

House Bill 1160

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

Provisions of the Bill

House Bill 1160 affects the provisions of the Arkansas Teachers Retirement System (ATRS). There have been changes to ATRS in recent sessions to help create more efficiently calculated service credits for various calculations made by the system. The idea of a gap period and the ability to purchase service for a gap period is still on an annual basis in current code. House Bill 1160 amends ACA §24-7-202 so that a gap period is based on quarters instead of years. ACA §24-7-613 is also changed to use this gap period terminology when discussing the purchase of permissive service credits.

Fiscal Impact

We have reviewed the provisions of House Bill 1160. This change would make available the ability to purchase permissive service credits to more members. It would also make more consistent treatment of this credit. The cost of any service purchase in this section remains the actuarial equivalent of the purchased service (see page 2, lines 28-30 of the bill). Therefore, it is our opinion that there would be no significant fiscal impact on the system created by House Bill 1160.

Sincerely,



Jody Carreiro, ASA MAAA, EA, FCA
Actuary