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Senate Bill 100

(As Engrossed February 21, 2011)

Actuarial Cost Study prepared for

Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 88th General Assembly

This report amends our letter dated March 18, 2011 with additional information.

Provisions of the Bill

Senate Bill 100 affects the Arkansas Public Employees Retirement System (“APERS”).


In current law, additional service credit of 1.5 for 1 was provided to certain public safety members employed before July 1, 1987. This additional service ended after that time. Senate Bill 100 would reinstate that credit for the firefighters in the State Military Department, which is federally funded.

Fiscal Impact

APERS staff states that there are 21 positions in this department, of which there are currently only fourteen (14) positions filled. The bill provides that an additional rate be paid by the employer. This is similar to what currently affects employees of the Wildlife department. The system actuary would determine a separate rate to cover the added cost, which would mean that there would be no financial effect on the system as a whole. There would be some small additional administrative burden to set up this new rate group.

We estimate that this additional rate would be in the range of 10.5% to 12% of payroll. This would currently equate to an extra annual cost of \$44,000 to \$50,000. The surcharge paid by the Wildlife division is 12%. The actual rate would be set by the APERS board in consultation with its actuary.

Sincerely,


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