

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

# A Bill

SENATE BILL 141

4  
5 By: Senator J. Cooper  
6

## For An Act To Be Entitled

8 AN ACT TO MODIFY THE FINAL AVERAGE SALARY CALCULATION  
9 METHOD UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM;  
10 TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.  
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## Subtitle

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13 TO MODIFY THE FINAL AVERAGE SALARY  
14 CALCULATION METHOD UNDER THE ARKANSAS  
15 TEACHER RETIREMENT SYSTEM; AND TO DECLARE  
16 AN EMERGENCY.  
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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 § 24-7-736(c)(3)(D), concerning the  
23 calculation of final average salaries under the Arkansas Teacher Retirement  
24 System Act, is amended to read as follows:

25 (D) The next highest year's value in the calculation of  
26 final average salary shall not exceed ~~one hundred twenty percent (120%)~~ the  
27 percentage increase of the base year, unless the difference in value between  
28 the next-highest year and the base year is ~~five thousand dollars (\$5,000) or~~  
29 ~~less~~ within the amount of the salary differential.  
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31 SECTION 2. Arkansas Code § 24-7-736, concerning the calculation of  
32 final average salaries under the Arkansas Teacher Retirement System, is  
33 amended to add an additional subsection to read as follows:

34 (f) The board may adjust the final average salary calculated in  
35 accordance with subsection (c) of this section by board resolution provided  
36 that:



1           (1) The percentage increase under subdivision (c)(3)(D) of this  
 2 section is adjusted no lower than one hundred five percent (105%) per year  
 3 and no higher than one hundred twenty percent (120%) per year; and

4           (2) The salary differential permitted under subdivision  
 5 (c)(3)(D) of this section is set no lower than one thousand two hundred fifty  
 6 dollars (\$1,250) per year and no higher than five thousand dollars (\$5,000)  
 7 per year.

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 9           SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
 10 General Assembly of the State of Arkansas that the operations of the Arkansas  
 11 Teacher Retirement System are complex; that the system must be able to meet  
 12 the needs of its members as anticipated by the General Assembly; that certain  
 13 provisions of the Arkansas Teacher Retirement System Act are imminently in  
 14 need of revision and updating to bring them into conformance with sound  
 15 public pension policy and actuarial requirements; that such revision and  
 16 updating is of great importance to members of the system and to other  
 17 citizens of the State of Arkansas; that the system needs to have the ability  
 18 to make immediate changes to maintain and improve its actuarial status; and  
 19 that this act is immediately necessary in order to maintain an orderly  
 20 management of benefits for the members of the system. Therefore, an emergency  
 21 is declared to exist, and this act being immediately necessary for the  
 22 preservation of the public peace, health, and safety shall become effective  
 23 on:

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

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

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

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 32   **APPROVED: 03/23/2017**  
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