

## House Bill 1155

Actuarial Cost Study prepared for  
Joint Committee on Public Retirement and Social Security Programs  
of the Arkansas 95<sup>th</sup> General Assembly

### Provisions of the Bill

House Bill 1155 affects the provisions of the Arkansas Teachers Retirement System (ATRS). ACA §24-7-704 defines the disability benefit eligibility, amount, and continuation. A member with at least five years of service will be eligible if the disability committee finds they are disabled under the definition set out in (a)(1)(E) of this section. Subsection (a)(1)(F) of this section allows the disability committee to use a Social Security Administration finding of disability to be a rebuttable presumption of qualification. House Bill 1155 amends subsection (a)(1)(F) to also allow use of a Veteran Affairs finding of 100% permanent and total disability as a rebuttable presumption of qualification.

### Fiscal Impact

The disability definition of the Social Security system and Veteran Affairs are a bit different. In short, the definition of Social Security is that a person cannot work at all where the Veteran Affairs definition is that you cannot work your military job. The ATRS definition in subsection (a)(1)(E) is that a person cannot work their school job. Therefore, House Bill 1155 would add a presumptive qualification that is a little easier than encoded ATRS standard. It is our understanding from ATRS staff that the few of these folks that have come along (average 2 or 3 a year) ultimately have proven their qualification to the disability committee.

It is important to note that there is not a change to the continuing eligibility requirements in this section of code because of House Bill 1155. That is, if there is proof you are no longer disabled, the disability committee can reverse its decision and stop the benefit.

It is our opinion that ATRS will likely see a small increase the number of disability applications, due to human nature with a new standard. But, this should not create a measurable increase in the actuarial cost due to the small number and continuing eligibility provisions.

Sincerely,



Jody Carreiro, ASA MAAA, EA, FCA  
Actuary