

House Bill 1276

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 1276 affects the benefits provided to certain city officials. The bill addresses city attorneys in cities of the first or second class (§24-12-120), deputy city clerks in cities of the first class (§24-12-122), mayors of cities of the second class (§24-12-124), and, treasurers in cities of the first class (§24-12-125). Typically, these benefits are provided by APERS or an individually established city plan for all employees. All of these benefits MAY be provided “upon approval by the governing body”. House Bill 1276 allows that the form of benefit that MAY be provided is a benefit that provides 50% to a surviving spouse of the named employee.

Fiscal Impact

House Bill 1276 does not impact the state retirement systems. The cities that would be impacted are those who elect to have the benefit provided. The 50% spouse benefit does have more value than a life only benefit. Depending on the ages of the individuals, this form of benefit would cost about 10% more on a present value basis. The bill does not force this form of benefit on the cities, but they can elect it and hopefully they will know the cost of implementation when they vote to provide the benefit.

Sincerely,



Jody Carreiro, ASA MAAA, EA, FCA
Actuary