

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4
5 By: Representative Rye
6

A Bill

HOUSE BILL 1286

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING EARLY VOLUNTARY
9 RETIREMENT REDUCTIONS UNDER THE ARKANSAS TEACHER
10 RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR
11 OTHER PURPOSES.
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Subtitle

14 TO AMEND THE LAW CONCERNING EARLY
15 VOLUNTARY RETIREMENT REDUCTIONS UNDER THE
16 ARKANSAS TEACHER RETIREMENT SYSTEM; AND
17 TO DECLARE AN EMERGENCY.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 24-7-702(b)(2), concerning early voluntary
24 retirement under the Arkansas Teacher Retirement System, is amended to read
25 as follows:

26 (2)(A) The percent shall be one hundred percent (100%) reduced
27 by five-twelfths percent (5/12%) multiplied by the number of months by which
28 the time of early retirement precedes the earlier of either completion of
29 twenty-eight (28) years of credited service or attainment of sixty (60) years
30 of age.

31 (B) The board may set by board resolution the early
32 annuity reduction under § 24-7-702(b)(1) at a percentage rate between five
33 percent (5%) per year and fifteen percent (15%) per year, to be prorated
34 monthly, if the board determines that a reduction in the cost of early
35 voluntary retirement is necessary to maintain actuarial soundness based on
36 current and expected future actuarial assumptions, mortality tables, and



1 accounting rules.

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3 SECTION 2. Arkansas Code § 24-7-1314(b), concerning early
4 participation in the Teacher Deferred Retirement Option Plan, is amended to
5 read as follows:

6 (b) If the board authorizes early participation, the plan deposit
7 under § 24-7-1306 shall be based upon the deposit percent payable for a
8 participant with thirty (30) years of service, reduced by at least an
9 additional one-half of one percent (0.5%) and no more than one percent (1%)
10 of the plan benefit for each month the member begins participating in the
11 plan prior to having thirty (30) years of credited service. The board may
12 increase the percentage required as an early participation reduction, by
13 board resolution, in order to provide a fair and just and reasonable benefit
14 for all members of the Arkansas Teacher Retirement System and to provide for
15 appropriate actuary considerations.

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17 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
18 General Assembly of the State of Arkansas that the operations of the Arkansas
19 Teacher Retirement System are complex; that the system must be able to meet
20 the needs of its members as anticipated by the General Assembly; that certain
21 provisions of the Arkansas Teacher Retirement System Act are imminently in
22 need of revision and updating to bring them into conformance with sound
23 public pension policy and actuarial requirements; that such revision and
24 updating is of great importance to members of the system and to other
25 citizens of the State of Arkansas; that the system needs to have the ability
26 to make immediate changes to maintain and improve its actuarial status; and
27 that this act is immediately necessary in order to maintain an orderly
28 management of benefits for the members of the system. Therefore, an emergency
29 is declared to exist, and this act being immediately necessary for the
30 preservation of the public peace, health, and safety shall become effective
31 on:

32 (1) The date of its approval by the Governor;

33 (2) If the bill is neither approved nor vetoed by the Governor,
34 the expiration of the period of time during which the Governor may veto the
35 bill; or

36 (3) If the bill is vetoed by the Governor and the veto is

1 overridden, the date the last house overrides the veto.

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