



January 24, 2025

Mr. Mark White  
Executive Director  
Arkansas Teacher Retirement System  
1400 West Third Street  
Little Rock, Arkansas 72201

**Re: House Bill (HB) 1155 - Pertaining to the Rebuttable Presumption of Qualification to Receive Disability Retirement Benefits**

Dear Mr. White:

You have asked us for our analysis of HB 1155 as it relates to the Arkansas Teacher Retirement System (ATRS).

The bill modifies Arkansas Code § 24-7-704(a)(1)(F), concerning a rebuttable presumption of qualification to receive disability retirement benefits under the Arkansas Teacher Retirement System.

Arkansas Code § 24-7-704(a)(1)(F) currently provides for a rebuttable presumption of qualification to receive disability benefits if a member receives a favorable determination letter from the Social Security Administration finding that the member is unable to perform his or her current work duties. Under the bill, this section is amended to add that if a member submits a service-connected disability rating from the United States Department of Veterans Affairs finding that the member has a one hundred percent (100%) total and permanent disability, there is also a rebuttable presumption that the member qualifies to receive disability retirement benefits from the System.

If this bill becomes law, it would likely lead to additional approved disability cases and it is not clear whether there could be a small backlog of individuals that may become eligible for benefits due to this bill. However, it is expected that the number of members eligible to receive such benefits from ATRS is small; therefore, we would expect to see only a small financial impact on ATRS if this bill becomes law.

We do not have data that would permit a detailed cost analysis of the impact of the proposed change in law.

We hope this analysis meets your needs.

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.

Judith A. Kermans, Heidi G. Barry and Derek Henning 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.

Circular 230 Notice: Pursuant to regulations issued by the IRS, to the extent this communication (or any attachment) concerns tax matters, it is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) marketing or recommending to another party any tax-related matter addressed within. Each taxpayer should seek advice based on the individual's circumstances from an independent tax advisor.

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

Sincerely,  
Gabriel, Roeder, Smith & Company



Judith A. Kermans, EA, MAAA, FCA



Heidi G. Barry, ASA, MAAA, FCA



Derek Henning, ASA, EA, MAAA, FCA

JAK/HGB/DH:dj

