

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: S3/1/99

A Bill

Act 1521 of 1999
SENATE BILL 291

5 By: Senators Hopkins, *Fitch*
6 By: Representative Faris
7
8

For An Act To Be Entitled

9
10 "AN ACT TO AMEND ARKANSAS CODE 24-7-702 TO REDUCE THE
11 EARLY RETIREMENT PENALTIES FOR TEACHER RETIREMENT
12 SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER
13 PURPOSES. "
14

Subtitle

15
16 "TO REDUCE THE EARLY RETIREMENT PENALTIES
17 FOR TEACHER RETIREMENT SYSTEM. "
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code § 24-7-702(b), regarding the early retirement
23 penalty for the Teacher Retirement System, is amended to read as follows:

24 "(b)(1) Upon an active or inactive member's retirement as provided in
25 this section, he shall receive, in lieu of any other system benefit, an early
26 annuity which shall be a certain percent of an annuity provided for in § 24-7-
27 705.

28 (2) The percent shall be the greater of:

29 (A) One hundred percent (100%) reduced by ~~the sum of ten~~
30 ~~percent (10%) plus~~ five-twelfths of one percent (5/12%) multiplied by the
31 number of months by which the time of early retirement precedes the earlier of
32 either completion of twenty-eight (28) years of credited service or attainment
33 of age sixty (60) years; or

34 (B) One hundred percent (100%) reduced by five-twelfths of
35 one percent (5/12%) multiplied by the number of months by which the time of
36 early retirement precedes the attainment of age sixty (60) years.

1 (3) (A) Effective July 1, 1997, the annuities of those members who
2 chose early retirement when the years of service required for an unreduced
3 annuity was thirty-five (35) or more years shall be adjusted to reflect the
4 amount for which they would have been entitled had the number of years to
5 retire with an unreduced annuity was thirty (30) years on the effective date
6 of their retirement.

7 (B) The annuities of those members who chose early
8 retirement from July 1, 1995 through June 30, 1999, who received an early
9 annuity as provided in 24-7-702 which was in effect at the time of their
10 retirement shall be adjusted effective July 1, 1999, to reflect a percent of
11 the annuity as provided in subdivisions (b)(2)(A) and (b)(2)(B) of this
12 section.

13 (4) The ~~adjustment~~ adjustments described in subdivision (b)(3) of
14 this section shall not be retroactive to the effective date of their
15 retirement."
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17 SECTION 2. No benefit enhancement provided for by this act shall be
18 implemented if it would cause the publicly supported retirement system's
19 unfunded actuarial accrued liabilities to exceed a thirty (30) year
20 amortization. No benefit enhancement provided for by this act shall be
21 implemented by any publicly supported system which has unfunded actuarial
22 accrued liabilities being amortized over a period exceeding thirty (30) years
23 until the unfunded actuarial accrued liability is reduced to a level less than
24 the standards prescribed by Arkansas Code, Title 24.
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26 SECTION 3. All provisions of this act of general and permanent nature
27 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
28 Revision Commission shall incorporate the same in the Code.
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30 SECTION 4. If any provisions of this act or the application thereof to
31 any person or circumstance is held invalid, the invalidity shall not affect
32 other provisions or applications of the act which can be given effect without
33 the invalid provisions or application, and to this end the provisions of this
34 act are declared to be severable.
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36 SECTION 5. All laws and parts of laws in conflict with this act are

1 hereby repealed.

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SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the Eighty-second General Assembly that early retirement penalties for the Teacher Retirement System are overly harsh, that incentives for teachers to retire will improve staff morale and the working environment, and that the beginning of the fiscal year is the most advantageous time to implement benefit changes with the Teacher Retirement 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 July 1, 1999.

/s/ Hopkins

APPROVED: 4/15/1999