

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

# A Bill

SENATE BILL 186

4  
5 By: Senator Hester  
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## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE ADJUSTMENT OF  
9 THE MULTIPLIER RATE UNDER THE ARKANSAS TEACHER  
10 RETIREMENT SYSTEM; TO DECLARE AN EMERGENCY; AND FOR  
11 OTHER PURPOSES.  
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## Subtitle

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15 TO AMEND THE LAW CONCERNING THE  
16 ADJUSTMENT OF THE MULTIPLIER RATE UNDER  
17 THE ARKANSAS TEACHER RETIREMENT SYSTEM;  
18 AND 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 § 24-7-705(b)(5), concerning the multiplier  
24 rate used in a life annuity under the Arkansas Teacher Retirement System, is  
25 amended to read as follows:

26 (5) The board ~~shall not~~ may reduce the multiplier rate for  
27 contributory service earned after the first ten (10) years of service ~~unless~~  
28 ~~the system's actuary certifies to the board that the amortization period~~  
29 ~~exceeds thirty (30) years and that in order to address an amortization period~~  
30 ~~in excess of thirty (30) years to pay the unfunded liabilities of the system,~~  
31 ~~the board determines that the multiplier rate for contributory service should~~  
32 ~~be reduced~~ if the board determines that a reduction in the contributory  
33 multiplier rate is necessary to maintain actuarial soundness based on current  
34 and expected future actuarial assumptions, mortality tables, and accounting  
35 rules.  
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1       SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
2 General Assembly of the State of Arkansas that the operations of a state  
3 public retirement system are complex; that the Arkansas Teacher Retirement  
4 System must be able to meet the needs of its members as anticipated by the  
5 General Assembly; that certain provisions of the Arkansas Teacher Retirement  
6 System Act are imminently in need of revision and updating to bring them into  
7 conformance with sound public pension policy and actuarial requirements; that  
8 such revision and updating is of great importance to members of the system  
9 and to other citizens of the State of Arkansas; that the system needs to have  
10 the ability to make immediate changes to maintain and improve its actuarial  
11 status; and that this act is immediately necessary in order to maintain an  
12 orderly system of benefits for the members of the Arkansas Teacher Retirement  
13 System. Therefore, an emergency is declared to exist, and this act being  
14 immediately necessary for the preservation of the public peace, health, and  
15 safety shall become effective on:

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

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

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