

State of Arkansas
82nd General Assembly
Regular Session, 1999

A Bill

SENATE BILL 305

By: Senator Hopkins
By: Representative Faris

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE § 24-7-705 TO PROVIDE
AUTHORITY FOR THE BOARD OF TRUSTEES OF THE TEACHER
RETIREMENT SYSTEM (TRS), WHEN ACTUARIALLY APPROPRIATE,
TO INCREASE THE BENEFIT MULTIPLIER; TO PROVIDE THE
BOARD WITH AUTHORITY FOR COMPARABLE INCREASES TO
RETIREES FOR ANY BENEFIT INCREASES; AND FOR OTHER
PURPOSES. "

Subtitle

"TO PROVIDE AUTHORITY FOR THE TRS-BOARD
OF TRUSTEES TO INCREASE THE BENEFIT
MULTIPLIER FOR MEMBERS AND TO PROVIDE
FOR COMPARABLE INCREASES TO RETIREES. "

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

SECTION 1. Arkansas Code § 24-7-705(a)(1), concerning the multiplier
for annuities under the Arkansas Teacher Retirement System, is amended to read
as follows:

"(a)(1)(A) ~~Upon~~ After July 1, 1999, upon a member's retirement, he
shall receive a straight life annuity equal to his number of years of credited
service for which member contributions were made as provided in § 24-7-406
multiplied by not less than two and sixty-five thousandths percent (2.065%),
nor more than two and fifteen-hundredths percent (2.15%), of his final average
salary, or a straight life annuity equal to his number of years of credited
service rendered after June 30, 1986, for which no member contributions were

made as provided in § 24-7-406 multiplied by not less than one and three hundred and five thousandths percent (1.305%), nor more than one and thirty-nine hundredths percent (1.39%), of his final average salary, or a combination of both.

(B) The percentages in subdivision (a)(1)(A) of this section shall be determined in accordance with rules and regulations of the Teacher Retirement System's Board of Trustees as is actuarially appropriate for the system.

(C) Prior to increasing a benefit as provided in this section, the board of trustees shall file relevant information concerning the actuarial appropriateness of the action with the Joint Committee on Public Retirement and Social Security Programs."

SECTION 2. The Board of Trustees of the Arkansas Teacher Retirement System is authorized by this section to raise the level of benefit to the current retirants and other beneficiaries of the Arkansas Teacher Retirement System to a comparable level increase to match the increase in benefits that would accrue to active members as a result of any increase in the calculation of a life annuity as provided in subdivisions (a)(1)(A) and (a)(1)(B) of § 24-7-705 in accordance with any rules and regulations the Board might promulgate. The amount of any increase for retirants and other beneficiaries shall also be determined in accordance with the rules and regulations of the Arkansas Teacher Retirement System's Board of Trustees as is actuarially appropriate for the system. Prior to increasing a benefit as provided in this section, the board of trustees shall file relevant information concerning the actuarial appropriateness of the action with the Joint Committee on Public Retirement and Social Security Programs and the action shall be reviewed by the Committee.

SECTION 3. The base amount in Arkansas Code 24-7-713 will be adjusted at the same time a benefit increase is granted to active members under Section 2 of this act.

SECTION 4. No benefit enhancement provided for by this act shall be implemented if it would cause the publicly supported retirement system's unfunded actuarial accrued liabilities to exceed a thirty (30) year

1 amortization. No benefit enhancement provided for by this act shall be
2 implemented by any publicly supported system which has unfunded actuarial
3 accrued liabilities being amortized over a period exceeding thirty (30) years
4 until the unfunded actuarial accrued liability is reduced to a level less than
5 the standards prescribed by Arkansas Code, Title 24.

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

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11 SECTION 6. If any provision of this act or the application thereof to
12 any person or circumstance is held invalid, such invalidity shall not affect
13 other provisions or applications of the act which can be given effect without
14 the invalid provision or application, and to this end the provisions of this
15 act are declared to be severable.

16
17 SECTION 7. All laws and parts of laws in conflict with this act are
18 hereby repealed.