

**Senate Bill 170**

Actuarial Cost Study prepared for  
Joint Committee on Public Retirement and Social Security Programs  
of the Arkansas 88th General Assembly

**Provisions of the Bill**

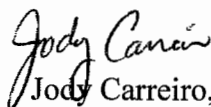
Senate Bill 170 affects the Arkansas Local Police and Fire Retirement System (“LOPFI”).

Current law allows for the purchase of other local police and fire service under §24-10-506. These service purchases are based on an actuarial equivalent cost. Senate Bill 170 would expand the type of service that could be purchased to members who had service as a cadet for a municipality that also has a local pension and relief fund.

**Fiscal Impact**

The system estimates that there are about 100 members who may be eligible to be able to purchase this service. The only cadet programs that would be eligible have officers serve less than 2 years as a cadet. The purchase of this service is based on the actuarial equivalent cost. Although members only make service purchases when they perceive it is to their advantage, there is not a measurable cost to LOPFI for the change in Senate Bill 170 since the purchase is based on actuarial equivalent cost.

Sincerely,



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