

## **House Bill 1313**

### 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 1313 affects the health benefits provided to retired firefighters. Current law allows that cities and counties may provide health insurance benefits. And in §24-12-132 the law talks about providing continued health benefits to retirees of cities that provide health benefits. Act 535 of 2023 added §14-1-110 which clarified that retired police officers of health plans sponsored by cities or counties in the state would be allowed to participate in the health plan, paying the same rates as active employees. House Bill 1313 allows retired firefighters this same right from retirement to Medicare eligibility to participate in the health plan and pay the same rate as actives until Medicare eligibility.

I have reviewed the provisions of this bill with the health benefit plan offered by the Municipal League that many cities and some counties participate in. I have also reviewed with some cities who do not participate in that plan. All of these groups allow any retiree that is not yet Medicare eligible to participate and pay the full active premium. Some locations pay part of that premium, but most do not. The bill does not change the ability for the employer to pay or to not pay a portion of the premium. Therefore, we conclude that there are not likely very many, if any, locations that this bill will impact.

#### **Fiscal Impact**

We have concluded that House Bill 1313 clarifies and codifies the most common practice. If there are locations that do not comply with these provisions, they are only required to provide the benefit, they are not required to pay any of the premium for the continued coverage. Therefore, we conclude that there is not a significant fiscal impact on any location.

Sincerely,



Jody Carreiro, ASA MAAA, EA, FCA  
Actuary