



STATE OF ARKANSAS
OFFICE OF THE ATTORNEY GENERAL
JUSTICE BUILDING, LITTLE ROCK 72201

(501) 371-2007

STEVE CLARK
ATTORNEY GENERAL
MEMORANDUM NO. 85-114

May 28, 1985

Kie D. Hall, Assistant Director
Public Employees Retirement System
One State Capitol Mall
Little Rock, Arkansas 72201

Dear Mr. Hall:

This is in response to your request for an opinion. Your question is:

When a member fails to designate a beneficiary upon re-enrollment as a member of the system, after having received a refund of all the contributions she had paid to the system during previous membership, is the person designated as beneficiary during such previous membership period still the valid beneficiary until the member designates another person?

Ark. Stat. Ann. § 12-2507 (Repl. 1979) states any person whose state employment ends, except for retirement or death, shall cease to be a member of the system. If he resumes state employment he shall again become a member of the system. Previous credited service forfeited by him shall be restored upon his repayment, including interest, of the amounts withdrawn from the system. We understand that for purposes of this opinion the employee completed new forms to reenter the system, did not designate a beneficiary, and did not repay the sum withdrawn upon the previous separation from the system.

It appears that the intent of the law and the system's practice is to create a new account when an employee resumes state employment. The cessation of membership upon leaving state employment appears to terminate the designation of a beneficiary as there is nothing remaining for the beneficiary to receive. The relationship between the employee and system is created anew upon reentry in state employment, as demonstrated by new documentation completed by the parties. The employee's failure to designate a beneficiary upon resuming employment appears to leave the employee without a named beneficiary rather than to resurrect the status of that designated during previous employment.

Kie D. Hall, Assistant Director
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This opinion, which I hereby approve, was prepared by Assistant Attorney General Thomas S. Gay.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Clark", written in dark ink.

STEVE CLARK
Attorney General

JCS:TSG:jk