

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

State of Arkansas  
91st General Assembly  
Regular Session, 2017

As Engrossed: H3/21/17

# A Bill

HOUSE BILL 1374

By: Representative Deffenbaugh

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE COMPOUNDED COST OF LIVING ADJUSTMENT UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND THE LAW CONCERNING THE COMPOUNDED COST OF LIVING ADJUSTMENT 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 § 24-7-727(b)(6), concerning compounded cost of living adjustment under the Arkansas Teacher Retirement System, is amended to read as follows:

*(6) The board shall not reverse a compounding cost of living adjustment unless the:*

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

*(B) ~~that in order to address an amortization period in excess of thirty (30) years to pay the unfunded liabilities of the system, the board~~ Board determines by board resolution that reversal of the compounding cost of living adjustment ~~be reversed~~ that occurred in 2009 is prudent to maintain actuarial soundness.*



SECTION 2. Arkansas Code § 24-7-727(b), concerning compounded cost of living adjustment under the Arkansas Teacher Retirement System, is amended to add additional subdivisions to read as follows:

(7) A board resolution reversing a compounding cost of living adjustment under subdivision (b)(6) of this section may include a chart or proxy formula to be applied when a member has a change in his or her benefits due to divorce, remarriage, or the death of the member or the member's spouse.

(8)(A) The board may phase in the reversal of a compounding cost of living adjustment under subdivision (b)(6) of this section by board resolution.

(B) Any reversal of a compounding cost of living adjustment under subdivision (b)(6) of this section shall be applied at the beginning of the fiscal year.

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 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*