



Public Education Retirees Engaged in Legislative Advocacy

The 1st Regular Session of the 94th General Assembly has convened and legislators are busy reviewing the hundreds of bills that have been filed. These include bills affecting public education, services for the elderly, the State and Public School Employee Health Insurance Plan and Arkansas's public employee retirement systems. Of greatest concern to ARTA are bills that are inconsistent with the bills proposed by the Arkansas Teacher Retirement System (ATRS), or those that would negatively affect benefits or services for retirees and other older citizens.

The Arkansas Retired Teachers Association engages in legislative advocacy to ensure that such benefits and services are protected, maintained or enhanced. This activity includes observing relevant committee meetings of the legislature, establishing personal relationships with elected officials, and maintaining cooperative relationships with the ATRS staff and trustees, legislative staff and other organizations with similar interests.

ARTA gives voice to approximately 12,000 public education retirees. We regularly inform members about relevant bills and issues and provide them with tools and opportunities to communicate effectively with their elected officials.

ARTA members amplify the work of ARTA by contacting their elected officials, viewing committee meetings online, and even showing up at the capitol on occasion. These efforts have resulted in both the passage of legislation that benefits all retirees and in the withdrawal of harmful or unpopular legislation.

A strong, active membership is vital to the success of ARTA. Members can be as active and involved as they like, such as by participating in legislative advocacy, or may opt to lend their support simply by being counted among the membership when ARTA representatives communicate with elected officials.

All persons who receive a benefit payment from the Arkansas Teacher Retirement System, or who support a secure and stable retirement system for public-school retirees, benefit from the work of ARTA. These same persons are also eligible for ARTA membership.

A great way to show appreciation for ARTA and support for the work we do is by becoming a member. Please consider joining today so you too can be prepared to advocate for the retirement benefits and services that were promised to Arkansas's public education retirees and other older citizens.

ARTA Members Support Arkansas Public Schools

The Arkansas Retired Teachers Association maintains an active interest in Arkansas's public schools. At a local level, this can be seen in the volunteer service our members provide to their communities, districts, schools and students. At a state level, it may be seen in our advocacy for policies that support a robust public education for all Arkansans.

At an organizational level, it is also seen in our support for active public school educators through our grant programs.

In 2022, ARTA awarded 10 grants to active educators for the purpose of furthering their own education, and two grants to public school employees who are working on becoming certified.

These grants are funded in part by memorials and donations from ARTA members.

Recipients of the grants have expressed gratitude for the specific financial support that allows them to continue their education. They have further shared their appreciation for the general support of public education and its workforce by ARTA members.

If you are interested in joining your retired colleagues in support of public education and educators in Arkansas, please consider joining ARTA today.

Dear ATRS Retiree:

The Arkansas Legislature is in session. Among the many bills filed for 2023 are those that can potentially change or even **reduce your monthly pension benefits**.

ARTA—the Arkansas Retired Teachers Association—is a voluntary membership association established to protect, maintain and enhance benefits for present and future public education retirees.

ARTA works cooperatively with the Arkansas Teacher Retirement System (ATRS) to monitor legislation as well as with the Employee Benefits Division (EBD) to be informed about the Public School Employees Health Insurance Program.

A robust membership with an active presence and a unified voice is vital to working effectively with the legislature, the ATRS Board of Trustees and EBD.

You are receiving this mailer because you are not currently a member of ARTA.

Please consider joining today. You will receive information about possible legislative changes, tools for advocating for your benefits, and the opportunity to be part of ARTA—the voice of Arkansas’s public education retirees.

You will also enjoy the other benefits of ARTA membership, such as a complimentary subscription to the INTERLINK newsletter, access to our popular group travel program, group rates on select insurance products, and opportunities to connect with other retirees around the state and in your community.

ARTA is nonpartisan and does not endorse or make financial contributions to political candidates. We **are** politically active, and remain committed to achieving for all Arkansas public education retirees a life of dignity, independence and purpose.

Thank you for your service in Arkansas’s public schools. Thank you for the countless lives you have touched and the productive citizens you have helped shape. Please join us as we continue to fight for the retirement benefits you were promised—and more.

High Regards,

Donna Morey

ARTA Executive Director

Joint Committee on Public Retirement and Social Security Programs

This committee reviews the actuarial solvency, adequacy of benefits, and all other aspects of the publicly supported retirement systems of the state.

John Payton, Co Chair
Senate District 22
john.payton@senate.ar.gov

Greg Leding, Vice Chair
Senate District 30
479-966-9201
greg.leding@senate.ar.gov

Linda Chesterfield
Senate District 12
501-888-1859
lchesterfield47@gmail.com

Breanne Davis
Senate District 25
479-970-0081
breanne.davis@senate.ar.gov

Kim Hammer
Senate District 16
501-840-3841
kim.hammer@senate.ar.gov

Jimmy Hickey, Jr.
Senate District 4
870-772-4444
jimmy.hickey@senate.ar.gov

Mark Johnson
Senate District 17
501-682-2920
mark.johnson@senate.ar.gov

Bryan King
Senate District 28
bryan.king@senate.ar.gov

Reginald Murdock
Senate District 9
reginald.murdock@senate.ar.gov

Clarke Tucker
Senate District 14
501-246-4933
clarke.tucker@senate.ar.gov

Les Warren, Co Chair
House District 84
501-623-4405
les.warren@arkansashouse.org

Mark Perry, Vice Chair
House District 66
501-982-4561
mperry@windstream.net

Wade Andrews
House District 98
wade.andrews@arkansashouse.org

Andrew Collins
House District 73
501-650-2233
andrew.collins@arkansashouse.org

Charlene Fite
House District 24
479-414-1818
charlene.fite@arkansashouse.org

John Maddox
House District 86
479-394-6060
john.maddox@arkansashouse.org

Tippi McCullough
House District 74
501-766-3177
tippi.mccullough@arkansashouse.org

