



March 15, 2019

Mr. Clint Rhoden  
Executive Director  
Arkansas Teacher Retirement System  
1400 West Third Street  
Little Rock, Arkansas 72201

**Re: House Bill 1310 – Employer Contributions**

Dear Mr. Rhoden:

You have asked us for our analysis of House Bill (HB) 1310 as it relates to the Arkansas Teacher Retirement System (ATRS).

We have reviewed HB 1310 as Engrossed on 3/14/2019. HB 1310 modifies §24-7-401(e)(7)(B) concerning the payment of employer contribution rates to the Arkansas teacher Retirement System. Present statutes provide that employer contributions up to 14% of payroll are to be paid by the public school employer, and that additional contributions required by a public school employer, up to 15% of payroll, are to be paid from funds appropriated to the Department of Education for the purpose of paying ATRS employer contributions. HB 1310 removes the reference to the Department of Education and specifies that the State is to appropriate additional funds to provide any additional contributions required by a public school employer up to a total of 15% of payroll.

HB 1310 doesn't appear to impact the amount of employer contributions paid to ATRS and is, therefore, cost neutral with respect to ATRS.

We hope this analysis meets your needs.

Please review this letter carefully to ensure that we have understood the Bill properly. The analysis in this letter should not be relied upon if there is doubt about our understanding of the Bill. Our analysis relates only to the plan changes described in this correspondence. In the event that other plan changes are being considered, it is very important to remember that the results of separate actuarial analyses cannot generally be added together to produce a total. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.

We did not review this Bill for compliance with Federal, State, or local laws or regulations, and internal revenue code provisions. Such a review was not within the scope of our assignment.

Brian B. Murphy, Judith A. Kermans and Heidi G. Barry are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

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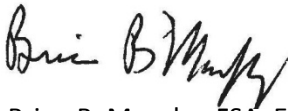
Circular 230 Notice: Pursuant to regulations issued by the IRS, to the extent this communication (or any attachment) concerns tax matters, it is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) marketing or recommending to another party any tax-related matter addressed within. Each taxpayer should seek advice based on the individual's circumstances from an independent tax advisor.

This communication shall not be construed to provide tax advice, legal advice or investment advice.

Sincerely,



Judith A. Kermans, EA, FCA, MAAA



Brian B. Murphy, FSA, EA, FCA, MAAA



Heidi G. Barry, ASA, FCA, MAAA

JAK/BBM/HGB:rmn

