

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

As Engrossed: H3/21/17

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 § 24-7-713(a)(4), concerning simple cost of
25 living adjustment and monthly benefit stipends under the Arkansas Teacher
26 Retirement System, is amended to read as follows:

27 (4) As used in this section, "base amount" means the amount of
28 the benefit payable at retirement plus any one-time increases granted by
29 legislative change after the member's effective date of retirement benefits,
30 excluding the simple cost of living adjustment under this section and the
31 benefit stipend under subsection (d) of this section.
32

33 SECTION 2. Arkansas Code § 24-7-713(b), concerning simple cost of
34 living adjustment and monthly benefit stipends under the Arkansas Teacher
35 Retirement System, is amended to read as follows:

36 (b)(1) Effective July 1, 2013, the Board of Trustees of the Arkansas



1 Teacher Retirement System may modify the amount of the benefit stipend from a
2 maximum of seventy-five dollars (\$75.00) per month to not less than one
3 dollar (\$1.00) per month for eligible benefit participants as a benefit
4 supplement in addition to the cost of living adjustment under subsection (a)
5 of this section.

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

10 (3) The board may adjust the benefit stipend amount by
11 *resolution at a meeting of the board.*

12 (4) *The board shall not reduce the benefit stipend*
13 *unless the:*

14 (A) *Arkansas Teacher Retirement System's actuary certifies*
15 *to the board that the amortization period exceeds ~~thirty (30)~~ eighteen (18)*
16 *years; and*

17 (B) ~~*that in order to address an amortization period in*~~
18 ~~*excess of thirty (30) years to pay unfunded liabilities of the Arkansas*~~
19 ~~*Teacher Retirement System, the board Board determines that ~~the~~ a reduction in*~~
20 ~~*the benefit stipend should be reduced*~~ *is prudent to maintain actuarial*
21 *soundness.*

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

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

29 (d)(1) The board may remove by board resolution the benefit stipend
30 from the base amount of current retirants and option beneficiaries if the
31 board determines that the removal of the benefit stipend from the base amount
32 is prudent in order to maintain actuarial soundness.

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

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