

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Representative Dawson

A Bill

HOUSE BILL 1070

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 24-5-119(a) TO PROVIDE A
9 COMPOUNDED COST-OF-LIVING INCREASE TO RETIRANTS OF THE
10 ARKANSAS STATE HIGHWAY EMPLOYEES' RETIREMENT SYSTEM; TO
11 REPEAL ARKANSAS CODE § 24-5-119(b); TO DECLARE AN
12 EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

14 "TO ALLOW A COMPOUNDED COST-OF-LIVING
15 INCREASE TO RETIRANTS OF THE ARKANSAS
16 STATE HIGHWAY EMPLOYEES' RETIREMENT
17 SYSTEM"
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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22 SECTION 1. Arkansas Code § 24-5-119(a) is amended to read as follows:

23 "(a)(1) Beginning with the July 1 which is at least twelve (12) full
24 months after the effective date of each benefit, the amount of each benefit
25 shall be redetermined, and the redetermined amount shall be payable for the
26 ensuing year.

27 (2) Subject to the maximum stated in subdivision (3) of this
28 subsection, the redetermined amount shall be the amount of the benefit
29 otherwise payable as of the immediately preceding July 1, increased by three
30 percent (3%).

31 (3) In no event shall the redetermined amount be less than the
32 amount of the benefit otherwise payable or more than the amount of the
33 benefit otherwise payable multiplied by the following fraction, subject to a
34 maximum of three percent (3%): the numerator shall be the consumer price
35 index for the twelfth (12th) calendar month in the calendar year immediately

1 preceding the July 1, but in no event an amount less than the denominator,
2 which shall be the consumer price index for the twelfth (12th) calendar month
3 in the calendar year immediately preceding the numerator.

4 (4) As used in this subsection:

5 (A) "The amount of the benefit otherwise payable" means
6 the full amount of the monthly benefit that would be payable disregarding the
7 provisions of this section redetermining the benefit amounts after
8 retirement;

9 (B) "Consumer price index" means the Consumer Price Index
10 for Urban Wage Earners and Clerical Workers, as determined by the United
11 States Department of Labor, in effect January 1, 1969, and revised January
12 1978, referred to as CIP-W. Should the consumer price index be restructured
13 subsequent to 1978 in a manner materially changing its character, the board
14 of trustees, after receiving the advice of the actuary, shall change the
15 application of the consumer price index so that, as far as practicable, the
16 1968 and 1978 intent of the use of the consumer price index shall be
17 continued."

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19 SECTION 2. All provisions of this act of general and permanent nature
20 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
21 Revision Commission shall incorporate the same in the Code.

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23 SECTION 3. If any provisions of this act or the application thereof to
24 any person or circumstance is held invalid, the invalidity shall not affect
25 other provisions or applications of the act which can be given effect without
26 the invalid provisions or application, and to this end the provisions of this
27 act are declared to be severable.

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29 SECTION 4.(a) Arkansas Code § 24-5-119(b) is hereby repealed. (b)
30 All laws and parts of laws in conflict with this act are hereby repealed.

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32 SECTION 5. Emergency. It is hereby found and determined by the
33 Eightieth General Assembly of the State of Arkansas that the retirement
34 benefits provided to retirants and beneficiaries under the Arkansas State
35 Highway Employees' Retirement System are inadequate and that the benefits

1 should be increased as soon as practicable without delay in order to avoid an
2 undue hardship to many retirants and beneficiaries. Therefore, in order to
3 avoid any undue hardship on retirants, an emergency is hereby declared to
4 exist, and this act being necessary for the immediate preservation of the
5 public peace, health, and safety, shall be in full force and effect from and
6 after July 1, 1995.

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