

1 State of Arkansas As Engrossed: S1/25/17 S3/14/17

2 91st General Assembly

# A Bill

3 Regular Session, 2017

SENATE BILL 155

4

5 By: Senator B. Sample

6 By: Representative Warren

7

8

## For An Act To Be Entitled

9 AN ACT CONCERNING THE REDETERMINATION OF BENEFITS  
10 UNDER THE ARKANSAS STATE HIGHWAY EMPLOYEES'  
11 RETIREMENT SYSTEM; TO INCORPORATE A COST-OF-LIVING  
12 ADJUSTMENT IN THE CALCULATION OF REDETERMINED  
13 BENEFITS; TO DECLARE AN EMERGENCY; AND FOR OTHER  
14 PURPOSES.

15

16

17

## Subtitle

18

19

20

21

22

23

24

25

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

27

28 SECTION 1. Arkansas Code § 24-5-119(b), concerning redetermination of  
29 benefits under the Arkansas State Highway Employees' Retirement System, is  
30 amended to read as follows:

31

32

33

34

35

36

(b)(1) The redetermined amount shall be the amount of the benefit otherwise payable as of the immediately preceding July 1 increased by the lesser of three percent (3%) or the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers as determined by the United States Department of Labor over the one-year period ending in the December immediately preceding the date for which the redetermined amount is being



1 calculated.

2 (2) However, the redetermined amount of the benefit to be paid  
3 shall not be less than the redetermined amount of the benefit paid in the  
4 preceding year.

5  
6 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General  
7 Assembly of the State of Arkansas that the law prohibits a publicly supported  
8 retirement system from implementing a benefit enhancement if it would cause  
9 the publicly supported retirement system's unfunded actuarial accrued  
10 liabilities to exceed a thirty-year amortization; that the law prohibits a  
11 publicly supported system from implementing a benefit enhancement if it has  
12 unfunded actuarial accrued liabilities being amortized over a period  
13 exceeding thirty (30) years until the unfunded actuarial accrued liability is  
14 reduced to a level less than the standards prescribed by law; that the  
15 Arkansas State Highway Employees' Retirement System uses a general life  
16 expectancy table; and that the current method of redetermining benefits will  
17 cause the retirement system's unfunded actuarial accrued liabilities to  
18 exceed a thirty-year amortization if not immediately resolved by increasing  
19 the system's assets and reducing its unfunded liabilities. Therefore, an  
20 emergency is declared to exist, and this act being necessary for the  
21 preservation of the public peace, health, and safety shall become effective  
22 on and after July 1, 2017.

23  
24 /s/B. Sample

25  
26  
27 **APPROVED: 03/23/2017**  
28  
29  
30  
31  
32  
33  
34  
35  
36