

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

A Bill

Act 347 of 2003
SENATE BILL 121

5 By: Senators Faris, J. Bookout
6 By: Representatives Mahony, R. Smith
7

For An Act To Be Entitled

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9
10 AN ACT TO CLARIFY THAT THE ANNUAL THREE PERCENT
11 (3%) BENEFIT INCREASE UNDER THE ARKANSAS TEACHER
12 RETIREMENT SYSTEM MAY BE AWARDED WITHOUT
13 LIMITATION BY THE UNFUNDED ACTUARIAL ACCRUED
14 LIABILITY; AND FOR OTHER PURPOSES.
15

Subtitle

16
17 TO CLARIFY THAT THE ANNUAL 3% BENEFIT
18 INCREASE UNDER THE TEACHER RETIREMENT
19 SYSTEM MAY BE AWARDED WITHOUT LIMITATION
20 BY THE UNFUNDED ACTUARIAL ACCRUED
21 LIABILITY.
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23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 24-7-713(a), concerning the annual
27 redetermination of monthly benefits under the Arkansas Teacher Retirement
28 System, is amended to read as follows:

29 (a)(1) Beginning with the July 1 which is at least twelve (12) full
30 months after the effective date of a monthly benefit, the amount of the
31 benefit shall be redetermined effective each July 1, and the redetermined
32 amount shall be payable for the ensuing year.

33 (2) The redetermined amount shall be the base amount multiplied
34 by the following percent: One hundred percent (100%) plus three percent (3%)
35 for each full year, but excluding any fraction of a year, in the period from
36 the effective date of the base amount to the current July 1.



1 (3) In no event shall the redetermined amount be less than the
2 base amount.

3 (4) As used in this section:

4 (A) "The amount of the benefit otherwise payable" means
5 the monthly amount of the benefit which would be payable disregarding the
6 provisions of this section redetermining benefit amounts after retirement;

7 (B)(i) "Base amount" means the monthly amount of the
8 benefit upon which benefit redeterminations after retirement are based, as
9 provided in this section.

10 (ii) Base amount includes the amount of the benefit
11 otherwise payable plus any one-time increase or increases granted by
12 legislative change.

13 (iii) The effective date of the base amount shall be
14 the effective date of the benefit or, if any, the effective date of the last
15 increase in base amount, whichever is later.

16 (5) The redetermined amount under this subsection (a) is not
17 considered a benefit enhancement under the limitations under § 24-1-106.

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19 SECTION 2. Arkansas Code § 24-1-106 is amended to read as follows:
20 24-1-106. Benefit enhancements.

21 No benefit enhancement provided for by §§ 24-2-302, 24-2-306, 24-2-401,
22 24-2-402, 24-2-501, 24-3-102, 24-3-106, 24-3-201, 24-3-208, 24-3-209, 24-3-
23 301, 24-3-303, 24-3-304, 24-4-101, 24-4-106, 24-4-107, 24-4-301, 24-4-507,
24 24-4-508, 24-4-510, 24-4-511, 24-4-518 - 24-4-520, 24-4-601, 24-4-608, 24-4-
25 618, 24-4-710, 24-4-745 - 24-4-747, 24-4-801, 24-4-803, 24-5-112, 24-5-119,
26 24-5-125, 24-5-133, 24-5-204, 24-6-219, 24-6-403 - 24-6-406, 24-6-410, 24-6-
27 411, 24-7-202, 24-7-209, 24-7-301, 24-7-406, 24-7-504, 24-7-603, 24-7-604,
28 24-7-606, 24-7-607, 24-7-702, 24-7-705, 24-7-706, 24-7-708, ~~24-7-713~~, 24-7-
29 713(b), 24-7-720, 24-7-727, 24-7-728, 24-7-729, 24-7-1314, 24-7-1315, 24-7-
30 1401 - 24-7-1409, 24-8-223, 24-8-226 - 24-8-228, 24-8-701 - 24-8-717, 24-10-
31 102, 24-10-303, 24-10-504 - 24-10-509, 24-10-602, 24-10-611, 24-10-613, 24-
32 11-425, 24-11-434, 24-11-437, 24-11-438, 24-11-805, 24-11-818, and 24-11-833
33 shall be implemented if it would cause the publicly supported retirement
34 system's unfunded actuarial accrued liabilities to exceed a thirty-year
35 amortization. No benefit enhancement provided for by §§ 24-2-302, 24-2-306,
36 24-2-401, 24-2-402, 24-2-501, 24-3-102, 24-3-106, 24-3-201, 24-3-208, 24-3-

1 209, 24-3-301, 24-3-303, 24-3-304, 24-4-101, 24-4-106, 24-4-107, 24-4-301,
2 24-4-507, 24-4-508, 24-4-510, 24-4-511, 24-4-518 - 24-4-520, 24-4-601, 24-4-
3 608, 24-4-618, 24-4-710, 24-4-745 - 24-4-747, 24-4-801, 24-4-803, 24-5-112,
4 24-5-119, 24-5-125, 24-5-133, 24-5-204, 24-6-219, 24-6-403 - 24-6-406, 24-6-
5 410, 24-6-411, 24-7-202, 24-7-209, 24-7-301, 24-7-406, 24-7-504, 24-7-603,
6 24-7-604, 24-7-606, 24-7-607, 24-7-702, 24-7-705, 24-7-706, 24-7-708, ~~24-7-~~
7 ~~713,~~ 24-7-713(b), 24-7-720, 24-7-727, 24-7-728, 24-7-729, 24-7-1314, 24-7-
8 1315, 24-7-1401 - 24-7-1409, 24-8-223, 24-8-226 - 24-8-228, 24-8-701 - 24-8-
9 717, 24-10-102, 24-10-303, 24-10-504 - 24-10-509, 24-10-602, 24-10-611, 24-
10 10-613, 24-11-425, 24-11-434, 24-11-437, 24-11-438, 24-11-805, 24-11-818, and
11 24-11-833 shall be implemented by any publicly supported system which has
12 unfunded actuarial accrued liabilities being amortized over a period
13 exceeding thirty (30) years until the unfunded actuarial accrued liability is
14 reduced to a level less than the standards prescribed by § 24-1-101 et seq.

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17 **APPROVED: 3/13/2003**
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