1   State of Arkansas
2   94th General Assembly   A Bill
3   Regular Session, 2023   HOUSE BILL 1202
4
5   By: Representative Warren
6   By: Senator K. Hammer
7
8   **For An Act To Be Entitled**
9   AN ACT TO AMEND THE LAW CONCERNING THE MULTIPLIER
10   USED TO CALCULATE A LIFE ANNUITY UNDER THE ARKANSAS
11   TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY;
12   AND FOR OTHER PURPOSES.
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15   **Subtitle**
16   TO AMEND THE LAW CONCERNING THE
17   MULTIPLIER USED TO CALCULATE A LIFE
18   ANNUITY UNDER THE ARKANSAS TEACHER
19   RETIREMENT SYSTEM; AND TO DECLARE AN
20   EMERGENCY.
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22
23   BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25   SECTION 1.   Arkansas Code § 24-7-705(b)(2)(G), concerning the special
26   contributory multiplier rate set by the Board of Trustees of the Arkansas
27   Teacher Retirement System for the first ten (10) years of service credit, are
28   amended to read as follows:
29   (G)   The board may set a special contributory multiplier
30   rate for the first ten (10) years of service credit as follows:
31   (i)   The multiplier rate for contributory service
32   shall not be less than one and seventy-five hundredths percent (1.75%) or
33   higher than two and fifteen hundredths percent (2.15%);
34   (ii)(i)   The multiplier rate for contributory service
35   used for the first ten (10) years of service shall not be higher than the
36   multiplier rate for subsequent years of service less than one and seventy-

1 five hundredths percent (1.75%) or more than two and fifteen hundredths

2 percent (2.15%); and

3 ~~(iii)~~(ii) After a member earns ten (10) years of

4 credited service, the board may increase the multiplier rate earned in the

5 first ten (10) years to the standard multiplier rate for contributory service

6 for all or part of the first ten (10) years of service.

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8 SECTION 2. Arkansas Code § 24-7-705(b)(3)(G)(i), concerning the

9 special noncontributory multiplier rate set by the Board of Trustees of the

10 Arkansas Teacher Retirement System for the first ten (10) years of service

11 credit, is amended to read as follows:

12 (i) The multiplier rate for noncontributory service

13 used for the first ten (10) years of service shall not be ~~higher than the~~

14 ~~multiplier rate for subsequent years of service~~ less than five-tenths of one

15 percent (0.5%) or more than one and twenty-five hundredths percent (1.25%);

16 and

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18 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the

19 General Assembly of the State of Arkansas that the operations of a state

20 public retirement system are complex; that the Arkansas Teacher Retirement

21 System must be able to meet the needs of its members as anticipated by the

22 General Assembly; that certain provisions of the Arkansas Teacher Retirement

23 System Act need revision and updating to bring them into conformance with

24 sound public pension policy and actuarial requirements; that the revisions

25 and updates are of great importance to members of the Arkansas Teacher

26 Retirement System and to other citizens of the State of Arkansas; that as the

27 Arkansas Teacher Retirement System operates on a fiscal year of July 1 to

28 June 30, a July 1, 2023, effective date is necessary in order to allow the

29 provisions within this act to begin on the first day of the fiscal year and

30 to allow for a structured and proper administration of the procedures

31 referenced in this act; that the updates and revisions to the Arkansas

32 Teacher Retirement System Act are of great importance for actuarial purposes

33 and for the improvement and protection of member benefits under the Arkansas

34 Teacher Retirement System; and that this act is necessary in order to

35 maintain an orderly system of benefits for the members of the Arkansas

36 Teacher Retirement System. Therefore, an emergency is declared to exist, and

1 this act being necessary for the preservation of the public peace, health,

2 and safety shall become effective on July 1, 2023.

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