

House Bill 1274

(As Engrossed March 16, 2021)

Actuarial Cost Study prepared for

Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 93rd General Assembly

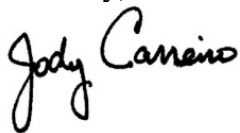
Provisions of the Bill

House Bill 1274 affects both Arkansas Public Employees Retirement System (APERS) and Arkansas Local Police and Fire Retirement System (LOPFI). Currently, the practice is that full time employees in APERS can also serve as a volunteer firefighter under the closed, local plans and LOPFI. There are NOT multiple years of service credited for a fiscal year, only the volunteer benefit. House Bill 1274 will clarify the participation of the LOPFI volunteer firefighters and will also include the volunteer police officers,

Fiscal Impact

There should not be any fiscal impact on APERS in our opinion. There will be a small cost to the LOPFI locations that sponsor volunteer police coverage. There are about 470 volunteer police participants in LOPFI currently. This is not expected to add very many. The cost to a location for a volunteer police officer is about 90% covered by the premium tax formula. The current volunteer rate paid by a sponsoring location is \$5.90 per month. It is our opinion that there is no significant cost to the LOPFI system.

Sincerely,



Jody Carreiro, EA, ASA, MAAA, FCA
Actuary