Stricken language would be deleted from and underlined language would be added to present law. Act 782 of the Regular Session

1	State of Arkansas	As Engrossed: H3/21/17	
2	91st General Assembly	$\overset{As\ Engrossed:\ H3/21/17}{ ext{A}\ ext{Bill}}$	
3	Regular Session, 2017		HOUSE BILL 1373
4			
5	By: Representative Deffenbau	ugh	
6			
7	For An Act To Be Entitled		
8	AN ACT TO AMEND THE LAW CONCERNING THE APPLICATION		
9	AND ADJUSTMENT OF BENEFIT STIPENDS UNDER THE ARKANSAS		
10	TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY;		
11	AND FOR OTHER REASONS.		
12			
13			
14		Subtitle	
15	TO Al	MEND THE LAW CONCERNING THE	
16	APPL	ICATION AND ADJUSTMENT OF BENEFIT	
17	STIP	ENDS UNDER THE ARKANSAS TEACHER	
18	RETI	REMENT SYSTEM; AND TO DECLARE AN	
19	EMER	GENCY.	
20			
21			
22	BE IT ENACTED BY THE O	GENERAL ASSEMBLY OF THE STATE OF AR	RKANSAS:
23			
24		ansas Code § 24-7-713(a)(4), concer	-
25		monthly benefit stipends under the	e Arkansas Teacher
26	•	amended to read as follows:	
27		sed in this section, "base amount"	
28		retirement plus any one-time incr	
29	legislative change after the member's effective date of retirement benefits,		
30	excluding the simple cost of living adjustment under this section <u>and the</u>		
31	benefit stipend under	subsection (d) of this section.	
32			
33		ansas Code § 24-7-713(b), concernin	-
34	living adjustment and monthly benefit stipends under the Arkansas Teacher		
35	•	amended to read as follows:	
36	(b)(l) Effectiv	ve July 1, 2013, the Board of Trust	ees of the Arkansas

- 1 Teacher Retirement System may modify the amount of the benefit stipend from a
- 2 maximum of seventy-five dollars (\$75.00) per month to not less than one
- 3 dollar (\$1.00) per month for eligible benefit participants as a benefit
- 4 supplement in addition to the cost of living adjustment under subsection (a)
- 5 of this section.
- 6 (2) A benefit stipend increase or decrease adopted by the board
- 7 shall apply to a complete fiscal year and shall remain in effect until
- 8 adjusted by the board subject to the limitations under subdivision (b)(4) of
- 9 this section.
- 10 (3) The board may adjust the benefit stipend amount by
- 11 resolution at a meeting of the board.
- 12 (4) The board shall not reduce the benefit stipend
- 13 unless the:
- 14 (A) Arkansas Teacher Retirement System's actuary certifies
- 15 to the board that the amortization period exceeds thirty (30) eighteen (18)
- 16 years; and
- 17 (B) that in order to address an amortization period in
- 18 excess of thirty (30) years to pay unfunded liabilities of the Arkansas
- 19 Teacher Retirement System, the board Board determines that the a reduction in
- 20 <u>the benefit</u> stipend should be reduced <u>is prudent to maintain actuarial</u>
- 21 soundness.
- 22 (5) The board may phase in an increase or decrease of the
- 23 benefit stipend.

24

- 25 SECTION 3. Arkansas Code § 24-7-713, concerning retirement annuity,
- 26 simple cost of living adjustment, and monthly benefit stipends under the
- 27 Arkansas Teacher Retirement System, is amended to add an additional
- 28 subsection to read as follows:
- 29 <u>(d)(1) The board may remove by board resolution the benefit stipend</u>
- 30 <u>from the base amount of current retirants and option beneficiaries if the</u>
- 31 <u>board determines that the removal of the benefit stipend from the base amount</u>
- 32 is prudent in order to maintain actuarial soundness.
- 33 (2) The board may phase in the removal of the benefit stipend
- 34 from the base amount of current retirant and option beneficiaries by board
- 35 <u>resolution</u>.

36

1	SECTION 4. EMERGENCY CLAUSE. It is found and determined by the		
2	General Assembly of the State of Arkansas that the operations of a state		
3	public retirement system are complex; that the Arkansas Teacher Retirement		
4	System must be able to meet the needs of its members as anticipated by the		
5	General Assembly; that certain provisions of the Arkansas Teacher Retirement		
6	System Act are imminently in need of revision and updating to bring them into		
7	conformance with sound public pension policy and actuarial requirements; that		
8	such revision and updating is of great importance to members of the system		
9	and to other citizens of the State of Arkansas; that the system needs to have		
10	the ability to make immediate changes to maintain and improve its actuarial		
11	status; and that this act is immediately necessary in order to maintain an		
12	orderly management of benefits for the members of the system. Therefore, an		
13	emergency is declared to exist, and this act being immediately necessary for		
14	the preservation of the public peace, health, and safety shall become		
15	effective on:		
16	(1) The date of its approval by the Governor;		
17	(2) If the bill is neither approved nor vetoed by the Governor,		
18	the expiration of the period of time during which the Governor may veto the		
19	<pre>bill; or</pre>		
20	(3) If the bill is vetoed by the Governor and the veto is		
21	overridden, the date the last house overrides the veto.		
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23	/s/Deffenbaugh		
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26	APPROVED: 03/31/2017		
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