

1 State of Arkansas

2 82nd General Assembly

3 Regular Session, 1999

# A Bill

SENATE BILL 105

5 By: Senator Hopkins

6 By: Representative Faris

## For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE § 24-7-705 TO PROVIDE A  
MINIMUM BENEFIT FOR MEMBERS OF THE TEACHER RETIREMENT  
SYSTEM WITH TEN (10) OR MORE YEARS OF SERVICE; TO  
DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

## Subtitle

"TO PROVIDE MINIMUM BENEFITS FOR TEACHER  
RETIREMENT SYSTEM MEMBERS WITH 10 OR  
MORE YEARS OF SERVICE."

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

SECTION 1. Arkansas Code § 24-7-705(b), regarding the life annuity for  
members of the Teacher Retirement System, is amended to read as follows:

"(b)(1) The minimum straight life annuity for a member retiring after  
June 30, 1965, but before July 1, 1986, shall be one hundred fifty dollars  
(\$150) per month.

(2) For a member retiring July 1, 1986, or later, the minimum  
straight life annuity shall be:

(A) One hundred dollars (\$100) per month if the member has  
no noncontributory credited service of the type specified in subdivision  
(a)(1) of this section. Effective July 1, 1998, for members with ten (10) or  
more years of contributory credited service of the type specified in  
subdivision (a)(1) of this section, the amount shall be one hundred fifty  
dollars (\$150) per month;

(B) Sixty-four dollars (\$64.00) per month if the member has

1 only credited service of the noncontributory type specified in subdivision  
2 (a)(1) of this section. Effective July 1, 1998, for members with ten (10) or  
3 more years of noncontributory credited service of the type specified in  
4 subdivision (a)(1) of this section, the amount shall be ninety-four dollars  
5 (\$94.00) per month; or

6 (C)(i) If the member has a mixture of credited service, the  
7 monthly amount shall be prorated between sixty-four dollars (\$64.00) and one  
8 hundred dollars (\$100) according to the relationship between his  
9 noncontributory credited service and his total credited service. Effective  
10 July 1, 1998, for members with ten (10) or more years of credited service, the  
11 amount shall be prorated between ninety-four dollars (\$94.00) and one-hundred  
12 fifty dollars (\$150) per month, according to the relationship between the  
13 member's noncontributory credited service and total credited service.

14 (ii) Provided, however, if the member has at least  
15 five (5) years of contributory service, regardless of his number of years of  
16 noncontributory service, his monthly amount shall not be less than one hundred  
17 dollars (\$100), or if the member has at least ten (10) years of contributory  
18 service, regardless of his number of years of noncontributory service, his  
19 monthly amount shall not be less than one hundred fifty dollars (\$150)."

20  
21 SECTION 2. No benefit enhancement provided for by this act shall be  
22 implemented if it would cause the publicly supported retirement system's  
23 unfunded actuarial accrued liabilities to exceed a thirty (30) year  
24 amortization. No benefit enhancement provided for by this act shall be  
25 implemented by any publicly supported system which has unfunded actuarial  
26 accrued liabilities being amortized over a period exceeding thirty (30) years  
27 until the unfunded actuarial accrued liability is reduced to a level less than  
28 the standards prescribed by Arkansas Code, Title 24.

29  
30 SECTION 3. All provisions of this act of a general and permanent nature  
31 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
32 Revision Commission shall incorporate the same in the Code.

33  
34 SECTION 4. If any provision of this act or the application thereof to  
35 any person or circumstance is held invalid, such invalidity shall not affect  
36 other provisions or applications of the act which can be given effect without

1 the invalid provision or application, and to this end the provisions of this  
2 act are declared to be severable.

3  
4 SECTION 5. All laws and parts of laws in conflict with this act are  
5 hereby repealed.

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7 SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the  
8 Eighty-second General Assembly that members of the Teacher Retirement System  
9 who receive the minimum benefits are some of the poorest retirees and are in  
10 the most need of having their benefits increased, and that the minimum  
11 benefits need adjusting based on the number of years of service to increase  
12 the equity of the benefit structure of the retirement system, and therefore  
13 this act should have effect immediately with the beginning of the State's  
14 fiscal year. Therefore, an emergency is declared to exist and this act being  
15 immediately necessary for the preservation of the public peace, health and  
16 safety shall become effective on July 1, 1999.