

By: Representative Flanagin

"AN ACT TO AMEND TITLE 24, CHAPTER 3, SUBCHAPTER ONE OF THE ARKANSAS CODE OF 1987 SET BY STATUTE THE EMPLOYER CONTRIBUTION RATE FOR THE TEACHER RETIREMENT SYSTEM; TO SET THE EMPLOYER CONTRIBUTION RATES FOR DIVISIONS OF THE PUBLIC EMPLOYEES RETIREMENT SYSTEM AND THE STATE POLICE RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."

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

SECTION 1. Ark. Code 24-3-103 is hereby amended to read as follows:
"24-3-103. Financial objectives and actuarial evaluation.

(a) The general financial objective of each Arkansas public employee retirement plan shall be to establish and receive contributions which, expressed as percentages of active member payroll, will remain approximately level from generation to generation of Arkansas citizens. More specifically, contributions received each year shall be sufficient both:

(1) To fully cover the costs of benefit commitments being made to members for their service being rendered in that year; and

(2) To make a level payment which, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for service previously rendered. Alternatively, if the costs of benefit commitments for service previously rendered are overfunded, to deduct a level payment which, if deducted annually over twenty future years, will fully liquidate the overfunded portion of such costs.

(b) Each Arkansas public employee retirement plan shall cause an actuarial evaluation of the plan or fund to be made at least biennially, and preferably annually, to determine how well the plan is meeting the objectives set forth in subsection (a) of this section.

(c) The employer contribution rates to the named plans shall be the following percents of active member payroll:

Named Plan	Contributions Percents of Active Member Payroll
Arkansas Teacher Retirement System	12
Arkansas Public Employees' Retirement System	
State Division	10
County	6
Municipal	6
School	4
Arkansas State Police Retirement System	22

SECTION 2. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 3. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. EMERGENCY. It is hereby found and determined by the General Assembly that the effectiveness of this Act on July 1, 1989 is essential to the sound funding of the Teacher Retirement System and the Public Employees Retirement System; that in the event of an extension of the Regular Session, the delay in the effective date of this Act beyond July 1, 1989 could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1989.

APPROVED: March 21, 1989
