

Senate Bill 88

Actuarial Cost Study prepared for
Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 88th General Assembly

Provisions of the Bill

Senate Bill 88 affects the Arkansas Teachers Retirement System (“ATRS”).

Senate Bill 88 makes two changes to the code. The first cleans up language that allows a vacancy on the ATRS board to be filled through a majority vote by the board. It also creates the option to fill a vacancy through appointment of a trustee until the next system election.

The second change adds a section clarifying reimbursement for trustees and a clause ensuring that serving on the board will have no impact on employment status. It allows the system to reimburse trustees for “reasonable expenses incurred in the performance of his or her duties as trustee.” In particular, it allows for reimbursement for substitute teachers and communication services required for paperless meetings.

Fiscal Impact

ATRS reports that the system has been reimbursing for substitutes all along under provisions already referenced in this section of code. The added language would thus be a codification of current practice. Currently four of the fifteen ATRS board members are teacher representatives who could take advantage of the substitute reimbursement provision. One of the four has been reimbursed the past two years for less than \$1,500 per year in total. Even if the other three teacher representatives began making requests as a result of increased awareness due to this bill, we estimate the cost to the system being less than \$5,000 per year. It is our opinion that any increase would not significantly increase the contribution rate or the number of years to pay off the unfunded liability of ATRS.

Sincerely,



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

Actuary