1   State of Arkansas

2   81st General Assembly

3   Regular Session, 1997

A Bill

ACT 953 OF 1997

HOUSE BILL   1671

4

5   By: Representative Dawson

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8   **For An Act To Be Entitled**

9   "AN ACT TO AMEND ARKANSAS CODE 24-7-1306 TO CHANGE THE

10   AMOUNT OF CONTRIBUTIONS TO THE TEACHER DEFERRED RETIREMENT

11   OPTION PLAN ACCOUNT; TO DECLARE AN EMERGENCY; AND FOR

12   OTHER PURPOSES."

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14   **Subtitle**

15   "TO CHANGE THE AMOUNT OF CONTRIBUTIONS

16   TO THE TEACHER DEFERRED RETIREMENT

17   OPTION PLAN ACCOUNT"

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

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22   SECTION 1. Arkansas Code 24-7-1306 is amended to read as follows:

23   "24-7-1306. Amount of contributions.

24   (a) Teacher deferred retirement option plan contributions shall be a

25 percentage of the teacher deferred retirement option plan benefit. The

26 percentage is one hundred percent (100%) reduced by the product of one percent

27 (1%) multiplied by the number of years of contributory service credit and

28 fractions thereof, and further reduced by the product of six-tenths percent

29 (0.6%) multiplied by the number of years of noncontributory service credit and

30 fractions thereof. In the event a member has more than thirty (30) years of

31 service, the years of service above thirty (30) years shall be reduced by one-

32 half of one percent (0.5%) for contributory years and three-tenths (0.3%) for

33 noncontributory years. Those members already in the teacher deferred

34 retirement option plan will have a one-time adjustment made in their

35 contributions. The amount of the one-time adjustment will be determined by

36 the Board of Trustees. Further, the Board of Trustees is authorized to make

1 further adjustments on the teacher deferred retirement option plan to make it
2 cost-neutral to the system.
3   (b) For the purpose of § 24-7-709 related to disposition of residue,
4 teacher deferred retirement option plan contributions shall be considered to
5 be annuity payments."
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7   SECTION 2. No benefit enhancement provided for by this act shall be
8 implemented if it would cause the publicly supported retirement systems
9 unfunded actuarial accrued liabilities to exceed a thirty (30) year
10 amortization. No benefit enhancement provided for by this act shall be
11 implemented by any publicly supported system which has unfunded actuarial
12 accrued liabilities being amortized over a period exceeding thirty (30) years
13 until the unfunded actuarial accrued liability is reduced to a level less than
14 the standards prescribed by Arkansas Code §§ 24-1-101, et seq.
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16   SECTION 3. All provisions of this act of a general and permanent nature
17 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
18 Revision Commission shall incorporate the same in the Code.
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20   SECTION 4. If any provision of this act or the application thereof to
21 any person or circumstance is held invalid, such invalidity shall not affect
22 other provisions or applications of the act which can be given effect without
23 the invalid provision or application, and to this end the provisions of this
24 act are declared to be severable.
25
26   SECTION 5. All laws and parts of laws in conflict with this act are
27 hereby repealed.
28
29   SECTION 6. Emergency. It is hereby found and determined by the Eighty-
30 First General Assembly of the State of Arkansas that member contributions to
31 the teacher deferred retirement option plan accounts need to be adjusted; that
32 current law does not provide for that option; and changes in the current laws
33 are necessary to continue the operation of the teacher deferred retirement
34 option plan. Therefore, an emergency is hereby declared to exist, and this
35 act being necessary for the immediate preservation of the public peace,
36 health, and safety, shall become effective July 1, 1997.

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2   APPROVED:3-31-97

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