

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

HOUSE BILL 1117

5 By: Representative Stewart
6

For An Act To Be Entitled

8 AN ACT TO PERMIT THE ARKANSAS TEACHER RETIREMENT
9 SYSTEM TO CREATE APPROPRIATE ACCOUNTS TO PROPERLY
10 MANAGE THE SYSTEM; TO ACCURATELY REFLECT THE
11 ACCOUNTING OF THE ASSETS OF THE SYSTEM; TO ALLOW THE
12 BOARD OF TRUSTEES OF THE ARKANSAS TEACHER RETIREMENT
13 SYSTEM TO CREATE ADDITIONAL ACCOUNTS AS NEEDED; TO
14 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
15

Subtitle

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18 TO PERMIT THE ARKANSAS TEACHER RETIREMENT
19 SYSTEM TO CREATE APPROPRIATE ACCOUNTS TO
20 PROPERLY MANAGE THE SYSTEM; TO DECLARE AN
21 EMERGENCY.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 24-7-405 is amended to read as follows:

27 24-7-405. Retirement fund assets accounts generally.

28 ~~All the~~ The assets of the Arkansas Teacher Retirement System shall be
29 recorded in ~~five (5) accounts, namely:~~

30 ~~(1) The members' deposit account;~~

31 ~~(2) The employer accumulation account;~~

32 ~~(3) The retirement reserve account;~~

33 ~~(4) The survivor benefit account; and~~

34 ~~(5) The income expense account~~ established by the Board of

35 Trustees of the Arkansas Teacher Retirement System, as necessary, to manage
36 the system's fund assets.



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 2 SECTION 2. Arkansas Code § 24-7-406(a)(1), concerning the member's
 3 deposit account, is amended to read as follows:

4 (a)(1) The members' deposit account is the account:

5 (A) In which member contributions are accumulated ~~with~~
 6 ~~regular interest;~~

7 (B) From which member refunds of contributions are paid;
 8 and

9 (C) From which transfers are made as provided in this act.
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11 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
 12 General Assembly of the State of Arkansas that certain provisions of the
 13 Arkansas Teacher Retirement System statutes are badly in need of revision and
 14 updating to bring them into conformance with sound public pension policy;
 15 that this and updating is of great importance to members of the Arkansas
 16 Teacher Retirement System and to other citizens of the State of Arkansas;
 17 that the Arkansas Teacher Retirement System assets and accounting are complex
 18 and the system must be able to create accounts as needed to appropriately
 19 manage the system's funds; that the members' contributions are received in
 20 the members' deposit account and the interest is calculated and credited to
 21 the member from another account; that the law as currently enacted regarding
 22 members' deposit accounts does not accurately reflect the accounting of the
 23 contributions and the calculation of interest due; and that this act is
 24 immediately necessary to maintain an orderly system of benefits for the
 25 members of the Arkansas Teacher Retirement System. Therefore, an emergency is
 26 declared to exist and this act being immediately necessary for the
 27 preservation of the public peace, health, and safety shall become effective
 28 on:

29 (1) The date of its approval by the Governor;

30 (2) If the bill is neither approved nor vetoed by the Governor,
 31 the expiration of the period of time during which the Governor may veto the
 32 bill; or

33 (3) If the bill is vetoed by the Governor and the veto is
 34 overridden, the date the last house overrides the veto.

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 36 APPROVED: 02/16/2011