

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**
4 **By: Representative Dawson**

A Bill

ACT 407 OF 1995
HOUSE BILL 1070

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 24-5-119(a) TO PROVIDE A
9 COMPOUNDED COST-OF-LIVING INCREASE TO RETIRANTS OF THE
10 ARKANSAS STATE HIGHWAY EMPLOYEES' RETIREMENT SYSTEM; TO
11 REPEAL ARKANSAS CODE § 24-5-119(b); TO DECLARE AN
12 EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

15 "TO ALLOW A COMPOUNDED COST-OF-LIVING
16 INCREASE TO RETIRANTS OF THE ARKANSAS
17 STATE HIGHWAY EMPLOYEES' RETIREMENT
18 SYSTEM"

19
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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22 SECTION 1. Arkansas Code § 24-5-119(a) is amended to read as follows:

23 "(a) (1) Beginning with the July 1 which is at least twelve (12) full
24 months after the effective date of each benefit, the amount of each benefit
25 shall be redetermined, and the redetermined amount shall be payable for the
26 ensuing year.

27 (2) Subject to the maximum stated in subdivision (3) of this
28 subsection, the redetermined amount shall be the amount of the benefit
29 otherwise payable as of the immediately preceding July 1, increased by three
30 percent (3%).

31 (3) In no event shall the redetermined amount be less than the
32 amount of the benefit otherwise payable or more than the amount of the benefit
33 otherwise payable multiplied by the following fraction, subject to a maximum
34 of three percent (3%): the numerator shall be the consumer price index for the
35 twelfth (12th) calendar month in the calendar year immediately preceding the
36 July 1, but in no event an amount less than the denominator, which shall be

1 the consumer price index for the twelfth (12th) calendar month in the calendar
2 year immediately preceding the numerator.

3 (4) As used in this subsection:

4 (A) "The amount of the benefit otherwise payable" means the
5 full amount of the monthly benefit that would be payable disregarding the
6 provisions of this section redetermining the benefit amounts after retirement;

7 (B) "Consumer price index" means the Consumer Price Index
8 for Urban Wage Earners and Clerical Workers, as determined by the United
9 States Department of Labor, in effect January 1, 1969, and revised January
10 1978, referred to as CIP-W. Should the consumer price index be restructured
11 subsequent to 1978 in a manner materially changing its character, the board of
12 trustees, after receiving the advice of the actuary, shall change the
13 application of the consumer price index so that, as far as practicable, the
14 1968 and 1978 intent of the use of the consumer price index shall be
15 continued."

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17 SECTION 2. All provisions of this act of general and permanent nature
18 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
19 Revision Commission shall incorporate the same in the Code.

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21 SECTION 3. If any provisions of this act or the application thereof to
22 any person or circumstance is held invalid, the invalidity shall not affect
23 other provisions or applications of the act which can be given effect without
24 the invalid provisions or application, and to this end the provisions of this
25 act are declared to be severable.

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27 SECTION 4. (a) Arkansas Code § 24-5-119(b) is hereby repealed. (b)
28 All laws and parts of laws in conflict with this act are hereby repealed.

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30 SECTION 5. Emergency. It is hereby found and determined by the
31 Eightieth General Assembly of the State of Arkansas that the retirement
32 benefits provided to retirants and beneficiaries under the Arkansas State
33 Highway Employees' Retirement System are inadequate and that the benefits
34 should be increased as soon as practicable without delay in order to avoid an
35 undue hardship to many retirants and beneficiaries. Therefore, in order to

1 avoid any undue hardship on retirants, an emergency is hereby declared to
2 exist, and this act being necessary for the immediate preservation of the
3 public peace, health, and safety, shall be in full force and effect from and
4 after July 1, 1995.

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APPROVED: 2-22-95

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