



January 24, 2025

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

Re: House Bill (HB) 1156 - Survivor Annuity Benefits for Surviving Spouses

Dear Mr. White:

You have asked us for our analysis of HB 1156 as it relates to the Arkansas Teacher Retirement System (ATRS).

The bill modifies Arkansas Code §24-7-710(b)(1)(A)(i) concerning survivor annuity benefits for surviving spouses of active members under the Arkansas Teacher Retirement System.

The bill modifies Arkansas Code §24-7-710(b)(1)(A)(i) to provide that a surviving spouse of an active member shall be eligible for a survivor annuity benefit, provided that they have been married for at least one year immediately preceding the active member's death. Under current law, the requirement is two years.

The changes being proposed will act to expand options for a surviving spouse benefit and it is not clear whether there could be a very small backlog of individuals that may become eligible for benefits due to this bill.

However, since the number of surviving spouses of active members who currently receive such benefits from ATRS is small relative to the total number of ATRS benefit recipients, and assuming the number of such dependents remains relatively close to current levels, we think the cost impact on ATRS will be very small.

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.

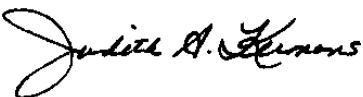
We did not review this bill for compliance with Federal, State, or local laws or regulations, and internal revenue code provisions. Such a review was not within the scope of our assignment.

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.

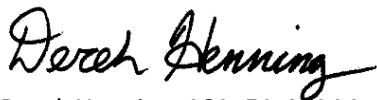
Sincerely,
Gabriel, Roeder, Smith & Company



Judith A. Kermans, EA, MAAA, FCA



Heidi G. Barry, ASA, MAAA, FCA



Derek Henning, ASA, EA, MAAA, FCA

JAK/HGB/DH:dj

