

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023

A Bill

HOUSE BILL 1202

4
5 By: Representative Warren
6 By: Senator K. Hammer

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE MULTIPLIER
10 USED TO CALCULATE A LIFE ANNUITY UNDER THE ARKANSAS
11 TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY;
12 AND FOR OTHER PURPOSES.

Subtitle

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16 TO AMEND THE LAW CONCERNING THE
17 MULTIPLIER USED TO CALCULATE A LIFE
18 ANNUITY UNDER THE ARKANSAS TEACHER
19 RETIREMENT SYSTEM; AND TO DECLARE AN
20 EMERGENCY.

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

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25 SECTION 1. Arkansas Code § 24-7-705(b)(2)(G), concerning the special
26 contributory multiplier rate set by the Board of Trustees of the Arkansas
27 Teacher Retirement System for the first ten (10) years of service credit, are
28 amended to read as follows:

29 (G) The board may set a special contributory multiplier
30 rate for the first ten (10) years of service credit as follows:

31 ~~(i) The multiplier rate for contributory service~~
32 ~~shall not be less than one and seventy five hundredths percent (1.75%) or~~
33 ~~higher than two and fifteen hundredths percent (2.15%);~~

34 ~~(ii)~~(i) The multiplier rate for contributory service
35 used for the first ten (10) years of service shall not be ~~higher than the~~
36 ~~multiplier rate for subsequent years of service~~ less than one and seventy-



1 five hundredths percent (1.75%) or more than two and fifteen hundredths
 2 percent (2.15%); and

3 ~~(iii)~~(ii) After a member earns ten (10) years of
 4 credited service, the board may increase the multiplier rate earned in the
 5 first ten (10) years to the standard multiplier rate for contributory service
 6 for all or part of the first ten (10) years of service.

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 8 SECTION 2. Arkansas Code § 24-7-705(b)(3)(G)(i), concerning the
 9 special noncontributory multiplier rate set by the Board of Trustees of the
 10 Arkansas Teacher Retirement System for the first ten (10) years of service
 11 credit, is amended to read as follows:

12 (i) The multiplier rate for noncontributory service
 13 used for the first ten (10) years of service shall not be ~~higher than the~~
 14 ~~multiplier rate for subsequent years of service~~ less than five-tenths of one
 15 percent (0.5%) or more than one and twenty-five hundredths percent (1.25%);
 16 and

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 18 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
 19 General Assembly of the State of Arkansas that the operations of a state
 20 public retirement system are complex; that the Arkansas Teacher Retirement
 21 System must be able to meet the needs of its members as anticipated by the
 22 General Assembly; that certain provisions of the Arkansas Teacher Retirement
 23 System Act need revision and updating to bring them into conformance with
 24 sound public pension policy and actuarial requirements; that the revisions
 25 and updates are of great importance to members of the Arkansas Teacher
 26 Retirement System and to other citizens of the State of Arkansas; that as the
 27 Arkansas Teacher Retirement System operates on a fiscal year of July 1 to
 28 June 30, a July 1, 2023, effective date is necessary in order to allow the
 29 provisions within this act to begin on the first day of the fiscal year and
 30 to allow for a structured and proper administration of the procedures
 31 referenced in this act; that the updates and revisions to the Arkansas
 32 Teacher Retirement System Act are of great importance for actuarial purposes
 33 and for the improvement and protection of member benefits under the Arkansas
 34 Teacher Retirement System; and that this act is necessary in order to
 35 maintain an orderly system of benefits for the members of the Arkansas
 36 Teacher Retirement System. Therefore, an emergency is declared to exist, and

1 this act being necessary for the preservation of the public peace, health,
2 and safety shall become effective on July 1, 2023.

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5 **APPROVED: 2/13/23**
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