

**Hall of the House of Representatives**  
89th General Assembly - Regular Session, 2013  
**Amendment Form**

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**Subtitle of House Bill No. 1199**

TO AMEND PROVISIONS OF TITLE 24, CHAPTER 7, SUBCHAPTER 7 OF THE ARKANSAS CODE  
CONCERNING TEACHER RETIREMENT.

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**Amendment No. 1 to House Bill No. 1199**

Amend House Bill No. 1199 as originally introduced:

Page 1, line 8, delete "TITLE 24, CHAPTER 7,"

AND

Page 1, line 9, delete "SUBCHAPTER 7 OF"

AND

Page 1, line 10, delete "RETIREMENT;" and substitute "RETIREMENT SYSTEM  
EMPLOYER CONTRIBUTIONS;"

AND

Delete the subtitle in its entirety and substitute:  
"TO AMEND PROVISIONS OF THE ARKANSAS CODE CONCERNING TEACHER RETIREMENT  
SYSTEM EMPLOYER CONTRIBUTIONS."

AND

Page 1, delete all language after the enacting clause and substitute:

"SECTION 1. Arkansas Code § 24-7-401(c), concerning fund  
contributions, is amended to add a new subdivision as follows:

(5)(A)(i) Beginning July 1, 2015, and for each fiscal year  
thereafter, the employer contribution rate shall not exceed fifteen percent  
(15%).

(ii) Until July 1, 2015, the employer contribution  
rate shall not exceed fourteen percent (14%).

(B)(i) For the fiscal year beginning July 1, 2015, and  
each fiscal year thereafter, the board may modify the employer contribution  
rate for the next fiscal year above fourteen percent (14%) in increments of  
one-fourth of a percent (0.25%) only if the annual report from the system's  
actuary provided for the previous fiscal year establishes that the system has



a greater than thirty-year amortization period to pay unfunded liabilities without an employer contribution rate of more than fourteen percent (14%) on a smoothed and unsmoothed basis limited to a maximum employer contribution rate of fifteen percent (15%).

(ii) If a report provided by the system's actuary shows that the system's amortization period to pay unfunded liabilities is thirty (30) years or less with a fourteen percent (14%) employer contribution rate on a smoothed or unsmoothed basis, then the employer contribution rate shall not exceed fourteen percent (14%).

(iii)(a) An increase in the employer contribution rate shall only occur if the system implements cost savings from member benefit programs and increased member contributions, measured after July 1, 2013, that equal or exceed the value of the employer contribution increase before or at the same time as an employer contribution increase.

(b) The cost savings from member benefit programs and increased member contributions shall take place or be approved before or at the same time as an employer contribution increase.

(c) The system may rely upon actuarial reports by the system's actuary to determine the relative impact of changes to member benefit programs and increased member contributions, including whether the cost savings from member benefit programs and increased member contributions is equal to or exceeds the value of the proposed employer contribution increase."

The Amendment was read \_\_\_\_\_

By: Representative Kizzia  
SAG/SAG - 04-08-2013 18:16:35  
SAG337

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Chief Clerk