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Senate Bill 169

Actuarial Cost Study prepared for
Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 88th General Assembly

Provisions of the Bill

Senate Bill 169 affects the Arkansas Local Police and Fire Retirement System (“LOPFI”).

Current law allows for municipal police departments covered under the Arkansas Public Employees Retirement System (“APERS”) as of July 1, 1997 to transfer employees to LOPFI. Senate Bill 169 would change the language to allow any covered police agency to transfer its police officers hired after July 1, 1997 to LOPFI.

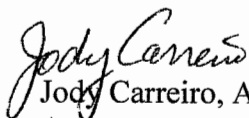
Fiscal Impact

There is no readily available information on the number of members who might be allowed to transfer under the proposed bill. We believe that the impact on both systems would be small, especially as LOPFI locations are required to pay their full required contribution, and there are likely very few “police agencies” which would satisfy the requirements to begin with. This type of election usually means that only those who greatly benefit from an election would desire the change. This translates in possible unforeseen costs due to anti-selection.

Other Information

The definition of “police agency” is clearly the underlying factor in this bill. There is no definition in LOPFI or APERS law to know who would be a “police agency”. This language should be clarified in order to better define affected parties. The definition would impact the possible cost and affect on the two systems.

Sincerely,



Jody Carreiro, A.S.A., M.A.A.A.
Actuary

Senate Bill 169
March 24, 2011