

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1013

By: Representative Flanagin

For An Act To Be Entitled

"AN ACT TO AMEND TITLE 24, CHAPTER 7, SUBCHAPTER 4, OF THE ARKANSAS CODE OF 1987 TO HAVE THE EMPLOYER CONTRIBUTION RATE SET BY STATUTE FOR THE TEACHER RETIREMENT SYSTEM; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 24-7-401 is hereby amended to read as follows:

"24-7-401. (a) The general financial objective of this act is to establish and receive contributions which, expressed as percentages of active member payroll, will remain approximately level from generation to generation of Arkansas citizens. More specifically, contributions received each year shall be sufficient both:

(1) To fully cover the costs of benefit commitments being made to members for their service being rendered in each year; and

(2) To make a level payment which, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for service previously rendered.

(b) The Teacher Retirement System shall cause an actuarial evaluation of the plan or fund to be made at least biennially, and preferably annually, to determine how well the plan is meeting the objectives set forth in subsection (a) of this section.

(c) For each fiscal year beginning July 1, 1989, or later, the employer contribution rate shall be twelve percent (12%) of active member payroll.

(d) (1) The board shall certify annually to the State Treasurer the amounts calculated at the rate set forth in (c) above of employer contributions to be paid by the state, which contributions shall be paid from the State Public School Fund or federal funds administered by the State Board of Education.

(2) The State Treasurer is authorized and directed to pay the system the state's employer contributions for each fiscal year, as follows: Ten million dollars (\$10,000,000) on or before September 1 of the fiscal year and, on or before the first day of each succeeding month, at least ten percent (10%) of the remainder due, until there is no remainder due at the end of the fiscal year.

(3) The employer's contributions shall be remitted to the system in such manner and form and in such frequency and shall be accompanied by such supporting data as the board shall prescribe from time to time.

(4) Timely payment of the contributions shall be a condition of continuance of participation in the system."

SECTION 2. All laws and parts of laws in conflict with this act are hereby repealed.