



January 28, 2025

Mr. David B. Clark, Executive Director  
Arkansas Local Police and Fire Retirement System  
620 West 3rd, Suite 200  
Little Rock, Arkansas 72201-2212

**Re: House Bill (HB) 1119 Dated 01/14/2025 (Delinquency)**

Dear Mr. Clark:

We are providing our analysis of HB 1119 as it relates to the Arkansas Local Police and Fire Retirement System.

The proposed bill amends the provisions regarding delinquent payments by a political subdivision under the Arkansas Local Police and Fire Retirement System. Specifically, HB 1119 defines delinquency as failure to complete payment or reporting within five calendar days (currently ten days) of the date the payment or reporting is due.

The changes set forth in this legislation are administrative in nature and are not expected to have any material impact on actuarial liabilities or actuarial funding of pension benefits promised by the Arkansas Local Police and Fire Retirement System. To the extent that this proposed legislation, if adopted, results in more timely payments from political subdivisions, there would be marginal improvements to the liquidity of the retirement system.

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. Such a review was not within the scope of our assignment.

Heidi G. Barry and Casey T. Ahlbrandt-Rains 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.

Mr. David B. Clark

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

Sincerely,

Gabriel, Roeder, Smith & Company



Heidi G. Barry, ASA, FCA, MAAA



Casey T. Ahlbrandt-Rains, ASA, FCA, MAAA

HGB/CTA:ah

