

Senate Bill 210

Actuarial Cost Study prepared for Joint Committee on Public Retirement and Social Security Programs of the Arkansas 92nd General Assembly

Provisions of the Bill

Senate Bill 210 affects the Arkansas Teachers Retirement System (ATRS). In general, ATRS requires that members that are on full time contracts are contributory unless they qualify under certain circumstances in existing law make an election to be non-contributory. Since the definition of full time is based on the contract length, there are occasions where it is difficult for the employer to know to notify ATRS of the change and the election is not made. On these rare occasions, current law doesn't give the system the ability to let the member continue receiving non-contributory service until they begin to contribute. This bill will give ATRS the ability to give the member the option of making up the contribution to the system or to remain non-contributory until the next plan year.

Fiscal Impact

The circumstances that this bill will affect are rare. The cost to ATRS for contributory and non-contributory time for this category of member under these specific circumstances is negligible and is basically equivalent. Therefore, the additional ability given to ATRS by this bill will not create a cost to ATRS. It is our opinion that there is no fiscal impact to the retirement system due to the provisions of this bill.

Sincerely,



Jody Carreiro, A.S.A, M.A.A.A.
Actuary