

Position Statement on



Since 1937, the Arkansas Teacher Retirement System (ATRS) has been providing retirement benefits to Arkansas's public school and education employees. ATRS is committed to assist the state of Arkansas in the constitutional duty to provide the school children of Arkansas with the opportunity for a high-quality education. ATRS helps ensure that quality educators and support staff are available in every region and in every school in Arkansas. While school children are focusing on the 3Rs of education, ATRS is focused on the 3Rs of helping deliver a safe and high-quality learning opportunity to these students.

RECRUIT – Quality teachers and school employees.

RETAIN – Quality teachers and school employees

REWARD – Career educators with a quality of life with dignity in retirement.

ATRS has averaged an 8.6% annual return since 1986, had the top return in the country in 2017 for public plans over \$1 billion, and have returns in the top 1% for all U.S. public plans with over \$1 billion for the last 32 years. These stellar returns are evidence of a well-managed retirement system; from the ATRS staff to the elected board of directors to an established real-life stress testing framework that has maintained stable rates and benefits for years.

AAEA supports the current system that elects 11 of the 15-member board by the ATRS membership. That connection helps foster member confidence when tough decisions have to be made by the ATRS board. The ATRS board has proactively prepared for recent actuarial assumption changes, such as new mortality tables showing long life spans, to address the impact of these changes. Various benefit and contribution adjustments made by ATRS absorbed the entire impact of these new actuarial assumptions without major changes in benefit accruals or retirement payments.

AAEA also supports the current defined-benefit retirement plan that provides an adequate benefit to career educators upon retirement. This benefit also assists in the recruitment and retention of quality educators.

AAEA supports reasonable, ongoing “stress testing,” to ensure that actuarial assumptions and investment processes are adjusted to remain current and accurate and to prepare for downturns in the markets. This has been a long-standing practice of ATRS supported by the board of directors.

Talking Points:

- The current format that provides for the election of 11 of 15 ATRS board of director position by ATRS members, both active and retired, needs to remain as is. Their strong leadership has resulted in a well-managed system with historically stellar returns. Also, this connection helps foster member confidence when tough decisions have to be made regarding rates and benefits.
- State investments in ATRS support economic growth in the state. Currently, \$1.1 billion in benefits are paid yearly to retirees with the large majority going to Arkansas residents. These benefits are spent in Arkansas supporting all facets of the state's economy.
- An investment in ATRS benefits Arkansas citizens, parents, and children. A strong retirement system greatly assists schools in their recruitment and retention of quality teachers and school employees in every corner of the state.
- Reasonable, ongoing "stress testing," a long-standing practice by the ATRS board of directors, is necessary to ensure that actuarial assumptions and investment processes are adjusted to remain current and accurate and to prepare for downturns in the markets.