



March 5, 2019

Mr. Frank J. Wills, Deputy Director  
Arkansas Judicial Retirement System  
One Union National Plaza  
124 West Capitol, Suite 400  
Little Rock, Arkansas 72201

**Re: Senate Bill 242**

Dear Mr. Wills:

You have asked us for our analysis of Senate Bill (SB) 242 as it relates to the Arkansas Judicial Retirement System (AJRS).

SB 242 amends Title 24 of the Arkansas Code relating to State active duty time in the National Guard Duty and provides that treatment of that time is the same as active duty service under USERRA.

No explicit modeling of the proposed benefit change was performed. We have no data with regard to the number of AJRS members who have or may have accrued such service. Looking forward, for the annual cost of this service to reach 0.01% of pay, about 12 days of state active duty time must be rendered annually by AJRS members participating in the Arkansas National Guard. Policymakers can compare this number to actual numbers to determine the expected impact if this legislation is enacted.

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, nor did we attempt to determine whether these changes would contradict or negate other related State, or local laws. Such a review was not within the scope of our assignment.

Heidi G. Barry is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Mr. Frank J. Wills

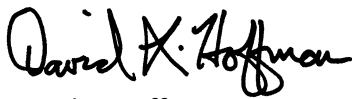
March 5, 2019

Page 2

Circular 230 Notice: Pursuant to regulations issued by the IRS, to the extent this communication (or any attachment) concerns tax matters, it is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) marketing or recommending to another party any tax-related matter addressed within. Each taxpayer should seek advice based on the individual's circumstances from an independent tax advisor.

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

Respectfully submitted,



David L. Hoffman



Heidi G. Barry, ASA, FCA, MAAA

DLH/HGB:bd

