

House Bill 1352

(As Engrossed March 7, 2019)

Actuarial Cost Study prepared for
Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 92nd General Assembly

Provisions of the Bill

House Bill 1352 affects the Arkansas Judicial Retirement System (AJRS). AJRS has members in two tiers with different eligibilities and benefits. Those elected or appointed after July 30, 1999 are members of Tier 2 as well as those member in Tier 1 who elected to participate under the Tier 2 structure. There are only 20 remaining active Tier 1 members as June 30, 2018.

Both Tiers of AJRS have an age 70 compulsory retirement age. In general, a judge may complete the term in which they turn age 70, but if they choose to serve beyond the end of that term, they forfeit their retirement benefits. House Bill 1352 eliminates the sections dealing with age 70 compulsory retirement in both Tier 1 and Tier 2 of AJRS.

Fiscal Impact

House Bill 1352 may allow some judges to serve beyond the time they can currently serve which would delay the beginning of their benefit payments. This would likely be a small savings to the plan. But, in our opinion, there is no significant fiscal impact on the plan.

Other

House Bill 1219 changes the same Tier 1 section of code as does House Bill 1352. House Bill 1219 makes a change to Tier 1, so that if a judge is elected before their 70th birthday they can serve without forfeiting their benefits. Otherwise, the age 70 rules remain in place and there is no change to Tier 2 age 70 rule.

It is our understanding that the age 70 compulsory retirement rule is only part of AJRS retirement law and not required by other Arkansas code.

Sincerely,



Jody Carreiro, A.S.A, M.A.A.A.
Actuary