

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1202

By: Representative Warren
By: Senator K. Hammer

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE MULTIPLIER
USED TO CALCULATE A LIFE ANNUITY UNDER THE ARKANSAS
TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY;
AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING THE
MULTIPLIER USED TO CALCULATE A LIFE
ANNUITY 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 § 24-7-705(b)(2)(G), concerning the special contributory multiplier rate set by the Board of Trustees of the Arkansas Teacher Retirement System for the first ten (10) years of service credit, are amended to read as follows:

(G) The board may set a special contributory multiplier rate for the first ten (10) years of service credit as follows:

~~(i) The multiplier rate for contributory service shall not be less than one and seventy five hundredths percent (1.75%) or higher than two and fifteen hundredths percent (2.15%);~~

~~(ii)~~(i) The multiplier rate for contributory service used for the first ten (10) years of service shall not be ~~higher than the multiplier rate for subsequent years of service~~ less than one and seventy-



five hundredths percent (1.75%) or more than two and fifteen hundredths percent (2.15%); and

~~(iii)~~(ii) After a member earns ten (10) years of credited service, the board may increase the multiplier rate earned in the first ten (10) years to the standard multiplier rate for contributory service for all or part of the first ten (10) years of service.

SECTION 2. Arkansas Code § 24-7-705(b)(3)(G)(i), concerning the special noncontributory multiplier rate set by the Board of Trustees of the Arkansas Teacher Retirement System for the first ten (10) years of service credit, is amended to read as follows:

(i) The multiplier rate for noncontributory service used for the first ten (10) years of service shall not be ~~higher than the multiplier rate for subsequent years of service~~ less than five-tenths of one percent (0.5%) or more than one and twenty-five hundredths percent (1.25%); and

SECTION 3. 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 need revision and updating to bring them into conformance with sound public pension policy and actuarial requirements; that the revisions and updates are of great importance to members of the Arkansas Teacher Retirement System and to other citizens of the State of Arkansas; that as the Arkansas Teacher Retirement System operates on a fiscal year of July 1 to June 30, a July 1, 2023, effective date is necessary in order to allow the provisions within this act to begin on the first day of the fiscal year and to allow for a structured and proper administration of the procedures referenced in this act; that the updates and revisions to the Arkansas Teacher Retirement System Act are of great importance for actuarial purposes and for the improvement and protection of member benefits under the Arkansas Teacher Retirement System; and that this act is necessary in order 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, 2023.

APPROVED: 2/13/23