

Hall of the House of Representatives
92nd General Assembly - Regular Session, 2019
Amendment Form

Subtitle of House Bill No. 1206

TO AMEND THE LAW CONCERNING THE AUTHORITY OF THE BOARD OF TRUSTEES TO AWARD AN ANNUAL COST OF LIVING ADJUSTMENT UNDER THE ARKANSAS TEACHER RETIREMENT SYSTEM.

Amendment No. 1 to House Bill 1206

Amend House Bill No. 1206 as originally introduced:

Page 1, delete line 11, and substitute "RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

AND

Page 1, delete line 18, and substitute "THE ARKANSAS TEACHER RETIREMENT SYSTEM; AND TO DECLARE AN EMERGENCY."

AND

Delete everything after the enacting clause and substitute the following:

"SECTION 1. Arkansas Code § 24-7-713 is amended to read as follows:

24-7-713. Retirement annuity – Simple cost of living adjustment and monthly benefit stipend – Definition.

(a)(1) July 1 of each year, retirants, survivors, participants in the Teacher Deferred Retirement Option Plan, and annuity beneficiaries who have been receiving monthly benefits for the previous twelve (12) months shall may receive a simple cost of living adjustment.

(2) The cost of living adjustment under this section is ~~calculated by multiplying one hundred percent (100%) of the member's base retirement annuity times three percent (3%) shall be the amount of the benefit payable as of the immediately preceding July 1 increased by a simple cost of living adjustment that is the lesser of three percent (3%) or the percentage change in the Consumer Price Index, South Region as determined by the United States Department of Labor over the one-year period ending in the December immediately preceding the date for which the redetermined amount is being calculated.~~

(3) The redetermined amount shall not be less than the base amount.

(4) As used in this section, "base amount" means the amount of the benefit payable at retirement on and after July 1, 2019, plus any one-



time increases granted by ~~legislative change after the member's effective date of legislation that is enacted after the effective date on which a member begins receiving~~ retirement benefits, excluding the simple cost of living adjustment under this section and the benefit stipend under subsection (d)(e) of this section.

(5) The redetermined amount under this subsection is not considered a benefit enhancement under the limitations under § 24-1-106.

(b) The Board of Trustees of the Arkansas Teacher Retirement System may grant a cost of living adjustment in accordance with subdivision (a)(2) of this section to one (1) or more of the following individuals:

(1) An individual who is employed and becomes a member of the Arkansas Teacher Retirement System after the effective date of this act;

(2) A nonvested member of the Arkansas Teacher Retirement System;

(3) A vested member of the Arkansas Teacher Retirement System;
and

(4) A retirant or a beneficiary of a retirant of the Arkansas Teacher Retirement System.

~~(b)(1)(c)(1)~~ Effective July 1, 2013, the Board of Trustees of the Arkansas Teacher Retirement System ~~board~~ may modify the amount of the benefit stipend from a maximum of seventy-five dollars (\$75.00) per month to not less than one dollar (\$1.00) per month for eligible benefit participants as a benefit supplement in addition to the cost of living adjustment under subsection (a) of this section.

(2) A benefit stipend increase or decrease adopted by the board shall apply to a complete fiscal year and shall remain in effect until adjusted by the board subject to the limitations under subdivision ~~(b)(4)(c)(4)~~ of this section.

(3) The board may adjust the benefit stipend amount by resolution at a meeting of the board.

(4) The board shall not reduce the benefit stipend unless the:
(A) Arkansas Teacher Retirement System's actuary certifies to the board that the amortization period exceeds eighteen (18) years; and
(B) Board determines that a reduction in the benefit stipend is prudent to maintain actuarial soundness.

(5) The board may phase in an increase or decrease of the benefit stipend.

~~(c)(d)~~ Nothing contained in this section shall require the Arkansas Public Employees' Retirement System to pay any portion of the benefits provided for in this section.

~~(d)(1)(e)(1)~~ The board may remove by board resolution the benefit stipend from the base amount of current retirants and option beneficiaries if the board determines that the removal of the benefit stipend from the base amount is prudent in order to maintain actuarial soundness.

(2) The board may phase in the removal of the benefit stipend from the base amount of current retirant and option beneficiaries by board resolution.

(f) The provisions of this section are severable, and if any provision of this act is declared invalid, then the remaining provisions of this section shall remain valid.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the operations of the Arkansas Teacher Retirement System must be able to meet the needs of its members as anticipated by the General Assembly; that certain provisions of the Arkansas Teacher Retirement System are in imminent need of revision before the fiscal year begins on July 1, 2019; and that this act is immediately necessary in order to maintain an orderly system of benefits for the members of the Arkansas Teacher Retirement System. 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, 2019."

The Amendment was read _____

By: Representative House

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Chief Clerk