

## Senate Bill 242

(As Engrossed February 12, 2019)

Actuarial Cost Study prepared for  
Joint Committee on Public Retirement and Social Security Programs  
of the Arkansas 92nd General Assembly

### Provisions of the Bill

Senate Bill 242 affects all of the Arkansas public employee retirement systems.

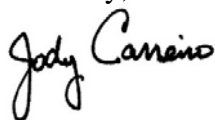
The Uniformed Services Employment and Reemployment Rights Act (USERRA) is a federal law that provides employment protection and retirement benefit protection to employees that are called into active military service. These provisions have been also added to Arkansas retirement law. Senate Bill 242 seeks to extend this protection to members of the Arkansas National Guard who are on Active State Duty. Active State Duty is defined in ACA §12-60-102(2). In practical terms, this is typically time when the governor calls up our National Guard to help with a natural disaster. According to the Arkansas National Guard, there are usually about 250 of the Guard called each year and it is usually for 2 or 3 days each time. The longest recent deployment were the ones who were called up to assist after hurricane Harvey in Texas.

When someone returns from a deployment, they basically must pay their employee contributions that would have been paid if they were in their usual position, and then the employer must pay the employer contribution for that period of time. Then the time for the deployment is restored. There are some minor differences in how the various systems administer USERRA time, but this is the general rule.

### Fiscal Impact

As noted above, any retirement system time that is restored to a member will be covered by employee and employer contributions. Therefore, the only cost to the systems would be the timing delay associated with those contributions. Since most of the deployments are very short term and there are few longer deployments, this will not affect very many members of the systems. It is our opinion that there will be a very small (less than 0.01% of payroll) cost to the systems. The primary cost will be to the employing departments or agencies who will have to contribute for the period of deployment time.

Sincerely,



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