

Senate Bill 157

(As Engrossed, March 31, 2025)

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

Provisions of the Bill

Senate Bill 157 affects the Arkansas public retirement systems. There is a section of the bill for APERS, ASHERS, ASPRS, ATRS, AJRS, and LOPFI. Section 1 of the bill states that the intent is to allow for pension-owned life insurance for providing death benefits to members and possible benefits to the systems. The first section also states that “No state retirement system shall be required to offer this benefit.” The other sections add language to each system’s code to allow and to allow the boards to promulgate rules to implement this benefit.

Possible Inconsistency


The first section of Senate Bill 157 states that no system is required to offer this benefit. Then each subsequent section includes the following, “The ... System shall provide a life insurance benefit” (emphasis mine). My impression from the intent section was that each system could study this and see if it is beneficial to their system before implementation. This inconsistency makes the fiscal impacts change.

Fiscal Impact

If this is allowed and not required, then each system will be able to determine if the cost is worth the benefit. I would conclude that they would not chose to do something to negatively impact each system.

If this is required for each system, there is not a way to determine if or how much it would cost the systems. I would suggest that there is always a cost to adding a benefit even if it is provided by purchasing insurance. I would also note that there are other policy considerations each system may make before adopting such a program.

Sincerely,



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Actuary