

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

A Bill

HOUSE BILL 1373

5 By: Representative Deffenbaugh
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE APPLICATION
9 AND ADJUSTMENT OF BENEFIT STIPENDS UNDER THE ARKANSAS
10 TEACHER RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY;
11 AND FOR OTHER REASONS.
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Subtitle

14 TO AMEND THE LAW CONCERNING THE
15 APPLICATION AND ADJUSTMENT OF BENEFIT
16 STIPENDS UNDER THE ARKANSAS TEACHER
17 RETIREMENT SYSTEM; AND TO DECLARE AN
18 EMERGENCY.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 24-7-710(b)(1)(A)(i), concerning survivor
25 annuity benefits under the Arkansas Teacher Retirement System, is amended to
26 read as follows:

27 (b)(1)(A)(i) The member's surviving spouse, who was married to the
28 member for at least ~~the~~ two (2) years immediately preceding the member's
29 death, shall receive an annuity computed in the same manner in all respects
30 as if the member had retired on the date of the member's death and elected
31 Option A under § 24-7-706 to provide one hundred percent (100%) survivor
32 annuity benefits, ~~including benefits applicable under § 24-7-713, for his or~~
33 ~~her spouse.~~
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1 SECTION 2. Arkansas Code § 24-7-713(a)(4), concerning simple cost of
2 living adjustment and monthly benefit stipends under the Arkansas Teacher
3 Retirement System, is amended to read as follows:

4 (4) As used in this section, "base amount" means the amount of
5 the benefit payable at retirement plus any one-time increases granted by
6 legislative change after the member's effective date of retirement benefits,
7 excluding the simple cost of living adjustment under this section and the
8 benefit stipend under subsection (d) of this section.

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10 SECTION 3. Arkansas Code § 24-7-713(b), concerning simple cost of
11 living adjustment and monthly benefit stipends under the Arkansas Teacher
12 Retirement System, is amended to read as follows:

13 (b)(1) Effective July 1, 2013, the Board of Trustees of the Arkansas
14 Teacher Retirement System may modify the amount of the benefit stipend from a
15 maximum of seventy-five dollars (\$75.00) per month to not less than one
16 dollar (\$1.00) per month for eligible benefit participants as a benefit
17 supplement in addition to the cost of living adjustment under subsection (a)
18 of this section.

19 (2) A benefit stipend increase or decrease adopted by the board
20 shall apply to a complete fiscal year and shall remain in effect until
21 adjusted by the board subject to the limitations under subdivision (b)(4) of
22 this section.

23 (3) The board may adjust the benefit stipend amount by
24 resolution at a meeting of the board.

25 (4) The board ~~shall not~~ may reduce the benefit stipend ~~unless~~
26 ~~the Arkansas Teacher Retirement System's actuary certifies to the board that~~
27 ~~the amortization period exceeds thirty (30) years and that in order to~~
28 ~~address an amortization period in excess of thirty (30) years to pay unfunded~~
29 ~~liabilities of the Arkansas Teacher Retirement System, if the board~~
30 determines that a reduction in the benefit stipend is necessary to maintain
31 actuarial soundness based upon current and expected future actuarial
32 assumptions, mortality tables, and accounting rules ~~the board determines that~~
33 ~~the stipend should be reduced.~~

34 (5) The board may phase in an increase or decrease of the
35 benefit stipend.

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1 SECTION 4. Arkansas Code § 24-7-713, concerning retirement annuity,
2 simple cost of living adjustment, and monthly benefit stipends under the
3 Arkansas Teacher Retirement System, is amended to add an additional
4 subsection to read as follows:

5 (d)(1) The board may remove, by board resolution, the benefit stipend
6 from the base amount of current retirant and option beneficiaries if the
7 board determines that the removal of the benefit stipend from the base amount
8 is necessary to maintain actuarial soundness based on current and expected
9 future actuarial assumptions, mortality tables, and accounting rules.

10 (2) The board may phase in the removal of the benefit stipend
11 from the base amount of current retirant and option beneficiaries by board
12 resolution.

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14 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
15 General Assembly of the State of Arkansas that the operations of a state
16 public retirement system are complex; that the Arkansas Teacher Retirement
17 System must be able to meet the needs of its members as anticipated by the
18 General Assembly; that certain provisions of the Arkansas Teacher Retirement
19 System Act are imminently in need of revision and updating to bring them into
20 conformance with sound public pension policy and actuarial requirements; that
21 such revision and updating is of great importance to members of the system
22 and to other citizens of the State of Arkansas; that the system needs to have
23 the ability to make immediate changes to maintain and improve its actuarial
24 status; and that this act is immediately necessary in order to maintain an
25 orderly management of benefits for the members of the system. Therefore, an
26 emergency is declared to exist, and this act being immediately necessary for
27 the preservation of the public peace, health, and safety shall become
28 effective on:

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

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

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

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