

INTERIM STUDY PROPOSAL 2023-107

REQUESTING THAT THE JOINT COMMITTEE ON PUBLIC RETIREMENT AND SOCIAL SECURITY PROGRAMS STUDY THE VARIOUS METHODS AVAILABLE TO ESTABLISH FUNDING FOR THE UNFUNDED LIABILITY OF EACH OF THE PUBLICLY SUPPORTED RETIREMENT SYSTEMS OF THE STATE AND THE POSSIBILITY OF PROVIDING DEATH BENEFITS FOR MEMBERS OF THE PUBLICLY SUPPORTED RETIREMENT SYSTEMS OF THE STATE.

WHEREAS, there is a need to provide a funding resource for the unfunded liabilities that exist within the state's public retirement systems, namely the Arkansas Public Employees' Retirement System, the Arkansas State Highway Employees' Retirement System, the State Police Retirement System, the Arkansas Teacher Retirement System, the Arkansas Judicial Retirement System, and the Local Police and Fire Retirement System; and

WHEREAS, failure to address the unfunded liabilities of the state's public retirement systems may pose a dire threat to the solvency of the public retirement systems in the future; and

WHEREAS, although the state's public retirement systems offer death benefits to survivors of members in the form of an annuity election by the member, there is no death benefit in the form of a life insurance payment the beneficiary of a deceased member of a public retirement system; and

WHEREAS, other states have pension-owned life insurance provided to the members of their public retirement systems; and

WHEREAS, the provision of further death benefits for the members of the state's public retirement systems could be used to bolster the financial welfare of the public retirement systems and help reduce the state retirement systems' unfunded liability,

NOW THEREFORE,

1 BE IT PROPOSED BY THE JOINT COMMITTEE ON PUBLIC RETIREMENT AND SOCIAL
2 SECURITY PROGRAMS OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF
3 ARKANSAS:

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5 THAT the Joint Committee on Public Retirement and Social Security
6 Programs study the:

7 (1) Various methods available to establish funding for the unfunded
8 liability of each of the publicly supported retirement systems of the state;
9 and

10 (2) Possibility of providing death benefits for members of the
11 publicly supported retirement systems of the state other than annuities
12 elected by the systems' members.

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14 Respectfully submitted,

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18 Representative Mark Perry
19 District 66

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21 Prepared by: LHR/LHR
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