

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 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: S2/18/09

A Bill

SENATE BILL 129

5 By: Senator Faris
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For An Act To Be Entitled

9 AN ACT TO AUTHORIZE A ONE-TIME AD HOC BENEFIT
10 INCREASE FOR RETIRANTS, SURVIVORS, AND
11 BENEFICIARIES OF RETIRANTS IN THE ARKANSAS
12 TEACHER RETIREMENT SYTEM; AND FOR OTHER PURPOSES.

Subtitle

14 TO AUTHORIZE A ONE-TIME AD HOC BENEFIT
15 INCREASE FOR RETIRANTS, SURVIVORS, AND
16 BENEFICIARIES OF RETIRANTS IN THE
17 ARKANSAS TEACHER RETIREMENT SYTEM.
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code Title 24, Chapter 7, is amended to add an
23 additional subchapter to read as follows:

24 24-7-1501. Title.

25 This act shall be known and may be cited as the "Retirants' Ad hoc
26 Increase Act".
27

28 24-7-1502. Benefit generally.

29 (a) The annual benefit payable to eligible retirees, survivors, and
30 beneficiaries of retirants of the Arkansas Teacher Retirement System shall be
31 subject to a one-time ad hoc increase based on the retirant's years of
32 credited service which is grouped within descending decades as calculated by
33 subtracting the total years of credited service from the date of retirement.

34 (1) A break in credited service is not considered under this
35 subchapter.

36 (2) Teacher Deferred Retirement Option Plan (T-DROP)

1 participants shall have the total years of credited service subtracted from
2 the date of entry into T-DROP.

3 (b)(1) One half (1/2) of the annual dollar increase per year of
4 credited service shall be calculated and provided to all retirees, survivors,
5 and beneficiaries of retirants that are eligible to receive this increase;
6 and

7 (2) One half (1/2) of the annual dollar increase per year of
8 credited service shall be calculated then prorated based on the amount of
9 contributory service credit to total service on the retirant's:

10 (A) Retirement date; or

11 (B) T-DROP entry date.

12 (3) The amounts under subsection (b) of this section shall be
13 calculated and provided to all retirees, survivors, and beneficiaries of
14 retirants.

15 (c)(1) The ad hoc benefit is payable to the retirees, survivors, and
16 beneficiaries of retirants of the system beginning on a July 1 that is at
17 least twelve (12) full months after the effective date of a monthly benefit.

18 (d) The ad hoc benefit for a retirant, survivor, and beneficiary of a
19 retirant shall not increase the retirant's current benefit by more than
20 twenty-five percent (25%) of the annuity benefit payable as of the prior June
21 30.

22
23 24-7-1503. Ad hoc benefit formula.

24 The schedule of decade dollar amounts per year of credited service is:

25 Formula

26 Decades in

Annual \$

27 Which

Increase Per

28 Credited

Year of

29 Service

Credited

30 Was Accrued

Service

31 2000 - and

32 later

\$5

33 1990-1999

\$10

34 1980-1989

\$20

35 1970-1979

\$30

36 1960-1969

40\$

1	<u>1950-1959</u>	<u>\$30</u>
2	<u>1940-1949</u>	<u>\$60</u>
3	<u>1930-1939</u>	<u>\$70</u>
4	<u>1929-1929</u>	<u>\$80</u>
5	<u>1910-1919</u>	<u>\$90</u>

6
7 24-7-1504. Promulgation of Rules - Duty of board..

8 (a) The Board of Trustees of the Arkansas Teacher Retirement System
9 shall promulgate rules for the ad hoc benefit under this subchapter.

10 (b) An ad hoc benefit under this subchapter shall not be implemented
11 if the ad hoc benefit would cause the system's unfunded actuarial accrued
12 liabilities to exceed a thirty-year amortization.

13 (c) The board shall only authorize an ad hoc benefit that is
14 actuarially appropriate for the system.

15 (d) Before an increase of retirement benefit through an ad hoc benefit
16 is authorized, the board shall file relevant information with the Joint
17 Interim Committee on Public Retirement and Social Security Programs.
18 regarding the actuarial appropriateness of the increase.

19 (e) The board may reduce the decade increase formula under § 24-15-103
20 proportionately on a one-to-one formula basis for each decade when the
21 reduction is actuarially feasible to implement.

22 (f) The ad hoc benefit increase is a one-time adjustment and shall
23 also be used to increase the base amount of a retirant's benefits when
24 calculating any future additional benefit increases.

25 /s/ Fari s

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