

February 15, 2011

Mr. David B. Clark  
Executive Director  
Arkansas Local Police and Fire Retirement System  
620 W. 3<sup>rd</sup>, Suite 200  
Little Rock, AR 72201-2212

**Re: Senate Bill 170**

Dear Mr. Clark:

Senate Bill 170 amends one section of Arkansas Code, namely § 24-10-506. Our analysis of the proposed change to this section follows.

The proposed change to this section deals with the purchase of service credit by a member of the Arkansas Local Police and Fire Retirement System (LOPFI). In particular, the legislation allows the purchase of time served as a cadet with a municipality that covers employees under a pension and relief fund. The cost to purchase this service is set by Board policy.

LOPFI staff has estimated that the number of affected individuals is fewer than 100. Based on current Board policy, which is the member pays the full actuarial cost of the service, no change in computed employer contributions is expected as a result of the proposed legislation.

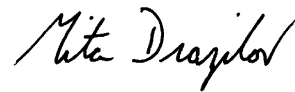
One or more of the undersigned are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Please feel free to contact us with additional questions or comments.

Respectfully submitted,



David L. Hoffman



Mita D. Drazilov, ASA, MAAA

DLH:MDD:mrb