

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

*As Engrossed: H3/21/17*  
**A Bill**

HOUSE BILL 1373

5 By: Representative Deffenbaugh  
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 AMEND THE LAW CONCERNING THE  
16 APPLICATION AND ADJUSTMENT OF BENEFIT  
17 STIPENDS UNDER THE ARKANSAS TEACHER  
18 RETIREMENT SYSTEM; AND TO DECLARE AN  
19 EMERGENCY.  
20  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code § 24-7-713(a)(4), concerning simple cost of  
25 living adjustment and monthly benefit stipends under the Arkansas Teacher  
26 Retirement System, is amended to read as follows:

27 (4) As used in this section, "base amount" means the amount of  
28 the benefit payable at retirement plus any one-time increases granted by  
29 legislative change after the member's effective date of retirement benefits,  
30 excluding the simple cost of living adjustment under this section and the  
31 benefit stipend under subsection (d) of this section.  
32

33 SECTION 2. Arkansas Code § 24-7-713(b), concerning simple cost of  
34 living adjustment and monthly benefit stipends under the Arkansas Teacher  
35 Retirement System, is amended to read as follows:

36 (b)(1) Effective July 1, 2013, the Board of Trustees 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 ~~*the benefit stipend should be reduced is prudent to maintain actuarial*~~  
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 (d)(1) The board may remove by board resolution the benefit stipend  
30 from the base amount of current retirants and option beneficiaries if the  
31 board determines that the removal of the benefit stipend from the base amount  
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 resolution.

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