person or entity a written final order of the board after the board meeting; and

(d) Advises that the board's final order shall be a final decision or order of the system that may be appealed by the person or entity under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

(D) If the board finds that a manifest injustice does exist, the board may implement a resolution suggested by the system's staff or an alternative resolution.

(E) A final order of the board concerning a manifest injustice referral shall be considered the final decision or order of the system that may be appealed under the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

Authority: Arkansas Code §§ 24-7-202, 24-7-205, and 25-15-201 — 24-15-219.

History

<u>Approved:</u>	<u>February 1, 2010</u>	<u>(Emergency), 13-1</u>
<u>Approved:</u>	<u>June 7, 2010</u>	<u>Permanent, 13-1</u>
<u>Approved by Board:</u>	<u>July 26, 2013</u>	<u>13-1, 17-1</u>
<u>Amended:</u>	<u>October 9, 2013</u>	<u>13-1</u>
<u>Adopted:</u>	<u>October 9, 2013</u>	<u>17-1</u>
<u>Effective:</u>	<u>November 8, 2013</u>	<u>13-1, 17-1</u>
<u>Final Approval by Board:</u>	<u>February 5, 2018</u>	<u>13-1</u>
<u>Effective:</u>	<u>February 16, 2018</u>	<u>13-1</u>
<u>Effective:</u>	<u>TBD</u>	<u>Rule 13-1</u>

**BEFORE THE
BOARD OF TRUSTEES OF THE ARKANSAS TEACHER RETIREMENT SYSTEM**

IN RE DISABILITY RETIREE – ATRS ID # 377358

**ORDER FINDING DISABILITY RETIREE QUALIFIED TO CONTINUE RECEIVING DISABILITY
RETIREMENT BENEFITS**

At its meeting on December 4, 2023, the Board of Trustees of the Arkansas Teacher Retirement System (“Board”) considered the disability review application filed by disability retiree - ATRS ID # 377358 (“Disability Retiree”) and the Medical Committee’s recommendation concerning the disability review application. In accordance with the Administrative Procedures Act, Ark. Code Ann. § 25-15-101 et seq., the Board finds as follows:

I. FINDINGS OF FACT

1. The Disability Retiree was approved for disability retirement under the Arkansas Teacher Retirement System (“ATRS”) on December 9, 2020.
2. The Disability Retiree was required to provide ATRS with a Social Security Administration determination letter (“SSA determination letter”) finding her unable to perform her work duties within thirty-six (36) months from the effective date of her disability retirement.
3. The Disability Retiree’s effective date of disability retirement was January 1, 2021. As such, the Disability Retiree was required to provide ATRS with the SSA determination letter by December 31, 2023.
4. On December 9, 2020, and December 23, 2020, ATRS notified the Disability Retiree that she was required to provide ATRS with a SSA determination letter finding her unable to perform her former work duties within thirty-six (36) months of the Disability Retiree’s effective date of disability retirement in order to continue receiving disability retirement benefits.
5. On December 16, 2021, ATRS sent a written reminder to the Disability Retiree advising that the SSA determination letter would need to be submitted to ATRS in order for the Disability Retiree to continue receiving disability retirement benefits.
6. The Disability Retiree submitted a SSA determination letter dated December 8, 2022, to ATRS. The SSA determination letter denied the Disability Retiree’s application for Social Security disability benefits.
7. By letter dated August 23, 2023, ATRS advised the Disability Retiree that she would need to either submit an award letter approving her for Social Security disability benefits if she appealed the December 8, 2023,

SSA determination letter and received a favorable ruling or apply for disability review in order to continue receiving disability benefits from ATRS without interruption.

8. On or about October 10, 2023, the Disability Retiree applied for disability review by the Medical Committee of her disability benefits ceasing due to the lack of a SSA determination letter finding the Disability Retiree unable to perform her former work duties.
9. On November 8, 2023, the Medical Committee met and considered the Disability Retiree's application for disability review.
10. After reviewing the Disability Retiree's application for disability review, the Medical Committee decided to recommend that the Board find the Disability Retiree qualified to continue receiving disability retirement benefits under ATRS.

