

## **Senate Bill 164**

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

#### **Provisions of the Bill**

Senate Bill 164 affects the Arkansas Local Police and Fire Retirement System (LOPFI).

Arkansas Code Annotated §24-10-206 contains language that allows the LOPFI Board to make changes in rules to allow the system to continue operating as a “qualified trust” as defined in IRS law. Upon review, the IRS has stated that the wording of this section needs to be “rules and regulations” instead of simply “rules.” This change is needed to help the system complete the steps needed to receive a favorable determination letter from the IRS.

#### **Fiscal Impact**

There would be no actuarial cost associated with this bill. This does not create any change to the benefits and provisions of the system.

#### **Other**

A favorable determination letter from the IRS is a statement that the plan provisions and basic operating documents of a retirement plan comply with the parts of the IRS code that deal with “qualified” pension plans. The Arkansas Retirement Systems operate as “qualified” plans, so receipt of this determination letter would be a desirable confirmation for LOPFI.

Sincerely,



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