

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: H3/12/99 H4/1/99

A Bill

Act 1590 of 1999
HOUSE BILL 1391

5 By: Representatives Kidd, Broadway, Bledsoe, W. Walker
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For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE TITLE 24, CHAPTER 7,
10 SUBCHAPTER 13 TO AUTHORIZE THE ESTABLISHMENT OF EARLY
11 PARTICIPATION IN THE TEACHER DEFERRED RETIREMENT
12 OPTION PLAN FOR MEMBERS HAVING TWENTY-EIGHT (28) OR
13 TWENTY-NINE (29) YEARS OF SERVICE; TO AMEND ARKANSAS
14 CODE 24-7-713, AS AMENDED BY ACT 400 OF 1999, TO
15 CLARIFY THE ADDITIONAL MONTHLY BENEFITS FOR THE
16 TEACHER RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."

Subtitle

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19 "AN ACT TO AUTHORIZE THE ESTABLISH OF
20 EARLY PARTICIPATION IN THE TEACHER
21 DEFERRED RETIREMENT OPTION PLAN; AND TO
22 CLARIFY THE ADDITIONAL MONTHLY BENEFITS
23 FOR THE TEACHER RETIREMENT SYSTEM UNDER
24 ACT 400 OF 1999. "
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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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29 SECTION 1. *Arkansas Code Title 24, Chapter 5, Subchapter 2 is amended*
30 *to add the following additional section:*

31 "24-7-1314. Early Participation.

32 (a) The Board of Trustees of the Arkansas Teacher Retirement System, in
33 consultation with its actuary, may promulgate rules and regulations to allow
34 members having at least twenty-eight (28) but less than thirty (30) years of
35 credited service to enter the drop plan as early participants. The board may
36 authorize the early participation as soon as it is technologically feasible

1 and actuarially appropriate.

2 (b) If the board authorizes early participation, the teacher deferred
 3 retirement option plan contribution under § 24-7-1306 shall be based upon the
 4 contribution percent payable for a participant with thirty (30) years of
 5 service, reduced by at least an additional one half of one percent (0.5%) of
 6 the teacher deferred retirement option plan benefit for each month the member
 7 begins participating in the drop plan prior to having thirty (30) years of
 8 credited service. The board may increase the percentage required as an early
 9 participation reduction in order to provide a fair and just and reasonable
 10 benefit for all members of the system and to provide for appropriate actuary
 11 considerations."

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 13 SECTION 2. The Board of Trustees of the Arkansas Teacher Retirement
 14 System shall present to the Joint Committee on Public Retirement and Social
 15 Security Programs information concerning the statutory authority and actuarial
 16 appropriateness of proposed board actions to establish or revise a multiplier,
 17 any benefit, or a provision of a deferred retirement option plan.

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 19 SECTION 3. Arkansas Code 24-7-713 (b), as amended by Act 400 of 1999,
 20 is amended to read as follows:

21 "(b)(1) Effective July 1, 1999, subject to the minimum financial
 22 conditions set forth in § 24-7-718, retirees and beneficiaries shall receive
 23 an increase in benefits of not less than fifty dollars (\$50.00) per month,
 24 provided the board of trustees may elect and is granted authority to increase
 25 the benefit to retirees in an amount determined by the board except such
 26 benefit increase shall not exceed one hundred twenty-five dollars (\$125) per
 27 month.

28 (2) Members retiring after July 1, 1999 shall receive an
 29 additional benefit of not less than fifty dollars (\$50.00) per month over and
 30 above their regular annuity, provided the board of trustees may elect and is
 31 granted authority to increase the additional benefit to members retiring in an
 32 amount determined by the board except such additional benefit shall not exceed
 33 one hundred twenty-five dollars (\$125) per month.

34 ~~(3) If an individual is also receiving benefits as a result of~~
 35 ~~credited service under one (1) or more of the other reciprocal systems, as~~
 36 ~~such systems enumerated in Arkansas Code 24-2-401, that individual shall~~

1 ~~receive a prorated portion of the amount from the system.~~

2 ~~(4) The prorated portion shall be determined by dividing the years~~
3 ~~of credited service with the Arkansas Teacher Retirement System by the~~
4 ~~member's or deceased member's total years of credited service with all~~
5 ~~reciprocal systems provided the individual receiving such benefits shall~~
6 ~~receive the additional amounts set out in subsection (b) of this section in~~
7 ~~total from such systems if the member or deceased member was employed at least~~
8 ~~five (5) years in each of the reciprocal systems.~~

9 (3) The Board of Trustees of the Arkansas Teacher Retirement
10 System may, in its discretion, prorate the benefits provided under this
11 subsection for all individuals retiring after June 30, 1999 if the individual
12 is also eligible for an additional monthly benefit as a result of credited
13 service under one (1) or more of the other reciprocal systems, as such systems
14 are enumerated in § 24-2-401."

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16 SECTION 4. No benefit enhancement provided for by this act shall be
17 implemented if it would cause the publicly supported retirement system's
18 unfunded actuarial accrued liabilities to exceed a thirty (30) year
19 amortization. No benefit enhancement provided for by this act shall be
20 implemented by any publicly supported system which has unfunded actuarial
21 accrued liabilities being amortized over a period exceeding thirty (30) years
22 until the unfunded actuarial accrued liability is reduced to a level less than
23 the standards prescribed by Arkansas Code, Title 24.

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25 SECTION 5. All provisions of this act of a general and permanent nature
26 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
27 Revision Commission shall incorporate the same in the Code.

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29 SECTION 6. If any provision of this act or the application thereof to
30 any person or circumstance is held invalid, such invalidity shall not affect
31 other provisions or applications of the act which can be given effect without
32 the invalid provision or application, and to this end the provisions of this
33 act are declared to be severable.

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35 SECTION 7. All laws and parts of laws in conflict with this act are
36 hereby repealed.

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SECTION 8. EMERGENCY CLAUSE. It is hereby found and determined by the Eighty-second General Assembly that the Teacher Retirement System has reduced the amount of service credit needed for full retirement to twenty-eight (28) years of credited service, that the Teacher Deferred Retirement Option Plan is an important incentive to keep experienced teachers in the classroom rather than retiring completely, that experienced teachers are a valuable human resource and should be encouraged to stay in the classroom, and that the beginning of the state's fiscal year is the best time to implement any change in retirement benefits. 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/ Kidd, et al

APPROVED: 4/20/1999