

**Senate Bill 193**

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 193 affects the Arkansas Teacher Retirement System (ATRS).

Arkansas Code Annotated §24-7-601(c)(2) contains language dealing with service credits for unused sick leave. Senate Bill 193 adds a subsection (B) that provides service credit for unused sick leave in the case of a member who dies while still employed. The bill grants this service only for unused sick leave, that is, any catastrophic leave or donated leave would not be granted credited service. The most visible effect would be to provide the lump sum death benefit defined in §24-7-720 to a member with almost ten years of service that has enough unused sick leave to meet the ten year requirement. The primary impact would be to increase the survivor benefit which is based on service with this additional service. We would assume that the employer contribution would be collected on the unused sick leave payment.

**Fiscal Impact**

Based on current assumptions, the system expects about 100 deaths of active members each year. The system does not have sick leave reported to them, so we do not know the amount of unused sick leave currently available to members. We assumed that there would be enough unused sick leave days to add one-quarter of year of service for those members. In that case, the additional contribution needed for this added provision would be about 0.01% of salary. This would add about one month to the time needed to pay off the unfunded liability. The period to pay off the unfunded liability is 29.4 years based on the most recent actuarial valuation.

**Other**

Senate Bill 193 adds this service credit for unused sick leave for all future active members as well as any who died in service since July 1, 2013. The system reports that they only know of one member who would have been made eligible for the lump sum death benefit during this period.

Sincerely,



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