

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

A Bill

SENATE BILL 195

5 By: Senators Hunter, Faris
6 By: Representative R. Smith
7

For An Act To Be Entitled

10 AN ACT TO AMEND ARKANSAS CODE 24-7-713 TO AUTHORIZE A
11 MAXIMUM FOUR PERCENT (4%) COST-OF-LIVING ADJUSTMENT
12 FOR RETIREES OF THE TEACHER RETIREMENT SYSTEM WHEN
13 FEASIBLE; TO DECLARE AN EMERGENCY; AND FOR OTHER
14 PURPOSES.
15

Subtitle

16 TO AUTHORIZE A MAXIMUM FOUR PERCENT (4%)
17 COST-OF-LIVING ADJUSTMENT FOR TEACHER
18 RETIREMENT RETIREES WHEN FEASIBLE.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code 24-7-713(a), concerning the annual
25 redetermined amount of monthly benefits for retirees of the Teacher Retirement
26 System, is amended to read as follows:

27 (a)(1) Beginning with the July 1 which is at least twelve (12) full
28 months after the effective date of a monthly benefit, the amount of the
29 benefit shall be redetermined effective each July 1, and the redetermined
30 amount shall be payable for the ensuing year.

31 (2)(A) The redetermined amount shall be the base amount
32 multiplied by the following percent: One hundred percent (100%) plus not less
33 than three percent (3%) nor more than four percent (4%) for each full year,
34 but excluding any fraction of a year, in the period from the effective date of
35 the base amount to the current July 1.

36 (B) The redetermined amount provided in subsection (a) of

1 this section shall be implemented according to rules and regulations of the
2 Teacher Retirement System's Board of Trustees as is actuarially appropriate
3 for the system. Prior to increasing a benefit as provided in this subsection,
4 the Board of Trustees shall file relevant information concerning the actuarial
5 appropriateness of the action with the Joint Interim Committee on Public
6 Retirement and Social Security Programs.

7 (3) In no event shall the redetermined amount be less than the
8 base amount.

9 (4) As used in this section:

10 (A) "The amount of the benefit otherwise payable" means the
11 monthly amount of the benefit which would be payable disregarding the
12 provisions of this section redetermining benefit amounts after retirement;

13 (B)(i) "Base amount" means the monthly amount of the
14 benefit upon which benefit redeterminations after retirement are based, as
15 provided in this section.

16 (ii) Base amount includes the amount of the benefit
17 otherwise payable plus any one-time increase or increases granted by
18 legislative change.

19 (iii) The effective date of the base amount shall be
20 the effective date of the benefit or, if any, the effective date of the last
21 increase in base amount, whichever is later.

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23 SECTION 2. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO
24 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall
25 be implemented if it would cause the publicly supported retirement system's
26 unfunded actuarial accrued liabilities to exceed a thirty (30) year
27 amortization. No benefit enhancement provided for by this act shall be
28 implemented by any publicly supported system which has unfunded actuarial
29 accrued liabilities being amortized over a period exceeding thirty (30) years
30 until the unfunded actuarial accrued liability is reduced to a level less than
31 the standards prescribed by Arkansas Code, Title 24.

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33 SECTION 3. Emergency Clause. It is found and determined by the Eighty-
34 third General Assembly of the State of Arkansas that an increase in the cost-
35 of-living adjustment for Teacher Retirement System retirees will help offset
36 an increasing cost of living; and that the beginning of the state's fiscal

year is the most administratively advantageous time to implement a benefit increase for the system. 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, 2001.

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