

State of Arkansas

77th General Assembly

A Bill

HOUSE BILL

Third Extraordinary Session, 1989

CALL ITEM

1119

By: Representative McGinnis

For An Act To Be Entitled

"AN ACT TO PROVIDE A THREE PERCENT (3%) INCREASE IN RETIREMENT BENEFITS OF PERSONS RECEIVING RETIREMENT BENEFITS UNDER PUBLIC EMPLOYEES RETIREMENT SYSTEM, TEACHER RETIREMENT SYSTEM, STATE HIGHWAY EMPLOYEES RETIREMENT SYSTEM AND STATE POLICE RETIREMENT SYSTEM ON DECEMBER 31, 1989; TO AMEND ARKANSAS CODE 24-7-401(c)(1) TO PROVIDE THAT THE EMPLOYER CONTRIBUTION TO THE TEACHER RETIREMENT SYSTEM SHALL BE CALCULATED AT AN AMOUNT TO ASSURE THE SYSTEM WILL NOT HAVE UNFUNDED LIABILITIES IN EXCESS OF THIRTY-EIGHT (38) YEARS; AND FOR OTHER PURPOSES."

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

SECTION 1. Persons receiving benefits as of December 31, 1989, from the Public Employees Retirement System, Teacher Retirement System, State Highway Employees Retirement System or the State Police Retirement System, or more than one of these systems, shall, for payment periods beginning January 1, 1990 and later, receive an additional benefit increase in the amount of three percent (3%) of their December 1989 actual benefit payment. Any other provisions to the contrary notwithstanding, such increase amount shall be added into and become part of "the amount of the benefit otherwise payable" for the purpose of determining benefit amounts payable January 1, 1990 and later.

SECTION 2. Arkansas Code 24-7-401(c)(1) is hereby amended to read as follows:

"(c)(1) The financial objective of this act shall be maintained for each fiscal year and the state employer contribution rate shall be expressed as a percent of active member payroll for each fiscal year. The state employer contribution rate shall be established for a two year period, for fiscal years

beginning July 1, 1989, and later, by the General Assembly upon the advice of the Joint Interim Committee on Retirement and Social Security Programs. In determining such advice the Joint Interim Committee on Retirement and Social Security Programs shall use the following input: the recommendation of the board based upon consultation with the board's actuary and information furnished by an actuary retained by the committee. The employer contribution rate shall be such that the amortization period for all unfunded liability shall not exceed thirty-eight (38) years."

SECTION 3. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. Arkansas Code 24-7-705(a)(5) and 24-7-705(a)(6) and all laws and parts of laws in conflict with this act are hereby repealed.

SECTION 5. EMERGENCY. It is hereby found and determined by the General Assembly that annuities now being paid to retired public employees from the state supported retirement systems are insufficient to afford an adequate standard of living and that the increase in retirement annuities is needed at the earliest possible time. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect on and after January 1, 1990.