

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

As Engrossed: H3/21/17

A Bill

HOUSE BILL 1374

5 By: Representative Deffenbaugh
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE COMPOUNDED
9 COST OF LIVING ADJUSTMENT UNDER THE ARKANSAS TEACHER
10 RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR
11 OTHER PURPOSES.
12
13

Subtitle

14 TO AMEND THE LAW CONCERNING THE
15 COMPOUNDED COST OF LIVING ADJUSTMENT
16 UNDER THE ARKANSAS TEACHER RETIREMENT
17 SYSTEM; AND TO DECLARE AN EMERGENCY.
18
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 24-7-727(b)(6), concerning compounded cost
24 of living adjustment under the Arkansas Teacher Retirement System, is amended
25 to read as follows:

26 (6) *The board shall not reverse a compounding cost of living*
27 *adjustment unless the:*

28 (A) *Arkansas Teacher Retirement System's actuary certifies*
29 *to the board that the amortization period to pay the unfunded liabilities of*
30 *the system exceeds thirty (30) eighteen (18) years; and*

31 (B) ~~*that in order to address an amortization period in*~~
32 ~~*excess of thirty (30) years to pay the unfunded liabilities of the system,*~~
33 ~~*the board*~~ *Board determines by board resolution that reversal of the*
34 *compounding cost of living adjustment ~~be reversed~~ that occurred in 2009 is*
35 *prudent to maintain actuarial soundness.*
36



1 SECTION 2. Arkansas Code § 24-7-727(b), concerning compounded cost of
2 living adjustment under the Arkansas Teacher Retirement System, is amended to
3 add additional subdivisions to read as follows:

4 (7) A board resolution reversing a compounding cost of living
5 adjustment under subdivision (b)(6) of this section may include a chart or
6 proxy formula to be applied when a member has a change in his or her benefits
7 due to divorce, remarriage, or the death of the member or the member's
8 spouse.

9 (8)(A) The board may phase in the reversal of a compounding
10 cost of living adjustment under subdivision (b)(6) of this section by board
11 resolution.

12 (B) Any reversal of a compounding cost of living
13 adjustment under subdivision (b)(6) of this section shall be applied at the
14 beginning of the fiscal year.

15
16 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
17 General Assembly of the State of Arkansas that the operations of a state
18 public retirement system are complex; that the Arkansas Teacher Retirement
19 System must be able to meet the needs of its members as anticipated by the
20 General Assembly; that certain provisions of the Arkansas Teacher Retirement
21 System Act are imminently in need of revision and updating to bring them into
22 conformance with sound public pension policy and actuarial requirements; that
23 such revision and updating is of great importance to members of the system
24 and to other citizens of the State of Arkansas; that the system needs to have
25 the ability to make immediate changes to maintain and improve its actuarial
26 status; and that this act is immediately necessary in order to maintain an
27 orderly management of benefits for the members of the system. Therefore, an
28 emergency is declared to exist, and this act being immediately necessary for
29 the preservation of the public peace, health, and safety shall become
30 effective on:

31 (1) The date of its approval by the Governor;

32 (2) If the bill is neither approved nor vetoed by the Governor,
33 the expiration of the period of time during which the Governor may veto the
34 bill; or

35 (3) If the bill is vetoed by the Governor and the veto is
36 overridden, the date the last house overrides the veto.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

/s/Deffenbaugh