

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: H3/26/13
A Bill

HOUSE BILL 1198

By: Representative Kizzia

For An Act To Be Entitled

AN ACT TO AUTHORIZE THE BOARD OF TRUSTEES OF THE
ARKANSAS TEACHER RETIREMENT SYSTEM TO CREATE A TIER
II BENEFIT PROGRAM FOR MEMBERS OF THE ARKANSAS
TEACHER RETIREMENT SYSTEM HIRED AFTER A CERTAIN DATE;
AND FOR OTHER PURPOSES.

Subtitle

TO AUTHORIZE THE BOARD OF TRUSTEES OF THE
ARKANSAS TEACHER RETIREMENT SYSTEM TO
CREATE A TIER II BENEFIT PROGRAM.

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

SECTION 1. Arkansas Code Title 24, Chapter 7, is amended to add an additional subchapter to read as follows:

Subchapter 17. Tier II Benefit Plan

24-7-1701. Tier II benefit plan authorized. The Board of Trustees of the Arkansas Teacher Retirement System is authorized to establish a Tier II benefit plan for members of the Arkansas Teacher Retirement System.

24-7-1702. Rules.

The Board of Trustees of the Arkansas Teacher Retirement System shall promulgate rules for a Tier II benefit plan if the board chooses to establish a Tier II benefit plan.

24-7-1703. Tier II benefit plan provisions.

(a) A Tier II benefit plan established by the Board of Trustees of the



Arkansas Teacher Retirement System shall become effective on the first day of a fiscal year.

(b)(1) A Tier II benefit plan shall:

(A) Apply only to members initially hired on or after July 1, 2015; and

(B) Afford the same benefits and rights to a Tier II benefit plan member as those members not in the Tier II benefit plan except for the benefits and rights under subsection (c) of this section.

(2) A member of the Arkansas Teacher Retirement System initially hired after a Tier II benefit plan is established shall be a member of the Tier II benefit plan.

(c) A Tier II benefit plan adopted by the board may modify the cost-of-living adjustment.

24-7-1704. Cost-of-living adjustment.

(a) The Board of Trustees of the Arkansas Teacher Retirement System may establish and adjust a simple cost-of-living rate adjustment for members of the Tier II benefit plan by resolution at a meeting of the board.

(b) A cost-of-living adjustment provided under this section shall not exceed three percent (3%).

(c) An established or adjusted cost-of-living adjustment rate may be:

(1) A set rate adjusted from time to time by the board;

(2) Tied to an inflation index; and

(3) Applied to a future fiscal year.

/s/Kizzia