

House Bill 1326

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 1326 affects the alternate retirement plans that may be established by employees of publicly supported colleges and universities. These plans are college or university sponsored defined contribution plans, qualified under section 403(b) of the IRS code. House Bill 1326 amends the two sections of code that describe what is allowed for early retirement allowances. The bill makes offering various early retirement windows a bit easier. The institutions would still report the cost of implementing an early retirement window to the Joint Auditing Committee. This reporting already exists.

Fiscal Impact

House Bill 1326 does not impact the state defined benefit retirement systems. The bill would offer the institutions more flexibility in the construction of early retirement windows. This means that more people would likely be eligible for a benefit than currently and therefore the program would have a higher cost than any currently available. But, the institutions would be able to quantify the cost and decide for themselves to use any type of early retirement window. That is, there is no new cost imposed on the institutions by House Bill 1326.

Sincerely,



Jody Carreiro, ASA MAAA, EA, FCA
Actuary