II. CONCLUSIONS OF LAW

Ark. Code Ann. § 24-7-704 provides as follows:

1. In order to continue receiving disability retirement benefits under ATRS, a disability retiree is required to provide ATRS with a SSA determination letter finding the disability retiree unable to perform his or her work duties;
2. A disability retiree must provide ATRS with a SSA determination letter finding the disability retiree unable to perform his or her work duties within thirty-six (36) months of the applicable time period provided by Ark. Code Ann. § 24-7-704;
3. ATRS is required to terminate disability retirement benefit payments to a disability retiree who does not either:
 - a. Provide or receive an extension to provide ATRS with a SSA determination letter finding the disability retiree unable to perform his or her former work duties; or
 - b. Apply for a review by the Medical Committee;
4. The Medical Committee must hear all applications for review concerning the termination of disability retirement benefit payments to a disability retiree due to the lack of a SSA determination letter finding the disability retiree unable to perform his or her former work duties; and
5. The Medical Committee's recommendation to find a disability retiree qualified to continue receiving disability retirement benefits must be consistent with finding that the:

- a. Disability retiree is physically or mentally incapacitated;
- b. Disability retiree exhibits symptoms of physical or mental incapacitation while he or she was employed by a system employer as an active member;
- c. Disability retiree is unable to perform his or her work duties;
- d. Disability retiree's incapacity will most likely be permanent; and
- e. Disability retiree should be retired.

III. ORDER

1. Upon consideration of Ark. Code Ann. § 24-7-701 et seq., applicable ATRS rules, and the evidence presented at the meeting, the Board voted to approve the Medical Committee's recommendation concerning the Disability Retiree's application for disability review.
2. The Board finds the Disability Retiree qualified to continue receiving disability retirement benefits under ATRS.

IT IS SO ORDERED

Danny Knight, Chairman
December 4, 2023

SUMMARY OF DISABILITY APPLICATIONS SUBMITTED
FOR CONSIDERATION BY THE MEDICAL COMMITTEE

The Medical Committee met in executive session in the first floor conference room at 9:30 a.m. on October 4, 2023. Those members present were Dr. Eddie Phillips, Dr. Hoyte Pyle, and Dr. Jim Morse. Anne Marie Lehman Berardi & Jennifer Liwo of the Teacher Retirement System were also in attendance.

A total of thirteen disability applications were considered. Of the thirteen applicants, eleven were approved, ATRS ID: 448976; 491748; 169713; 190106; 178697; 181675; 176167; 382454; 192018; 139782; & 438055. Two applicants had more information requested, ATRS ID: 174192; 373988.

Respectfully Submitted,



Eddie Phillips, CMO
Medical Committee Chairman

Respectfully Submitted,



Anne Marie Lehman Berardi
Retirement Benefits Counselor

SUMMARY OF DISABILITY APPLICATIONS SUBMITTED
FOR CONSIDERATION BY THE MEDICAL COMMITTEE

The Medical Committee met in executive session in the first floor conference room at 9:30 a.m. on November 8, 2023. Those members present were Dr. Eddie Phillips, Dr. Hoyte Pyle, and Dr. Jim Morse. Anne Marie Berardi & Jennifer Liwo of the Teacher Retirement System were also in attendance.

A total of six disability applications were considered. Of the six applicants, one applicant was approved, ATRS ID:435381. One applicant was denied, ATRS ID: 378367. Four applicants had more information requested, ATRS ID 433512; 295781; 370705; & 370905.

Respectfully Submitted,



Eddie Phillips, CMO
Medical Committee Chairman

Respectfully Submitted,



Anne Marie Berardi
Retirement Benefits Counselor

ARKANSAS TEACHER RETIREMENT SYSTEM
FINANCIAL COMPARISON

PLAN NET POSITION

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Percentage Change</u>
ASSETS			
Cash and cash equivalents	349,165,471	367,097,595	
Accounts receivable	103,517,892	94,804,490	
Investments	20,267,561,427	19,268,876,123	
Invested securities lending	457,448,502	770,276,668	
Equipment (net of accumulated depreciation)	73,496	89,714	
Deferred Outflows Related to OPEB	493,831	685,899	
Other assets	<u>137,233</u>	<u>101,973</u>	
TOTAL ASSETS	<u>21,178,397,853</u>	<u>20,501,932,462</u>	3.30%
LIABILITIES			
Deferred Inflows Related to OPEB	1,659,915	2,070,062	
Securities lending collateral	457,448,502	770,276,668	
Investment principal payable	37,647,135	43,265,338	
Survivor benefits for minors	14,149	14,149	
Other payables	<u>6,576,235</u>	<u>6,838,994</u>	
TOTAL LIABILITIES	<u>503,345,935</u>	<u>822,465,211</u>	-38.80%
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u>20,675,051,918</u>	<u>19,679,467,251</u>	5.06%

