

Hall of the House of Representatives
84th General Assembly - Regular Session, 2003
Amendment Form

Subtitle of House Bill No. 1221

"TO ALLOW THE BOARD OF TRUSTEES OF THE TEACHER RETIREMENT SYSTEM TO
SET THE EMPLOYER CONTRIBUTION RATE FOR THE SYSTEM."

Amendment No. 1 to House Bill No. 1221.

Amend House Bill No. 1221 as originally introduced:

Page 1, delete lines 28 through 33, and substitute the following:

"(1)(A)(i) For the Arkansas Teacher Retirement System, twelve percent (12%) until June 30, 2003 when the board of trustees of the Arkansas Teacher Retirement System shall establish the employer contribution rate prospectively for each year.

(ii) The rates are to be based on the actuary's determination of the rate required to fund the plan in accordance with the objectives under subsection (a) of this section.

(B)(i) Beginning July 1, 2003 through June 30, 2004, if the system's unfunded actuarial accrued liabilities exceed a thirty (30) year amortization period, the board based on the actuary's determination may increase the contribution rate, but the increase shall be no more than one percent (1%) above the rate in effect on June 30, 2003.

(ii) Beginning July 1, 2004, the board, based on the actuary's determination, may increase or decrease the contribution rate, but the rate shall not be increased by more than one percent (1%) above the rate in effect on June 30, 2004.

(iii) If the system's unfunded actuarial accrued liabilities no longer exceed a thirty (30) year amortization period, the board shall reduce the contribution rate based on the actuary's determination.

(C) Except for the annual redetermination of benefits for retirees and beneficiaries under § 24-7-713(a), no benefit enhancements and no benefit increases shall be implemented by the board of trustees until the contribution rate is reduced to below thirteen percent (13%) based on the actuary's determination;"

AND

Page 2, line 8, add an additional section to read as follows:

"SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that economic conditions have



caused the Arkansas Teacher Retirement System to suffer losses in the value of its financial assets; that the loss of asset value has created an unfunded actuarial accrued liability exceeding the standard thirty (30) year amortization period set by Arkansas law; that increasing the employer contribution rate will add to the asset values for the system and eventually return the system to financial balance; and that this act is immediately necessary because increases in the employer contribution rates can best be implemented over the summer between school years. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2003.”

The Amendment was read _____

By: Representative R. Smith

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Chief Clerk