

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

As Engrossed: H4/9/13

# A Bill

HOUSE BILL 1199

5 By: Representative Kizzia  
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## For An Act To Be Entitled

8 AN ACT TO AMEND PROVISIONS OF THE ARKANSAS CODE  
9 CONCERNING TEACHER *RETIREMENT SYSTEM EMPLOYER*  
10 *CONTRIBUTIONS*; AND FOR OTHER PURPOSES.  
11

## Subtitle

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13 *TO AMEND PROVISIONS OF THE ARKANSAS CODE*  
14 *CONCERNING TEACHER RETIREMENT SYSTEM*  
15 *EMPLOYER CONTRIBUTIONS.*  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 *SECTION 1. Arkansas Code § 24-7-401(c), concerning fund contributions,*  
22 *is amended to add a new subdivision as follows:*

23 *(5)(A)(i) Beginning July 1, 2015, and for each fiscal year*  
24 *thereafter, the employer contribution rate shall not exceed fifteen percent*  
25 *(15%).*

26 *(ii) Until July 1, 2015, the employer contribution*  
27 *rate shall not exceed fourteen percent (14%).*

28 *(B)(i) For the fiscal year beginning July 1, 2015, and*  
29 *each fiscal year thereafter, the board may modify the employer contribution*  
30 *rate for the next fiscal year above fourteen percent (14%) in increments of*  
31 *one-fourth of a percent (0.25%) only if the annual report from the system's*  
32 *actuary provided for the previous fiscal year establishes that the system has*  
33 *a greater than thirty-year amortization period to pay unfunded liabilities*  
34 *without an employer contribution rate of more than fourteen percent (14%) on*  
35 *a smoothed and unsmoothed basis limited to a maximum employer contribution*  
36 *rate of fifteen percent (15%).*



1 (ii) If a report provided by the system's actuary  
2 shows that the system's amortization period to pay unfunded liabilities is  
3 thirty (30) years or less with a fourteen percent (14%) employer contribution  
4 rate on a smoothed or unsmoothed basis, then the employer contribution rate  
5 shall not exceed fourteen percent (14%).

6 (iii)(a) An increase in the employer contribution  
7 rate shall only occur if the system implements cost savings from member  
8 benefit programs and increased member contributions, measured after July 1,  
9 2013, that equal or exceed the value of the employer contribution increase  
10 before or at the same time as an employer contribution increase.

11 (b) The cost savings from member benefit  
12 programs and increased member contributions shall take place or be approved  
13 before or at the same time as an employer contribution increase.

14 (c) The system may rely upon actuarial reports  
15 by the system's actuary to determine the relative impact of changes to member  
16 benefit programs and increased member contributions, including whether the  
17 cost savings from member benefit programs and increased member contributions  
18 is equal to or exceeds the value of the proposed employer contribution  
19 increase.

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21 /s/Kizzia  
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