CHANGES IN PLAN NET POSITION

	For the Year Ended		Percentage Change
	June 30, 2023	June 30, 2022	
ADDITIONS			
Contributions	<u>737,229,752</u>	<u>684,837,856</u>	7.65%
Investment income			
Interest and dividends	195,420,915	181,668,556	
Gain / (loss) on investments	1,550,226,802	(1,729,497,002)	
Real estate operating income	6,437,924	6,387,875	
Securities lending activity	3,789,883	3,527,825	
Other investment income	<u>1,244,319</u>	<u>508,754,833</u> (1)	
Total investment income	1,757,119,841	(1,029,157,913)	
Less investment expense	<u>64,810,579</u>	<u>53,687,251</u>	
Net income from investing activities	<u>1,692,309,263</u>	<u>(1,082,845,164)</u>	
TOTAL ADDITIONS	<u>2,429,539,014</u>	<u>(398,007,308)</u>	
DEDUCTIONS			
Benefits	1,413,477,760	1,374,220,915	
Refunds	12,583,767	10,426,792	
Administrative expenses (2)	<u>7,892,822</u>	<u>6,650,604</u>	18.68%
TOTAL DEDUCTIONS	<u>1,433,954,348</u>	<u>1,391,298,311</u>	3.07%
CHANGE IN NET PLAN POSITION	995,584,666	(1,789,305,619)	
NET POSITION - BEGINNING OF YEAR	<u>19,679,467,252</u>	<u>21,468,772,871</u>	
NET POSITION - END OF YEAR	<u>20,675,051,918</u>	<u>19,679,467,252</u>	5.06%

- (1) Includes a \$507 million settlement
(2) Includes an adjustment to account for OPEB related costs (see note below). Due to this entry, the amount shown for ATRS administrative expenses will vary more than "normal" from year to year. See below for admin expense presented without OPEB adjustment

Government Accounting Standards Board (GASB) Statement No 75, issued June 2015, requires ATRS to account for a proportionate share of the cost of Other Post Employment Benefits (OPEB) provided by the state (i.e. post employment insurance benefits). Each year the Arkansas Department of Finance and Administration provides ATRS the entry to be posted to the ATRS financial statements. A portion of the entry directly affects admin expenses as well as accounts for deferred inflows as an additional liability and deferred outflows as an additional asset.

<u>FY2023</u>	<u>FY2022</u>	
<u>8,103,864</u>	<u>8,392,819</u>	-3.44%

Fiscal Year 2023 Board and Staff Travel Report

ATRS staff is presenting travel expenditure reports in two categories (Board and Staff). More detail is available upon request.

Overall, total travel increased only slightly remaining essentially unchanged from the prior fiscal year.

	FY2023	FY2022	Difference	% Increase (Decrease)
Board	\$9,410	\$7,962	\$1,448	18.2%
Staff	\$20,987	\$22,103	(\$1,116)	-5.0%
Total	\$30,398	\$30,065	\$333	1.1%

TO: ATRS Board of Trustees
Mark White, Executive Director

FROM: Vicky Fowler, Human Resources Manager

Date: December 4, 2023

RE: Personnel Report

ATRS currently has a total of 87 appropriated positions with 69 positions filled, and 18 vacant.

Turnover rate for this period is 5%.

Breakdown of vacancies occurring from November 23, 2022 to November 14, 2023

- 6 due to Internal Promotion
- 1 due to Voluntary Termination
- 1 due to Lateral Transfer
- 1 due to Retirement
- 1 due to Death of Employee

Position Activity from November 23, 2022 to November 14, 2023.

- 19 Positions advertised
- 374 Applications received
- 68 Applicants interviewed
- 12 Positions filled
- 6 Pending interviews

The ATRS Human Resources Manager will be available to answer any questions regarding this report.



