

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: S3/22/17 S3/28/17
A Bill

SENATE BILL 184

By: Senator Hester

For An Act To Be Entitled

AN ACT TO MODIFY THE METHOD USED TO SET THE TEACHER DEFERRED RETIREMENT OPTION PLAN INTEREST RATE; TO ALLOW BALANCE TRANSFERS BETWEEN RECIPROCAL SYSTEMS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

AN ACT TO MODIFY THE METHOD USED TO SET THE TEACHER DEFERRED RETIREMENT OPTION PLAN INTEREST RATE; TO ALLOW BALANCE TRANSFERS BETWEEN RECIPROCAL SYSTEMS; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-7-1307(c), concerning account credit under the Teacher Deferred Retirement Option Plan, is amended to read as follows:

(c)(1) ~~For the purposes of this section, plan interest shall be at the rate determined by the board from time to time.~~ The board shall determine the plan interest rate to members' plan accounts based on:

(A) A fixed interest rate that is adopted by board resolution prior to the beginning of the fiscal year and which applies to subsequent fiscal years unless modified by the board; or

(B)(i) A variable interest rate formula that is based on investment returns and other factors adopted by board resolution prior to the beginning of the fiscal year.

(ii) If the board uses a variable interest rate



formula, the board shall adopt by board resolution the plan interest rate prior to the beginning of the fiscal year in which the plan interest rate applies.

(2) In addition to the applicable interest rate for the fiscal year, the board may adopt by board resolution a Teacher Deferred Retirement Option Plan participation incentive rate during a fiscal year if investment returns justify an incentive rate for the fiscal year.

SECTION 2. Arkansas Code § 24-7-1307(e), concerning account credit under the Teacher Deferred Retirement Option Plan, is amended to read as follows:

(e) For the purposes of this section, the ten (10) year plus plan interest rate shall be the rate determined ~~by the board as appropriate~~ to be appropriate by the board and adopted by board resolution prior to the beginning of the fiscal year in which the interest rate shall apply.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the operations of the Arkansas Teacher Retirement System are complex; that the 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/Hester