

Senate Bill 163

(With Amendment #1 on April 3, 2023)

Actuarial Cost Study prepared for
Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 94th General Assembly

Provisions of the Bill

Senate Bill 163 affects the Arkansas Public Employees' Retirement System (APERS). This bill would add another class of employer allowed to participate in APERS. Public library systems formed under the Interlocal Cooperation Act found in §25-20-101 et seq. would be allowed to be a participating employer. There is also a subsection (j) added to §24-4-202 to ensure payment of contributions.

Fiscal Impact

Senate Bill 163 would not increase the cost of the APERS system since any new employers under this bill would be paying the same rates as other participating employers in APERS.

Other Considerations

There are two items that we always want to review when we are talking about adding new participating employers in APERS. First, would the new group be considered a governmental employer as we understand that to be defined by IRS regulations. These employers would clearly be administered and responsible to the county or city governments that could be involved. The second issue is the ability of APERS to collect the needed employer contributions. It does appear to us that the subsection §24-4-202(j) provides that ability to APERS. Therefore, we see no roadblocks to allowing these employers to participate.

Sincerely,



Jody Carreiro, ASA, MAAA, EA, FCA
Actuary