TRUSTEE APPLICATION – UNEXPIRED TERM
ATRS Board Position #4
(Certified Member Trustee – 4th Congressional District)

In accordance with A.C.A. § 24-7-302(b)(2), the ATRS Board voted on November 1, 2023, to use the authority of Board appointment to fill the vacancy of elected trustee Position #4. The Board intends to act upon this vacancy at a future Board meeting in December. The appointed trustee will serve through June 30, 2024. ATRS will hold a regular election for Position #4 in April 2024. The winner of the April 2024 election will serve in Position #4 until June 30, 2025.

CANDIDATE QUALIFICATIONS:

- 1) Must be an active member with ATRS or a participant in the T-DROP who is receiving T-DROP Deposits;
- 2) Must have a minimum of 5 years of actual service in ATRS;
- 3) Must be employed in a position that requires requiring state teaching licensure or its equivalent, but not an administrator's license;
- 4) Must be employed by a covered employer in the 4th Congressional District; and
- 5) If nominee holds two or more positions, i.e., works as a teacher and a bus driver, eligibility shall be determined by his/her primary employment.

Name Dr. Bruce Bryant Social Security Number (Last 4) 1589
 Employer Cedar Morning Star School District Position Teacher
 Home Address 823 9th Street, Hot Springs, AR 71913
 Phone (Work) _____ (Home or Cell) 501-977-6215
 E-mail address drbryant@gmail.com

The applicant must attach a statement of 75 words or less demonstrating his or her reasons for seeking the position. The statement may include the applicant's personal, educational, and professional qualifications and experience, as it applies to serving the members of ATRS.

**THIS APPLICATION (including attachment) MUST BE RECEIVED BY ATRS ON OR BEFORE
 NOON on Monday, November 20, 2023.**

Send application and attached statement to:

Arkansas Teacher Retirement System
 ATTN: Mark White
 1400 W. Third Street
 Little Rock, AR 72201

OR Fax: 501-371-2161
 ATTN: Mark White

OR Email: MarkW@artrs.gov

Dr. Bruce Bryant has worked in a variety of capacities in both K-12 and higher education for the past thirty years. Having been a superintendent, principal, and classroom teacher, he would enjoy using his experiences to serve the members of ATRS. Seeking to return to his true love of teaching, the real reason he entered education, Dr. Bryant recently joined the faculty at Cutter Morning Star in Hot Springs as a classroom teacher.



ATRS
NOV 13 2023
Fax approved
-tl -tl

TRUSTEE APPLICATION – UNEXPIRED TERM
ATRS Board Position #4
(Certified Member Trustee – 4th Congressional District)

11/15/2023
email confirm
eligibility

In accordance with A.C.A. § 24-7-302(b)(2), the ATRS Board voted on November 1, 2023, to use the authority of Board appointment to fill the vacancy of elected trustee Position #4. The Board intends to act upon this vacancy at a future Board meeting in December. The appointed trustee will serve through June 30, 2024. ATRS will hold a regular election for Position #4 in April 2024. The winner of the April 2024 election will serve in Position #4 until June 30, 2025.

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- 3) Must be employed in a position that requires requiring state teaching licensure or its equivalent, but not an administrator's license;
- 4) Must be employed by a covered employer in the 4th Congressional District; and
- 5) If nominee holds two or more positions, i.e., works as a teacher and a bus driver, eligibility shall be determined by his/her primary employment.

Name Gerald L. Haltom ✓ Social Security Number (Last 4) 7562 ✓
 Employer Johnson County Westside School District ✓ Position High School Resource Teacher - Math ✓
 Home Address PO Box 903, 9594 Hwy. 352, Clarksville, AR 72830 ✓
 Phone (Work) 479-497-1171 (Home or Cell) 479-979-2406
 E-mail address ghaltom@westsiderebels.net

The applicant must attach a statement of 75 words or less demonstrating his or her reasons for seeking the position. The statement may include the applicant's personal, educational, and professional qualifications and experience, as it applies to serving the members of ATRS.

THIS APPLICATION (including attachment) MUST BE RECEIVED BY ATRS ON OR BEFORE NOON on Monday, November 20, 2023.

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Arkansas Teacher Retirement System
ATTN: Mark White
1400 W. Third Street
Little Rock, AR 72201

OR Fax: 501-371-2161
ATTN: Mark White
OR Email: MarkW@artrs.gov

ATRS

NOV 15 2023

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appreciate
to

I am Gerald Haltom and in my 30th year of teaching at Johnson County Westside High School and my second year of receiving T-DROP deposits. My desire to help maintain and support the teacher retirement program for current and future retirees to have a secure and sustainable retirement has led me to apply for this position. I would appreciate the opportunity to serve on the Board of Trustees and represent the 4th Congressional District.

