

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4  
5 By: Senator Hester

# A Bill

SENATE BILL 187

## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW ON CONTRIBUTION RATE  
9 ADJUSTMENTS BY THE BOARD OF TRUSTEES OF THE ARKANSAS  
10 TEACHER RETIREMENT SYSTEM; TO PERMIT CONTRIBUTION  
11 RATE ADJUSTMENTS BASED ON ACTUARIAL SOUNDNESS; TO  
12 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

16 TO AMEND THE LAW ON CONTRIBUTION RATE  
17 ADJUSTMENTS BY THE BOARD OF TRUSTEES OF  
18 THE ARKANSAS TEACHER RETIREMENT SYSTEM;  
19 TO PERMIT CONTRIBUTION RATE ADJUSTMENTS  
20 BASED ON ACTUARIAL SOUNDNESS; AND TO  
21 DECLARE AN EMERGENCY.

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

26 SECTION 1. Arkansas Code § 24-7-406(b)(8), concerning the member  
27 contribution rate set by the Board of Trustees of the Arkansas Teacher  
28 Retirement System, is amended to read as follows:

29 (8)(A) Subject to the limitations under subdivision (b)(8)(D) of  
30 this section, The the board may set the member contribution rate between at  
31 no less than six percent (6%) and seven percent (7%) may increase the member  
32 contribution rate to maintain actuarial soundness subject to the limitations  
33 under subdivision (b)(8)(D) of this section.

34 (B) An increase or decrease in a member contribution rate  
35 shall:

36 (i) Apply to a complete fiscal year; and



1 (ii) Remain in effect until modified by the board.

2 (C) The board may adopt a change in the member  
 3 contribution rate by resolution at any board meeting to apply to subsequent  
 4 fiscal years until changed.

5 (D) The board ~~shall not~~ may increase the member  
 6 contribution rate ~~unless the system's actuary certifies to the board that the~~  
 7 ~~amortization period exceeds thirty (30) years and that in order to address an~~  
 8 ~~amortization period in excess of thirty (30) years to pay the unfunded~~  
 9 ~~liabilities of the system, if~~ the board determines that an increase in the  
 10 member contribution rate is necessary to maintain actuarial soundness based  
 11 upon current and expected future actuarial assumptions, mortality tables, and  
 12 accounting rules.

13  
 14 SECTION 2. 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 system of benefits for the members of the Arkansas Teacher Retirement  
 26 System. Therefore, an emergency is declared to exist, and this act being  
 27 immediately necessary for the preservation of the public peace, health, and  
 28 safety shall become 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.

35  
 36