

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: S1/25/17 S3/14/17
A Bill

SENATE BILL 155

By: Senator B. Sample
By: Representative Warren

For An Act To Be Entitled

AN ACT CONCERNING THE REDETERMINATION OF BENEFITS UNDER THE ARKANSAS STATE HIGHWAY EMPLOYEES' RETIREMENT SYSTEM; TO INCORPORATE A COST-OF-LIVING ADJUSTMENT IN THE CALCULATION OF REDETERMINED BENEFITS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

AN ACT CONCERNING THE REDETERMINATION OF BENEFITS UNDER THE ARKANSAS STATE HIGHWAY EMPLOYEES' RETIREMENT SYSTEM; TO INCORPORATE A COST-OF-LIVING ADJUSTMENT IN THE CALCULATION OF REDETERMINED BENEFITS; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-5-119(b), concerning redetermination of benefits under the Arkansas State Highway Employees' Retirement System, is amended to read as follows:

(b)(1) The redetermined amount shall be the amount of the benefit otherwise payable as of the immediately preceding July 1 increased by the lesser of three percent (3%) or the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers as determined by the United States Department of Labor over the one-year period ending in the December immediately preceding the date for which the redetermined amount is being



calculated.

(2) However, the redetermined amount of the benefit to be paid shall not be less than the redetermined amount of the benefit paid in the preceding year.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the law prohibits a publicly supported retirement system from implementing a benefit enhancement if it would cause the publicly supported retirement system's unfunded actuarial accrued liabilities to exceed a thirty-year amortization; that the law prohibits a publicly supported system from implementing a benefit enhancement if it has unfunded actuarial accrued liabilities being amortized over a period exceeding thirty (30) years until the unfunded actuarial accrued liability is reduced to a level less than the standards prescribed by law; that the Arkansas State Highway Employees' Retirement System uses a general life expectancy table; and that the current method of redetermining benefits will cause the retirement system's unfunded actuarial accrued liabilities to exceed a thirty-year amortization if not immediately resolved by increasing the system's assets and reducing its unfunded liabilities. 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 and after July 1, 2017.

/s/B. Sample