

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

SENATE BILL 141

By: Senator J. Cooper

For An Act To Be Entitled

AN ACT TO MODIFY THE FINAL AVERAGE SALARY CALCULATION
METHOD UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM;
TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO MODIFY THE FINAL AVERAGE SALARY
CALCULATION METHOD UNDER THE ARKANSAS
TEACHER RETIREMENT SYSTEM; AND TO DECLARE
AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-7-736(c)(3)(D), concerning the calculation of final average salaries under the Arkansas Teacher Retirement System Act, is amended to read as follows:

(D) The next highest year's value in the calculation of final average salary shall not exceed ~~one hundred twenty percent (120%)~~ the percentage increase of the base year, unless the difference in value between the next-highest year and the base year is ~~five thousand dollars (\$5,000) or less~~ within the amount of the salary differential.

SECTION 2. Arkansas Code § 24-7-736, concerning the calculation of final average salaries under the Arkansas Teacher Retirement System, is amended to add an additional subsection to read as follows:

(f) The board may adjust the final average salary calculated in accordance with subsection (c) of this section by board resolution provided that:



(1) The percentage increase under subdivision (c)(3)(D) of this section is adjusted no lower than one hundred five percent (105%) per year and no higher than one hundred twenty percent (120%) per year; and

(2) The salary differential permitted under subdivision (c)(3)(D) of this section is set no lower than one thousand two hundred fifty dollars (\$1,250) per year and no higher than five thousand dollars (\$5,000) per year.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the operations of the Arkansas Teacher Retirement System are complex; that the system must be able to meet the needs of its members as anticipated by the General Assembly; that certain provisions of the Arkansas Teacher Retirement System Act are imminently in need of revision and updating to bring them into conformance with sound public pension policy and actuarial requirements; that such revision and updating is of great importance to members of the system and to other citizens of the State of Arkansas; that the system needs to have the ability to make immediate changes to maintain and improve its actuarial status; and that this act is immediately necessary in order to maintain an orderly management of benefits for the members of the system. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

APPROVED: 03/23/2017