

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

A Bill

SENATE BILL 130

5 By: Senator J. Hutchinson
6

For An Act To Be Entitled

8 AN ACT TO ALLOW THE BOARD OF TRUSTEES OF THE ARKANSAS
9 TEACHER RETIREMENT SYSTEM TO INCREASE OR DECREASE THE
10 STIPEND BENEFIT FOR MEMBERS AS ACTUARIALLY
11 APPROPRIATE; TO DECLARE AN EMERGENCY; AND FOR OTHER
12 PURPOSES.
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Subtitle

15 TO ALLOW THE BOARD OF TRUSTEES OF THE
16 ARKANSAS TEACHER RETIREMENT SYSTEM TO
17 INCREASE OR DECREASE THE STIPEND BENEFIT
18 FOR MEMBERS AS ACTUARIALLY APPROPRIATE
19 AND TO DECLARE AN EMERGENCY.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 24-7-713(b), concerning the monthly benefit
26 stipend, is amended to read as follows:

27 (b)(1)~~(A)~~ Effective July 1, ~~1999~~ 2013, ~~subject to the minimum~~
28 ~~financial conditions set forth in § 24-7-718, retirees, survivors, and~~
29 ~~beneficiaries shall receive an increase in benefits of~~ the Board of Trustees
30 of the Arkansas Teacher Retirement System may modify the amount of the
31 benefit stipend from a maximum of seventy-five dollars (\$75.00) per month to
32 not less than fifty dollars (\$50.00) one dollar (\$1.00) per month for
33 eligible benefit participants as a benefit supplement in addition to the
34 cost-of-living adjustment under subsection (a) of this section.

35 ~~(B) However, the Board of Trustees of the Arkansas Teacher~~
36 ~~Retirement System may elect and is granted authority to increase the benefit~~



1 ~~to retirees in an amount determined by the board, except that the benefit~~
 2 ~~increase shall not exceed seventy five dollars (\$75.00) per month.~~

3 ~~(2)(A) Members retiring after July 1, 1999, but before July 1,~~
 4 ~~2008, with five (5) or more years of actual service in the Arkansas Teacher~~
 5 ~~Retirement System and their survivors and beneficiaries shall receive an~~
 6 ~~additional benefit of not less than fifty dollars (\$50.00) per month over and~~
 7 ~~above their regular annuity. A benefit stipend increase or decrease adopted by~~
 8 ~~the board shall apply to a complete fiscal year and shall remain in effect~~
 9 ~~until adjusted by the board subject to the limitations under subdivision~~
 10 ~~(b)(4) of this section.~~

11 ~~(B) Members retiring on or after July 1, 2008, with ten~~
 12 ~~(10) or more years of actual service in the Arkansas Teacher Retirement~~
 13 ~~System and their survivors and beneficiaries shall receive an additional~~
 14 ~~benefit of not less than fifty dollars (\$50.00) per month over and above~~
 15 ~~their regular annuity.~~

16 ~~(C) However, the board may elect and is granted authority~~
 17 ~~to increase the additional benefit to members retiring in an amount~~
 18 ~~determined by the board, except that the additional benefit shall not exceed~~
 19 ~~seventy five dollars (\$75.00) per month.~~

20 ~~(3) The board may prorate the benefits provided under this~~
 21 ~~subsection for all members retiring after June 30, 1999, if the member is~~
 22 ~~also eligible for an additional monthly benefit as a result of credited~~
 23 ~~service under one (1) or more of the other reciprocal systems, as such~~
 24 ~~systems are enumerated in § 24-2-401. adjust the benefit stipend amount by~~
 25 ~~resolution at a meeting of the board.~~

26 ~~(4) The board shall not reduce the benefit stipend unless the~~
 27 ~~system's actuary recommends an increase to the board in order to address an~~
 28 ~~amortization period in excess of thirty (30) years to pay the unfunded~~
 29 ~~liabilities of the system.~~

31 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 32 General Assembly of the State of Arkansas that provisions of the Arkansas
 33 Teacher Retirement System Act are in need of revision to maintain the teacher
 34 retirement laws in conformance with sound public pension policy; that the
 35 Arkansas Teacher Retirement System operates on a July 1 to June 30 fiscal
 36 year; that having a July 1, 2013, effective date is necessary to allow the

1 provisions of this act to begin on the first day of the fiscal year and to
2 provide proper administration of the system; and that this act is necessary
3 to maintain an orderly system of benefits for the members of the Arkansas
4 Teacher Retirement System. Therefore, an emergency is declared to exist, and
5 this act being necessary for the preservation of the public peace, health,
6 and safety shall become effective on July 1, 2013.