

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

SENATE BILL 218

5 By: Senator E. Cheatham
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING DEPOSITS IN THE
9 TEACHER DEFERRED RETIREMENT OPTION PLAN; TO REPEAL
10 CERTAIN PROVISIONS CONCERNING THE TEACHER DEFERRED
11 RETIREMENT OPTION PLAN; TO DECLARE AN EMERGENCY; AND
12 FOR OTHER PURPOSES.
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Subtitle

15 TO AMEND THE LAW CONCERNING DEPOSITS IN
16 THE TEACHER DEFERRED RETIREMENT OPTION
17 PLAN; TO REPEAL CERTAIN PROVISIONS
18 CONCERNING THE TEACHER DEFERRED
19 RETIREMENT OPTION PLAN; AND TO DECLARE AN
20 EMERGENCY.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 24-7-1306, concerning the amount of
27 deposits in the Teacher Deferred Retirement Option Plan of the Arkansas
28 Teacher Retirement System, is amended to add an additional subsection to read
29 as follows:

30 (f)(1) The board may promulgate rules to allow a member who has
31 accrued at least twenty-eight (28) years but less than thirty (30) years of
32 credited service to enter the Teacher Deferred Retirement Option Plan as an
33 early participant.

34 (2) If the board authorizes early participation in the Teacher
35 Deferred Retirement Option Plan, the plan deposit for an early participant
36 shall be based on the deposit percent payable for a participant with thirty



1 (30) years of service, reduced by at least an additional five-tenths of one
2 percent (0.5%) and no more than one percent (1%) of the plan benefit for each
3 month the member begins participating in the plan before he or she has thirty
4 (30) years of credited service.

5 (3) The board by rule may adjust by board resolution the
6 percentage reduction within the range under subsection (f)(2) of this section
7 for an early participant as is actuarially appropriate for the system.

8 (4) The board shall not implement early participation in the
9 plan if it will cause the system's unfunded actuarial accrued liabilities to
10 exceed an eighteen-year amortization.

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12 SECTION 2. Arkansas Code § 24-7-1314 is repealed.

13 ~~24-7-1314. Early participation.~~

14 ~~(a) The Board of Trustees of the Arkansas Teacher Retirement System,~~
15 ~~in consultation with its actuary, may promulgate rules and regulations to~~
16 ~~allow members having at least twenty-eight (28) but less than thirty (30)~~
17 ~~years of credited service to enter the Teacher Deferred Retirement Option~~
18 ~~Plan as early participants. The board may authorize the early participation~~
19 ~~as soon as it is technologically feasible and actuarially appropriate.~~

20 ~~(b) If the board authorizes early participation, the plan deposit~~
21 ~~under § 24-7-1306 shall be based upon the deposit percent payable for a~~
22 ~~participant with thirty (30) years of service, reduced by at least an~~
23 ~~additional one-half of one percent (0.5%) and no more than one percent (1%)~~
24 ~~of the plan benefit for each month the member begins participating in the~~
25 ~~plan prior to having thirty (30) years of credited service. The board may~~
26 ~~increase the percentage required as an early participation reduction, by~~
27 ~~board resolution, in order to provide a fair and just and reasonable benefit~~
28 ~~for all members of the Arkansas Teacher Retirement System and to provide for~~
29 ~~appropriate actuary considerations.~~

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31 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
32 General Assembly of the State of Arkansas that certain provisions of the
33 Arkansas Teacher Retirement System Act, an act that created a state agency
34 for the purpose of providing retirement benefits to school employees of the
35 state, are in need of revision and updating to maintain the teacher
36 retirement laws in conformance with sound public pension policy; that the

1 Arkansas Teacher Retirement System operates on a fiscal year of July 1 to
2 June 30; that a July 1, 2019 effective date is necessary to allow the
3 provisions within this act to begin on the first day of the fiscal year to
4 provide proper administration of the procedures referenced in this act; that
5 the updates and revisions to the Arkansas Teacher Retirement System Act are
6 of great importance for actuarial purposes and the protection of member
7 benefits under the Arkansas Teacher Retirement System; and that this act is
8 necessary in order to maintain an orderly system of benefits for the members
9 of the Arkansas Teacher Retirement System. Therefore, an emergency is
10 declared to exist, and this act being necessary for the preservation of the
11 public peace, health, and safety shall become effective on July 1, 2019.

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