

Stricken language would be deleted from and underlined language would be added to present law.
Act 782 of the Regular Session

State of Arkansas
91st General Assembly
Regular Session, 2017

As Engrossed: H3/21/17
A Bill

HOUSE BILL 1373

By: Representative Deffenbaugh

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE APPLICATION
AND ADJUSTMENT OF BENEFIT STIPENDS UNDER THE ARKANSAS
TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY;
AND FOR OTHER REASONS.

Subtitle

TO AMEND THE LAW CONCERNING THE
APPLICATION AND ADJUSTMENT OF BENEFIT
STIPENDS 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 § 24-7-713(a)(4), concerning simple cost of living adjustment and monthly benefit stipends under the Arkansas Teacher Retirement System, is amended to read as follows:

(4) As used in this section, "base amount" means the amount of the benefit payable at retirement plus any one-time increases granted by legislative change after the member's effective date of retirement benefits, excluding the simple cost of living adjustment under this section and the benefit stipend under subsection (d) of this section.

SECTION 2. Arkansas Code § 24-7-713(b), concerning simple cost of living adjustment and monthly benefit stipends under the Arkansas Teacher Retirement System, is amended to read as follows:

(b)(1) Effective July 1, 2013, 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 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.

(2) 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.

(3) The board may adjust the benefit stipend amount by *resolution at a meeting of the board.*

(4) *The board shall not reduce the benefit stipend unless the:*

(A) Arkansas Teacher Retirement System's actuary certifies to the board that the amortization period exceeds ~~thirty (30)~~ eighteen (18) years; and

(B) ~~that in order to address an amortization period in excess of thirty (30) years to pay unfunded liabilities of the Arkansas Teacher Retirement System, the board~~ Board determines that ~~the~~ a reduction in the benefit stipend should be reduced is prudent to maintain actuarial soundness.

(5) The board may phase in an increase or decrease of the benefit stipend.

SECTION 3. Arkansas Code § 24-7-713, concerning retirement annuity, simple cost of living adjustment, and monthly benefit stipends under the Arkansas Teacher Retirement System, is amended to add an additional subsection to read as follows:

(d)(1) The board may remove by board resolution the benefit stipend from the base amount of current retirants and option beneficiaries if the board determines that the removal of the benefit stipend from the base amount is prudent in order to maintain actuarial soundness.

(2) The board may phase in the removal of the benefit stipend from the base amount of current retirant and option beneficiaries by board resolution.

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the operations of a state public retirement system are complex; that the Arkansas Teacher Retirement 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.

/s/Deffenbaugh

APPROVED: 03/31/2017