



February 4, 2019

Mr. Clint Rhoden
Executive Director
Arkansas Teacher Retirement System
1400 West Third Street
Little Rock, Arkansas 72201

Re: Senate Bill 209 – Technical Corrections

Dear Mr. Rhoden:

You have asked us for our analysis of Senate Bill (SB) 209 as it relates to the Arkansas Teacher Retirement System (ATRS).

SB 209 modifies Title 24 of the Arkansas Code.

Sections 1 through 6 of the Bill remove unused definitions and correct obsolete references within Sections 24-7-901, 904, 905, 906, 908, and 909 of the Code. For example, the Bill replaces each occurrence of the phrase “State Board of Workforce Education and Career Opportunities” with the phrase “Career Education and Workforce Development Board”, in the referenced code sections. It also makes related replacements.

Section 7 of the Bill deals with retirement eligibility conditions for certain people covered by the Judicial Retirement System (JRS) and, presumably, not by ATRS and removes language that has been deemed to be unconstitutional.

Section 8 of the Bill, which is not to be codified describes legislative intent.

Senate Bill 209 is primarily a Technical Corrections Bill. Assuming that the reference changes in Sections 1 through 6 of the Bill and the change in eligibility for members of JRS in Section 7 do not affect the number of people eligible to be covered by the Alternate Retirement Plan instead of ATRS or otherwise impact the operation of ATRS, we find this Bill to be cost neutral with respect to ATRS.

We hope this analysis meets your needs.

Please review this letter carefully to ensure that we have understood the Bill properly. The analysis in this letter should not be relied upon if there is doubt about our understanding of the Bill. Our analysis relates only to the plan changes described in this correspondence. In the event that other plan changes are being considered, it is very important to remember that the results of separate actuarial analyses cannot generally be added together to produce a total. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.

We did not review this Bill for compliance with Federal, State, or local laws or regulations, and internal revenue code provisions. Such a review was not within the scope of our assignment.

Brian B. Murphy and Judith A. Kermans are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

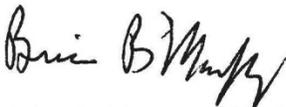
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This communication shall not be construed to provide tax advice, legal advice or investment advice.

Sincerely,



Judith A. Kermans, EA, MAAA, FCA



Brian B. Murphy, FSA, EA, MAAA, FCA

JAK/BBM:rmn