ATRS
NOV 10 2023
Email
tp.

Approved
tp.



**TRUSTEE APPLICATION – UNEXPIRED TERM
ATRS Board Position #4
(Certified Member Trustee – 4th Congressional District)**

11/15/2023 - Email
confirmation of
eligibility
tp.

In accordance with A.C.A. § 24-7-302(b)(2), the ATRS Board voted on November 1, 2023, to use the authority of Board appointment to fill the vacancy of elected trustee Position #4. The Board intends to act upon this vacancy at a future Board meeting in December. The appointed trustee will serve through June 30, 2024. ATRS will hold a regular election for Position #4 in April 2024. The winner of the April 2024 election will serve in Position #4 until June 30, 2025.

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- 3) Must be employed in a position that requires requiring state teaching licensure or its equivalent, but not an administrator's license;
- 4) Must be employed by a covered employer in the 4th Congressional District; and
- 5) If nominee holds two or more positions, i.e., works as a teacher and a bus driver, eligibility shall be determined by his/her primary employment.

Name Keri Hamilton ✓
 Employer Magnolia School District ✓
 Home Address 9 Lafayette 2lele, Stamps, AR 71860 ✓
 Phone (Work) 870-234-2610 (Home or Cell) 870-299-0376
 E-mail address khamilton@magnoliaschools.net

Social Security Number (Last 4) 1464 ✓
 Position High School English Teacher ✓

The applicant must attach a statement of 75 words or less demonstrating his or her reasons for seeking the position. The statement may include the applicant's personal, educational, and professional qualifications and experience, as it applies to serving the members of ATRS.

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NOON on Monday, November 20, 2023.**

Send application and attached statement to:

Arkansas Teacher Retirement System
ATTN: Mark White
1400 W. Third Street
Little Rock, AR 72201

OR Fax: 501-371-2161
ATTN: Mark White

OR Email: MarkW@artrs.gov

Keri Hamilton—Magnolia School District

As an NBC teacher and veteran educator, I understand the importance of securing one of the nation's top retirement plans for school employees. The ARTRS is a consistent, lucrative benefit which can attract qualified teachers to our state. I seek opportunities to make an impact in my community. This position would allow me to represent my area, to help secure our retirement, and to use my knowledge to attract college students to the teaching field.

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ATRS

NOV 10 2023

Fax
th.

approval
th.

11/15/2023 - email
confirmation of
eligibility
th.

TRUSTEE APPLICATION – UNEXPIRED TERM
ATRS Board Position #4
(Certified Member Trustee – 4th Congressional District)

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- 4) Must be employed by a covered employer in the 4th Congressional District; and
- 5) If nominee holds two or more positions, i.e., works as a teacher and a bus driver, eligibility shall be determined by his/her primary employment.

Name Ashley Nelson ✓ Social Security Number (Last 4) 4612 ✓

Employer Malvern High School ✓ HSC Position Teacher ✓

Home Address 803 Terrell Rd, Arkadelphia AR 71923

Phone (Work) 501-332-6905 (Home or Cell) 870-223-1687

E-mail address anelson@malvernleopards.org

The applicant must attach a statement of 75 words or less demonstrating his or her reasons for seeking the position. The statement may include the applicant's personal, educational, and professional qualifications and experience, as it applies to serving the members of ATRS.

THIS APPLICATION (including attachment) MUST BE RECEIVED BY ATRS ON OR BEFORE NOON on Monday, November 20, 2023.

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Arkansas Teacher Retirement System
ATTN: Mark White
1400 W. Third Street
Little Rock, AR 72201

OR Fax: 501-371-2161
ATTN: Mark White

OR Email: MarkW@artrs.gov

My name is Ashley Nelson, and I have been teaching for 17 years. 15 of the years have been at my current school as an English teacher. I hold a teaching license in English Language Arts 7th-12th and Communication. In 2019, I received my Master's degree in Library Media Science from the University of Central Arkansas. This year, I began working towards my Education Doctorate in Rural and Diverse Educational Leadership at Southern Arkansas University.

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