

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
4
5 By: Senator Hopkins

A Bill

SENATE BILL 101

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE § 24-8-223 TO CLARIFY THE
10 COMPUTATION OF THE CONSUMER PRICE INDEX USED FOR
11 REDETERMINING THE AMOUNT OF THE RETIREMENT BENEFIT
12 PROVISIONS FOR THE ARKANSAS JUDICIAL RETIREMENT SYSTEM; TO
13 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

15 "TO CLARIFY THE METHOD OF USING THE
16 CONSUMER PRICE INDEX FOR REDETERMINING
17 THE RETIREMENT BENEFITS UNDER THE
18 JUDICIAL RETIREMENT SYSTEM."

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

23 SECTION 1. Arkansas Code § 24-8-223 is amended to read as follows:

24 "24-8-223. Redetermination of benefits.

25 (a) As used in this section:

26 (1) System means the Arkansas Judicial Retirement System; and

27 ~~_____ (2) The amount of the benefit otherwise payable means the full~~
28 ~~amount of the monthly benefit that would be payable disregarding the~~
29 ~~provisions of this section redetermining the benefit amount after retirement;~~
30 ~~and~~

31 ~~_____ (3)~~(2) Consumer price index means the Consumer Price Index for
32 All Urban Consumers, as determined by the United States Department of Labor,
33 in effect January 1, 1987. Should the consumer price index be reconstructed
34 subsequent to 1995 in a manner materially changing its character, the board of
35 trustees, after receiving the advice of the actuary, shall change the
36 application of the consumer price index so that, as far as practicable, the

1 intent of the use of the consumer price index shall be continued.

2 ~~———— (b)(1) Each July 1, the system shall redetermine the amount of each~~
 3 ~~monthly benefit that has been payable by the system for at least twelve (12)~~
 4 ~~full calendar months. The redetermined amount shall be payable for the~~
 5 ~~following twelve (12) months.~~

6 ~~———— (2) Subject to the maximum stated in subdivision (b)(3) of this~~
 7 ~~section, such redetermined amount shall be the amount of the benefit otherwise~~
 8 ~~payable on July 1, plus an increase of three percent (3%).~~

9 ~~———— (3)(A) The redetermined amount shall not be more than the amount~~
 10 ~~of the benefit otherwise payable multiplied by the following fraction:~~

11 ~~———— (i) The numerator shall be the average of the~~
 12 ~~consumer price index for the twelve (12) calendar months in the calendar year~~
 13 ~~immediately preceding July 1 but in no event an amount less than the~~
 14 ~~denominator; and~~

15 ~~———— (ii) The denominator shall be the average of the~~
 16 ~~consumer price index for the twelve (12) calendar months in the calendar year~~
 17 ~~immediately preceding the effective date of the benefit.~~

18 ~~———— (B) In no event shall the redetermined amount be less than~~
 19 ~~the amount of the benefit otherwise payable.~~

20 (b) Each July 1, the Arkansas Judicial Retirement System shall
 21 redetermine the amount of each monthly benefit which has been payable by the
 22 system for at least twelve (12) full calendar months. The redetermined amount
 23 shall be payable for the following twelve (12) calendar months.

24 ~~———— (c) This method of redetermination of the amount of retirement benefits~~
 25 ~~shall be applicable to any judge first elected after July 1, 1983.~~

26 (c) Subject to the maximum stated in subsection (d) of this section,
 27 the redetermined amount shall be the amount of benefit payable as of the
 28 immediately preceding July 1, increased by three percent (3%).

29 (d) In no event shall the redetermined amount be more than the amount
 30 of the benefit payable as of the immediately preceding July 1 multiplied by
 31 the following fraction:

32 (1) the numerator shall be the average of the consumer price index
 33 for the twelve (12) calendar months in the calendar year immediately preceding
 34 July 1, but in no event an amount less than the denominator; and

35 (2) the denominator shall be the average of the consumer price
 36 index for the twelve (12) calendar months in the calendar year second

1 preceding the redetermination date.

2 (e) This method of redetermination of the amount of the retirement
3 benefits shall be applicable to any judge first elected after July 1, 1983."

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

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9 SECTION 3. If any provisions of this act or the application thereof to
10 any person or circumstance is held invalid, the invalidity shall not affect
11 other provisions or applications of the act which can be given effect without
12 the invalid provisions or application, and to this end the provisions of this
13 act are declared to be severable.

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15 SECTION 4. All laws and parts of laws in conflict with this act are
16 hereby repealed.

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18 SECTION 5. Emergency. It is hereby found and determined by the
19 Eighty-First General Assembly of the State of Arkansas that the
20 redetermination of benefits provision of the Arkansas Judicial Retirement
21 System needs clarification and that the effective administration of the system
22 will be aided by implementing these changes at the beginning of the State's
23 fiscal year. Therefore, in order to promote sound administration in State
24 government, an emergency is hereby declared to exist, and this act being
25 necessary for the immediate preservation of the public peace, health, and
26 safety, shall become effective July 1, 1997.

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