

Stricken language would be deleted from and underlined language would be added to present law.
Act 603 of the Regular Session

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: S1/31/13 S3/19/13
A Bill

SENATE BILL 130

By: Senator J. Hutchinson

For An Act To Be Entitled

AN ACT TO ALLOW THE BOARD OF TRUSTEES OF THE ARKANSAS
TEACHER RETIREMENT SYSTEM TO INCREASE OR DECREASE THE
STIPEND BENEFIT FOR MEMBERS AS ACTUARIALLY
APPROPRIATE; TO DECLARE AN EMERGENCY; AND FOR OTHER
PURPOSES.

Subtitle

TO ALLOW THE BOARD OF TRUSTEES OF THE
ARKANSAS TEACHER RETIREMENT SYSTEM TO
INCREASE OR DECREASE THE STIPEND BENEFIT
FOR MEMBERS AS ACTUARIALLY APPROPRIATE
AND TO DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 24-7-713(b), concerning the monthly benefit stipend, is amended to read as follows:

(b)(1)~~(A)~~ Effective July 1, ~~1999~~ 2013, ~~subject to the minimum financial conditions set forth in § 24-7-718, retirees, survivors, and beneficiaries shall receive an increase in benefits of~~ the Board of Trustees of the Arkansas Teacher Retirement System may modify the amount of the benefit stipend from a maximum of seventy-five dollars (\$75.00) per month to not less than fifty dollars (\$50.00) one dollar (\$1.00) per month for eligible benefit participants as a benefit supplement in addition to the cost-of-living adjustment under subsection (a) of this section.

~~(B) However, the Board of Trustees of the Arkansas Teacher Retirement System may elect and is granted authority to increase the benefit~~



~~to retirees in an amount determined by the board, except that the benefit increase shall not exceed seventy five dollars (\$75.00) per month.~~

~~(2)(A) Members retiring after July 1, 1999, but before July 1, 2008, with five (5) or more years of actual service in the Arkansas Teacher Retirement System and their survivors and beneficiaries shall receive an additional benefit of not less than fifty dollars (\$50.00) per month over and above their regular annuity~~ A benefit stipend increase or decrease adopted by the board shall apply to a complete fiscal year and shall remain in effect until adjusted by the board subject to the limitations under subdivision (b)(4) of this section.

~~(B) Members retiring on or after July 1, 2008, with ten (10) or more years of actual service in the Arkansas Teacher Retirement System and their survivors and beneficiaries shall receive an additional benefit of not less than fifty dollars (\$50.00) per month over and above their regular annuity.~~

~~(C) However, the board may elect and is granted authority to increase the additional benefit to members retiring in an amount determined by the board, except that the additional benefit shall not exceed seventy five dollars (\$75.00) per month.~~

~~(3) The board may prorate the benefits provided under this subsection for all members retiring after June 30, 1999, if the member is also eligible for an additional monthly benefit as a result of credited service under one (1) or more of the other reciprocal systems, as such systems are enumerated in § 24-2-401~~ adjust the benefit stipend amount by resolution at a meeting of the board.

(4) The board shall not reduce the benefit stipend unless the system's actuary certifies to the board that the amortization period exceeds thirty (30) years and that in order to address an amortization period in excess of thirty (30) years to pay unfunded liabilities of the system, the board determines that the stipend should be reduced.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that provisions of the Arkansas Teacher Retirement System Act are in need of revision to maintain the teacher retirement laws in conformance with sound public pension policy; that the Arkansas Teacher Retirement System operates on a July 1 to June 30 fiscal

year; that having a July 1, 2013, effective date is necessary to allow the provisions of this act to begin on the first day of the fiscal year and to provide proper administration of the system; and that this act is necessary to maintain an orderly system of benefits for the members of the Arkansas Teacher Retirement System. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2013.

/s/J. Hutchinson

APPROVED: 04/04/2013