

Senate Bill 214

(As Engrossed February 19, 2013)

Actuarial Cost Study prepared for
Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 89th General Assembly

Provisions of the Bill

Senate Bill 214 affects the part of Arkansas Teacher Retirement System (ATRS) code dealing with higher education institutions and their employees that are eligible for the Arkansas Public Employees Retirement System (APERS).

Sections 1 and 2 are language clarifications. Section 3 deletes language that is outdated or is already covered in APERS law. Section 4 would add ACA §24-7-1009 dealing with U of A system employees that are eligible for APERS. The key item of change in this section is to clarify that the U of A trustees are to adopt policy to define full-time status and certain eligibility status issues for service purchases. We understand that these policies and practices are already in place. Senate Bill 214 is intended to alleviate terminology differences between the university system and APERS.

Fiscal Impact

APERS has a little over 400 members who are now employed by the U of A system units. A very small percentage of these and future members are close to the current definition of full-time. Therefore, there would not be many individuals potentially affected. But, we do not know how much different the U of A system might define things like full-time (over 80 hours per month in APERS). So, we cannot measure the effect at this time. In general, based on the number of people, we would estimate that there would not be a significant cost effect on APERS.

Other

Any terms defined by the U of A trustees would need to ensure that they did not violate federal coverage (Pre-ERISA 401(a)(3)) rules. A retroactive date on page 7 of Senate Bill 214 is consistent with current practice and Act 513 of 2011.

Sincerely,



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