

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

As Engrossed: S2/3/99
A Bill

SENATE BILL 37

4
5 By: Senator Hopkins
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8 **For An Act To Be Entitled**

9 "AN ACT TO AMEND ARKANSAS CODE 24-8-223 TO AMEND THE
10 METHOD OF COMPUTING THE COST OF LIVING ADJUSTMENT FOR
11 THE JUDICIAL RETIREMENT SYSTEM; TO DECLARE AN
12 EMERGENCY; AND FOR OTHER PURPOSES."

13
14 **Subtitle**

15 "AN ACT TO AMEND THE COST OF LIVING
16 ADJUSTMENT FOR THE JUDICIAL RETIREMENT
17 SYSTEM."
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19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code 24-8-223 is amended to read as follows:

23 "24-8-223. Redetermination of benefits.

24 ~~(a) As used in this section:~~

25 ~~(1) "System" means the Arkansas Judicial Retirement System; and~~

26 ~~(2) "Consumer price index" means the Consumer Price Index for All Urban~~
27 ~~Consumers, as determined by the United States Department of Labor, in effect~~
28 ~~January 1, 1987. Should the consumer price index be reconstructed subsequent~~
29 ~~to 1995 in a manner materially changing its character, the board of trustees,~~
30 ~~after receiving the advice of the actuary, shall change the application of the~~
31 ~~consumer price index so that, as far as practicable, the intent of the use of~~
32 ~~the consumer price index shall be continued.~~

33 ~~(b)~~ (a) Each July 1, the Arkansas Judicial Retirement System shall
34 redetermine the amount of each monthly benefit which has been payable by the
35 system for at least twelve (12) full calendar months. The redetermined amount
36 shall be payable for the following twelve (12) calendar months.

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

4 ~~(d)~~ In no event shall the redetermined amount be more than the amount
5 of the benefit payable as of the immediately preceding July 1 multiplied by
6 the following fraction:-

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

10 ~~(2)~~ The denominator shall be the average of the consumer price
11 index for the twelve ~~(12)~~ calendar months in the calendar year second
12 preceding the redetermination date.

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

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

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25 SECTION 3. All provisions of this Act of a general and permanent nature
26 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
27 Revision Commission shall incorporate the same in the Code.

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29 SECTION 4. If any provision of this Act or the application thereof to
30 any person or circumstance is held invalid, such invalidity shall not affect
31 other provisions or applications of the Act which can be given effect without
32 the invalid provision or application, and to this end the provisions of this
33 Act are declared to be severable.

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35 SECTION 5. All laws and parts of laws in conflict with this Act are
36 hereby repealed.

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SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the Eighty-second General Assembly, that historically the Judicial Retirement System has recomputed retirement benefits on July 1 of each year to reflect a cost of living increase; that this act modifies the cost of living increase; and that unless this emergency clause is adopted, this act will not go into effect on July 1 of this year; and that unless this emergency clause is adopted, this act will not be effective until July 1 of the succeeding year. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on July 1, 1999.

/s/ Hopkins