

Stricken language would be deleted from present law. Underlined language would be added to present law.

As Engrossed: H1/31/97

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

HOUSE BILL 1216

4
5 By: Representative Bisbee
6 By: Senator Mahony

For An Act To Be Entitled

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10 "AN ACT TO AMEND ARKANSAS CODE § 24-7-705 TO PROVIDE
11 MEMBERS OF THE TEACHER RETIREMENT SYSTEM AN INCREASE IN
12 THE MULTIPLIER AMOUNT FOR CALCULATING RETIREMENT
13 ANNUITIES; TO PROVIDE A BENEFIT INCREASE FOR CERTAIN
14 RETIRANTS AND BENEFICIARIES OF RETIRANTS; TO DECLARE AN
15 EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

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18 "TO PROVIDE MEMBERS OF THE TEACHER
19 RETIREMENT SYSTEM AN INCREASE IN THE
20 MULTIPLIER AMOUNT FOR CALCULATING
21 RETIREMENT ANNUITIES; TO PROVIDE A
22 BENEFIT INCREASE FOR CERTAIN RETIRANTS
23 AND BENEFICIARIES OF RETIRANTS"

24
25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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27 SECTION 1. Arkansas Code § 24-7-705(a)(1), regarding the multiplier for
28 a retirement annuity under the Teacher Retirement System, is amended to read
29 as follows:

30 "(a)(1) Upon a member's retirement, he shall receive a straight life
31 annuity equal to his number of years of credited service for which member
32 contributions were made as provided in § 24-7-406 multiplied by ~~two and five~~
33 ~~hundredths percent (2.05%)~~ two and one tenth percent (2.10%) of his final
34 average salary, or a straight life annuity equal to his number of years of
35 credited service rendered after June 30, 1986, for which no member
36 contributions were made as provided in § 24-7-406 multiplied by ~~one and~~

1 ~~twenty-nine hundredths percent (1.29%)~~ one and thirty-four hundredths percent
2 (1.34%) of his final average salary, or a combination of both."

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4 SECTION 2. On and after July 1, 1997, the monthly benefit payable to
5 the retirants and the beneficiaries of retirants of the Arkansas Teacher
6 Retirement System, who retired July 1, 1990 or later, shall be increased by an
7 amount equal to one percent (1%) of the benefit payable on June 30, 1997. This
8 increase shall be a one-time adjustment and shall also be used to calculate
9 any additional benefit increases in the future. The benefit payable on July
10 1, 1997, shall become the base amount.

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12 SECTION 3. No benefit enhancement provided for by this act shall be
13 implemented if it would cause the publicly supported retirement system_s
14 unfunded actuarial accrued liabilities to exceed a thirty (30) year
15 amortization. No benefit enhancement provided for by this act shall be
16 implemented by any publicly supported system which has unfunded actuarial
17 accrued liabilities being amortized over a period exceeding thirty (30) years
18 until the unfunded actuarial accrued liability is reduced to a level less than
19 the standards prescribed by 24-1-101 et seq.

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21 SECTION 4. All provisions of this act of general and permanent nature
22 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
23 Revision Commission shall incorporate the same in the Code.

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25 SECTION 5. If any provisions of this act or the application thereof to
26 any person or circumstance is held invalid, the invalidity shall not affect
27 other provisions or applications of the act which can be given effect without
28 the invalid provisions or application, and to this end the provisions of this
29 act are declared to be severable.

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31 SECTION 6. All laws and parts of laws in conflict with this act are
32 hereby repealed.

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34 SECTION 7. Emergency. It is hereby found and determined by the
35 Eighty-First General Assembly of the State of Arkansas that the Arkansas
36 Teacher Retirement System was created to benefit the employees of the public

1 educational institutions and school districts of Arkansas; that increases in
2 the retirement system asset values allow for periodic increases in members'
3 benefits; that most retirements under the Teacher Retirement System are
4 effective on July 1 and any delay in the effective date of this act beyond
5 July 1, 1997 will cause an undue hardship in administering this act.
6 Therefore, in order to promote the sound fiscal administration of State
7 government, an emergency is hereby declared to exist, and this act being
8 necessary for the immediate preservation of the public peace, health, and
9 safety, shall become effective July 1, 1997.

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/s/Rep. Bisbee, et al