Richard McGrew
House District 85
501-623-2481
mcgrewrep22@gmail.com

Johnny Rye
House District 36
870-919-3690
john.rye1956@gmail.com

Steven Walker
House District 27
steven.walker@arkansashouse.org

Defined Benefits vs Defined Contribution Plans

Over the past three decades, private employers have shifted away from defined benefit (DB) pensions that provide employees with a steady income stream, toward defined contribution (DC) retirement accounts—such as 401(k) plans—in which individuals manage their own investments. Since the 2008 financial crisis, public employers have faced increased pressure to make a similar change, with the rationale that it would cut costs.

Before making changes, however, employers should also consider whether the perceived benefits of changing plan types actually outweigh the potential costs:

Plan Administration

Shifting from a DB pension to a DC plan may reduce the short term costs by shifting the responsibility for plan management to the individual. However, there are also costs associated with changing plans. If a DC plan is offered as a replacement, there will be two plans operating until the DB plan expires. The DB plan cost actually increases over time, because contributions cease but payments continue. Savings realized by the DC plan will not exceed the costs of closing a DB plan until no plan participants remain. This may take as long as 30 years on average.

DB plans are designed to pay for themselves over time. Small adjustments to contributions or benefits, such as those proposed by the Arkansas Teacher Retirement System each legislative session, are generally sufficient to ensure the fiscal health of the plan.

In addition to changes at the plan level, changes in the overall economy also affect the health of a retirement plan. For example, long term interest rates, which have remained low since 2009, are expected to rise again. A 2% increase by 2019, as currently forecast by economists, would take a plan that is 80% funded to 100% funded.

Costs to Employers

Defined benefit plans are used to manage a stable workforce. They attract and retain qualified workers at lower initial compensation in return for increased future benefits, as compared to private sector employees. In occupations that are potentially dangerous, such as law enforcement, or that require specialized training, such as education, this capacity to manage the workforce reduces costly employee turnover. An employer's decision to not offer a DB plan may have a negative impact on their ability to recruit and retain the desired workforce.

Cost to Employees

Participants in a DB plan are trading front-end benefits like salary for back-end benefits like stable pension payments. Changing that system requires an unavoidable tradeoff in the form of increased benefit costs or reduced benefit payments. Since salary increases to offset the increased costs are not likely, the result is often a reduction in benefits. This undermines the benefits that current employees were promised and may dissuade future employees from pursuing that occupation.

Cost to Taxpayers

Participants in a public employee DB plan provide public services at a fair and predictable cost. Those employees who have an adequate and stable retirement plan are less likely to rely on public assistance as they age. Tax dollars contributed to a pension plan should be considered an investment in people and the economy. The 2.8% of the state budget currently allocated for this is obviously much less than the amount allocated to public assistance programs for the poor and elderly.

ARTA regularly anticipates proposed legislation to change or eliminate the current DB retirement plan in favor of a DC plan, in spite of the fact that **there is little evidence to support the argument that DC plans are less costly than DB plans in the long term.**

Those of you who are satisfied with the present plan through ATRS are encouraged to join us in educating elected officials, policy makers, current and future retirees about the importance of maintaining a stable and secure retirement plan that guarantees the promised benefits.

To become a member of ARTA, complete and return the membership form found on the back page of this mailer. Be sure to include your email address if you want to receive regular legislative updates.

For a useful guide that illustrates the differences between defined benefit and defined contribution plans, and the key factors to consider before changing plans, download our infographic at <http://www.artanow.com/resources>.



Arkansas Retired Teachers Association
 Parkview Towers
 1200 Commerce Street Ste 103
 Little Rock, AR 72202

PRSRT STD
 U.S. POSTAGE
 PAID
 Permit No. 225
 Little Rock, AR



Find us on
 Facebook
 and on the web
 www.artanow.com

Contact us at
 office_arta@att.net
 501-375-2958
 888-929-0955

Arkansas Retired Teachers Association Membership Application

Please select one of the following options

** Act 105 of 1985 authorizes the Arkansas Teacher Retirement System to deduct your ARTA dues from your monthly benefit check with your written permission. Such authorization may be canceled in writing to the retirement system.*

1. I elect to have \$2 per month deducted from my benefit check for ARTA dues (CONTINUING MEMBER, CM) *
2. I elect to have \$20 deducted from my benefit check for 12 months (Total \$240—LIFE MEMBER, LM) *
3. One-time payment of \$240 enclosed (LIFE MEMBER, LM)

Name _____ Signature _____

Address _____ Telephone _____

City/State/Zip _____

County _____ Social Security Number (last four digits only) _____

Email _____ Date _____

Send signed, completed form and applicable payment to:
ARTA Membership, 1200 Commerce Street Ste 103, Little Rock, AR 72202