



February 16, 2023

Ms. Amy Fecher, Executive Director  
Arkansas Judicial Retirement System  
One Union National Plaza  
124 West Capitol Avenue, Suite 400  
Little Rock, Arkansas 72201

**Re: Actuarial Analysis of Senate Bill (SB) 78**

Dear Ms. Fecher:

We are providing our analysis of SB 78 as it relates to the Arkansas Judicial Retirement System (AJRS).

Section 1 of the bill modifies Arkansas Code §24-8-209(a) and (b), concerning contributions of members of the AJRS. The bill adds language to clarify that a judge or justice who forfeits his or her rights to retirement benefits under §24-8-215(c) is not required to continue to pay contributions to the system. In the event a judge or justice forfeits his or her rights to retirement benefits under §24-8-215(c), the judge or justice is entitled to receive the principal of the balance of his or her contributions to the system. However, he or she is not entitled to any interest accumulated from his or her contributions to the system.

Section 2 makes corresponding changes to Arkansas Code §24-8-706(a) concerning members in Tier Two.

In our judgement, this change would have no material financial impact on AJRS.

Please review this letter carefully to ensure that we have understood the bill properly. The analysis in this letter should not be relied upon if there is doubt about our understanding of the bill. Our analysis relates only to the plan changes described in this correspondence. In the event that other plan changes are being considered, it is very important to remember that the results of separate actuarial analyses cannot generally be added together to produce a total. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.

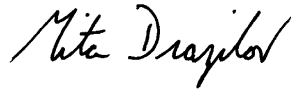
We did not review this bill for compliance with Federal, State, or local laws or regulations, and internal revenue code provisions nor did we attempt to determine whether these changes would contradict or negate other related State, or local laws. Such a review was not within the scope of our assignment.

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Mita D. Drazilov and Heidi G. Barry are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This communication shall not be construed to provide tax advice, legal advice or investment advice.

Respectfully submitted,  
Gabriel, Roeder, Smith & Company



Mita D. Drazilov, ASA, FCA, MAAA



Heidi G. Barry, ASA, FCA, MAAA

MDD/HGB:dj

