

Senate Bill 171

(As Engrossed February 18, 2015)

Actuarial Cost Study prepared for
Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 90th General Assembly

Provisions of the Bill

Senate Bill 171 affects the Arkansas Teacher Retirement System (ATRS).

Arkansas Code Annotated §24-7-602 deals with various purchases of military service. ATRS provides free service credit for certain service from periods when a draft was in effect (i.e. Viet Nam-era service). Standard military service, as well as certain service while deployed, can be purchased for an amount which is actuarially equivalent to the value of that service. After the 1994 passage of Uniformed Services Employment and Reemployment Rights Act (USERRA), most military service (full time deployment) is covered under those provisions.

Senate Bill 171 clarifies the definition of “compulsory” to be a period “that a federal military draft was in effect.” The bill also makes several wording and numbering changes to make the section easier to read and to ensure consistency with current ATRS practice.

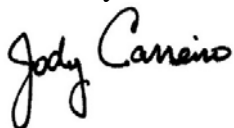
Fiscal Impact

There would be no actuarial cost associated with this bill as it is our opinion that these wording changes will not change current ATRS practice as it pertains to military service. It would appear to us that Senate Bill 171 will provide for continued compliance with USERRA.

Other

Senate Bill 50, Section 7 amends this same section of code. It is our understanding that the wording in this bill is to help clarify the wording of Senate Bill 50 and ACA §24-7-602. Therefore, this bill should be signed after Senate Bill 50 to achieve the desired result. (As of February 19, 2015, Senate Bill 50 has passed the Senate and is on the House calendar.)

Sincerely,



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