

March 5, 2013

Ms. Gail H. Stone
Executive Director
Arkansas Judicial Retirement System
One Union National Plaza
124 West Capitol, Suite 400
Little Rock, Arkansas 72201

Re: Senate Bill 201

Dear Ms. Stone:

Senate Bill 201 amends several sections of Arkansas Code (ACA), namely § 24-8-101, § 24-8-215, § 24-8-218, § 24-8-224 and § 24-8-710. Our analysis of the proposed changes to these sections follows.

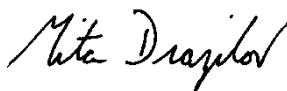
Currently, a judge working past age 70 who is eligible to retire will forfeit retirement benefits unless they leave office at the end of the term during which they turn age 70. The proposed legislation eliminates the forfeiture requirement.

We are unaware of any judges who have forfeited their benefits as a result of the current provisions. If any have, or any were to do so in the future, employer costs would be reduced (but not materially). If there are no significant changes in the hiring (election) patterns of judges as a result of this legislation we would expect some employer savings to result. The savings would result from judges potentially serving after age 70 since the forfeiture requirement would be removed. The increased annual benefits payable to a specific judge would generally be offset by the fact that benefit payments would be payable for a shorter period of time for that individual.

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,



Mita D. Drazilov, ASA, MAAA



David L. Hoffman

MDD:DLH:mdd