

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

# A Bill

SENATE BILL 234

4  
5 By: Senator Hunter  
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## For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE TITLE 24, CHAPTER 7,  
10 SUBCHAPTER 4 TO ADD AN ADDITIONAL SECTION TO AUTHORIZE  
11 THE BOARD OF TRUSTEES OF THE ARKANSAS TEACHER  
12 RETIREMENT SYSTEM TO TRANSFER FUNDS AND REDUCE  
13 BENEFITS IF NECESSARY; AND FOR OTHER PURPOSES.  
14

## Subtitle

15 TO AUTHORIZE THE BOARD OF TRUSTEES OF  
16 THE ARKANSAS TEACHER RETIREMENT SYSTEM  
17 TO TRANSFER FUNDS AND REDUCE BENEFITS IF  
18 NECESSARY.  
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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 Title 24, Chapter 7, Subchapter 4 is amended  
25 to add an additional section to read as follows:

26 24-7-412. Board of trustees - Reduction of annuities where funds  
27 inadequate.

28 (a)(1) If, at the end of any fiscal year, the total of the annuities  
29 paid during the fiscal year by the Arkansas Teacher Retirement System exceed  
30 the amount of funds the Board of Trustees has allocated for those annuities  
31 for the fiscal year, then the board shall have the authority to reduce pro  
32 rata the annuities payable to retirants and beneficiaries in the ensuing  
33 fiscal year.

34 (2) This reduction shall be made in a manner that the total of  
35 the annuities so reduced shall not exceed the amount the board allocates for  
36 annuities for the ensuing fiscal year.

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1           (3) The pro rata reduction shall be applied to all annuities  
2 payable to state retirants and beneficiaries during the ensuing fiscal year.

3           (b) Before the implementation of any pro rata reductions for the  
4 ensuing fiscal year, the board shall present to the Joint Committee on Public  
5 Retirement and Social Security Programs information concerning the mechanisms  
6 for these reductions and any recommended changes in retirement law to  
7 implement actuarial appropriate changes to prevent the pro rata reductions in  
8 future fiscal years.

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

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