



March 19, 2021

Mr. Duncan Baird, Executive Director
Arkansas Public Employees Retirement System
One Union National Plaza
124 West Capitol Avenue, Suite 400
Little Rock, Arkansas 72201

Re: HB 1274 Dated 03-16-2021 (LOPFI Participating Volunteer Policemen and Firefighters)

Dear Mr. Baird:

You have asked us for our analysis of HB 1274 dated 03-16-2021 as it relates to the Arkansas Public Employees Retirement System (APERS).

The Bill modifies Section §24-4-101(17)(B) to include those persons participating in APERS covered employment while also working in a covered position under the Arkansas Local Police and Fire Retirement System (LOPFI) as a volunteer firefighter or volunteer police officer in the definition of “employees.”

Current law states that if a person is an active volunteer police officer or volunteer firefighter in a LOPFI covered position, the person is not entitled to an APERS benefit. The intent of the legislation is to allow a member to work in an APERS covered position and receive an APERS benefit while continuing to provide service as a volunteer police officer or volunteer firefighter in a LOPFI covered position. This legislation will provide more employment opportunities to members in LOPFI who are restricted by the current legislation and/or allow current APERS members the opportunity to seek employment in LOPFI as volunteer members. Presumably, under current law, an APERS participating member would choose not to perform the duties of a volunteer police officer or volunteer firefighter if that would mean they would become members of LOPFI. Therefore, there is no reason to believe that there will be any measurable financial impact on APERS if this proposed legislation is enacted.

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.

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We did not review this Bill for compliance with Federal, State, or local laws or regulations, and internal revenue code provisions nor did we attempt to determine whether these changes would contradict or negate other related State, or local laws. Such a review was not within the scope of our assignment.

Mita D. Drazilov 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.

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

Respectfully submitted,



David L. Hoffman



Mita D. Drazilov, ASA, FCA, MAAA



Heidi G. Barry, ASA, FCA, MAAA

DLH/MDD/HGB:ah

