

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: H2/16/99

A Bill

Act 335 of 1999
HOUSE BILL 1161

5 By: Representative Bond
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For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE SECTION 24-5-119 FOR
10 THE PURPOSES OF DELETING ALL REFERENCES TO THE
11 CONSUMER PRICE INDEX AS IT RELATES TO COST OF LIVING
12 ADJUSTMENTS TO RETIREES AND BENEFICIARIES OF THE
13 ARKANSAS STATE HIGHWAY EMPLOYEES' RETIREMENT SYSTEM;
14 TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

16 "TO AMEND ARKANSAS CODE SECTION 24-5-119."
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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 § 24-5-119 is hereby amended to read as
23 follows:

24 "24-5-119. Redetermination of benefits.

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

29 ~~(b)(1) Subject to the maximum stated in subdivision (b)(2) of this~~
30 ~~section, the~~ The redetermined amount shall be the amount of the benefit
31 otherwise payable as of the immediately preceding July 1, increased by three
32 percent (3%).

33 ~~(2) In no event shall the redetermined amount be less than the~~
34 ~~amount of the benefit otherwise payable or more than the amount of the benefit~~
35 ~~otherwise payable multiplied by the following fraction, subject to a maximum~~
36 ~~of three percent (3%): the numerator shall be the consumer price index for the~~

~~twelfth calendar month in the calendar year immediately preceding July 1, but in no event an amount less than the denominator, which shall be the consumer price index for the twelfth calendar month in the calendar year immediately preceding the numerator.~~

~~(3) As used in this subsection:~~

~~(A) 'The amount of the benefit otherwise payable' means the full amount of the monthly benefit that would be payable disregarding the provisions of this section redetermining the benefit amounts after retirement; and~~

~~(B)(i) 'Consumer price index' means the Consumer Price Index for Urban Wage Earners and Clerical Workers, as determined by the United States Department of Labor, in effect January 1, 1969, and revised January 1978.~~

~~(ii) Should the consumer price index be restructured subsequent to 1978 in a manner materially changing its character, the Board of Trustees of the Arkansas State Highway Employees' Retirement System, after receiving the advice of the actuary, shall change the application of the consumer price index so that, as far as practicable, the 1968 and 1978 intent of the use of the consumer price index shall be continued."~~

SECTION 2. No benefit enhancement provided for by this act shall be implemented if it would cause the publicly supported retirement system's unfunded actuarial accrued liabilities to exceed a thirty (30) year amortization. No benefit enhancement provided for by this act shall be implemented by any publicly supported system which has unfunded actuarial accrued liabilities being amortized over a period exceeding thirty (30) years until the unfunded actuarial accrued liability is reduced to a level less than the standards prescribed by Arkansas Code, Title 24.

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. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without

1 the invalid provision or application, and to this end the provisions of this
2 Act are declared to be severable.

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4 SECTION 5. All laws and parts of laws in conflict with this Act are
5 hereby repealed.

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7 SECTION 6. EMERGENCY. It is hereby found and determined by the General
8 Assembly of the State of Arkansas that benefits provided under the Arkansas
9 State Highway Employees' Retirement System are inadequate and that an
10 increase should be provided as soon as practicable in order to avoid an undue
11 hardship. Therefore, an emergency is hereby declared to exist and this act
12 being necessary for the preservation of the public peace, health, and safety,
13 shall be in full force and effect on and after July 1, 1999.

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/s/ Bon

APPROVED: 3/1/1999d