

House Bill 1290

Actuarial Cost Study prepared for
Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 91st General Assembly

Provisions of the Bill

House Bill 1290 affects the Arkansas Teacher Retirement System (ATRS).

Arkansas Code Annotated §24-7-205 details situations in which errors in ATRS' records may be reviewed and corrected. Under current law, a documented error understating a member's service that arose outside the ATRS five year "look-back" period cannot be corrected except in situations involving a "manifest injustice." House Bill 1290 would allow for corrections in such situations where the error is "obvious or documented by an employer or the system" as long as all required contributions have been paid.

Fiscal Impact

There would be an insignificant cost to the system if any such corrections were to be made. However, since the system would have received all required contributions in the past, in reality the plan would simply be reinstating a benefit that has already been paid for.

Other

Conversations with ATRS staff suggest that they are only aware of one outstanding case that would currently meet this definition. Passing House Bill 1290 would primarily be a policy decision which could allow similar errors to be resolved in the future. The five year look-back language was added in Act 138 of 2011.

Sincerely,



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