

ARKANSAS SENATE
84th General Assembly - Regular Session, 2003
Amendment Form

Subtitle of Senate Bill No. 122

"TO ALTER THE AMOUNT OF THE MEMBER'S PLAN CONTRIBUTIONS TO THE PLAN
ACCOUNT UNDER THE TEACHER DEFERRED RETIREMENT OPTION PLAN."

Amendment No. 1 to Senate Bill No. 122.

Amend Senate Bill No. 122 as originally introduced:

Page 1, line 29, delete "(2)(A)" and substitute "(2)(A)"

AND

Page 1, delete lines 34 through 36, and Page 2, delete lines 1 through 11,
and substitute the following:

"(B)(i) When Before July 1, 2003, if a participant in the
Teacher Deferred Retirement Option Plan reaches normal retirement age, the
plan contributions shall be one hundred percent (100%) with no reduction.

(ii) Beginning July 1, 2003, the plan contributions
for a participant who reaches normal retirement age shall continue as reduced
under subdivision (a)(2)(A) of this section.

(3)(A) In Before July 1, 2003, in the event a member has more
than thirty (30) years of service, the years of service above thirty (30)
years shall be reduced by one-half percent (0.5%) for contributory years and
three-tenths percent (0.3%) for noncontributory years.

(B) Beginning July 1, 2003, the plan contributions for a
member who has more than thirty (30) years of service shall continue as
reduced under subdivision (a)(2)(A) of this section.

(4) Those members already in the plan before July 1, 2003, will
have a one-time adjustment made in their contributions.

(5) The amount of the one-time adjustment for participants in
the plan before July 1, 2003, will be determined by the Board of Trustees of
the Arkansas Teacher Retirement System.

(6) Furthermore, the board is authorized to make further
adjustments on the plan to make it cost-neutral to the Arkansas Teacher
Retirement System."

AND

Page 2, line 15, add an additional section to read as follows:

"SECTION 2. EMERGENCY CLAUSE. It is found and determined by the



General Assembly of the State of Arkansas that recent economic conditions have caused the Arkansas Teacher Retirement System to suffer losses in the value of its financial assets; that the loss of asset value has created an unfunded actuarial accrued liability exceeding the standard thirty (30) year amortization period set by Arkansas law; that liberal benefits for prior participants in the Teacher Deferred Retirement Option Plan cannot continue and all future participants must have their plan contributions reduced to add to the asset values for the system and eventually return the system to financial balance; and that this act is immediately necessary because imposing changes on T-DROP accounts can best be implemented over the summer between school years. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2003.”

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator Faris
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Secretary