

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

As Engrossed: H3/16/17

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.

Subtitle

12 TO AMEND THE LAW CONCERNING EARLY
13 VOLUNTARY RETIREMENT REDUCTIONS UNDER THE
14 ARKANSAS TEACHER RETIREMENT SYSTEM; AND
15 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:

35 (i) System's actuary certifies to the board that the
36 amortization period to pay the unfunded liabilities of the system exceeds



1 eighteen (18) years; and

2 (ii) Board determines that a reduction in the cost
3 of early voluntary retirement is prudent to maintain actuarial soundness.

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

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

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

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

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

1 bill; or

2 (3) If the bill is vetoed by the Governor and the veto is
3 overridden, the date the last house overrides the veto.

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5 */s/Rye*

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