

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

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

A Bill

HOUSE BILL 1671

4
5 By: Representative Dawson

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE § 24-7-1306 TO CHANGE THE
10 AMOUNT OF CONTRIBUTIONS TO THE TEACHER DEFERRED RETIREMENT
11 OPTION PLAN ACCOUNT; TO DECLARE AN EMERGENCY; AND FOR
12 OTHER PURPOSES."

Subtitle

13
14 "TO CHANGE THE AMOUNT OF CONTRIBUTIONS
15 TO THE TEACHER DEFERRED RETIREMENT
16 OPTION PLAN ACCOUNT"
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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 § 24-7-1306 is amended to read as follows:

23 "24-7-1306. Amount of contributions.

24 (a) Teacher deferred retirement option plan contributions shall be a
25 percentage of the teacher deferred retirement option plan benefit. The
26 percentage is one hundred percent (100%) reduced by the product of one percent
27 (1%) multiplied by the number of years of contributory service credit and
28 fractions thereof, and further reduced by the product of six-tenths percent
29 (0.6%) multiplied by the number of years of noncontributory service credit and
30 fractions thereof. In the event a member has more than thirty (30) years of
31 service, the years of service above thirty (30) years shall be reduced by one-
32 half of one percent (0.5%) for contributory years and three-tenths (0.3%) for
33 noncontributory years. Those members already in the teacher deferred
34 retirement option plan will have a one-time adjustment made in their
35 contributions. The amount of the one-time adjustment will be determined by
36 the Board of Trustees. Further, the Board of Trustees is authorized to make

1 further adjustments on the teacher deferred retirement option plan to make it
2 cost-neutral to the system.

3 (b) For the purpose of § 24-7-709 related to disposition of residue,
4 teacher deferred retirement option plan contributions shall be considered to
5 be annuity payments."

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7 SECTION 2. No benefit enhancement provided for by this act shall be
8 implemented if it would cause the publicly supported retirement systems
9 unfunded actuarial accrued liabilities to exceed a thirty (30) year
10 amortization. No benefit enhancement provided for by this act shall be
11 implemented by any publicly supported system which has unfunded actuarial
12 accrued liabilities being amortized over a period exceeding thirty (30) years
13 until the unfunded actuarial accrued liability is reduced to a level less than
14 the standards prescribed by Arkansas Code §§ 24-1-101, et seq.

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

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20 SECTION 4. If any provision of this act or the application thereof to
21 any person or circumstance is held invalid, such invalidity shall not affect
22 other provisions or applications of the act which can be given effect without
23 the invalid provision or application, and to this end the provisions of this
24 act are declared to be severable.

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26 SECTION 5. All laws and parts of laws in conflict with this act are
27 hereby repealed.

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29 SECTION 6. Emergency. It is hereby found and determined by the Eighty-
30 First General Assembly of the State of Arkansas that member contributions to
31 the teacher deferred retirement option plan accounts need to be adjusted; that
32 current law does not provide for that option; and changes in the current laws
33 are necessary to continue the operation of the teacher deferred retirement
34 option plan. Therefore, an emergency is hereby declared to exist, and this
35 act being necessary for the immediate preservation of the public peace,
36 health, and safety, shall become effective July 1, 1997.