

March 5, 2013

Ms. Gail H. Stone
Executive Director
Arkansas Public Employees Retirement System
One Union National Plaza
124 West Capitol, Suite 400
Little Rock, Arkansas 72201

Re: Senate Bill 202

Dear Ms. Stone:

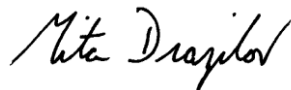
Senate Bill 202 amends one section of Arkansas Code (ACA), namely § 24-4-301. Our analysis of the proposed changes to this section follows.

The legislation allows certain General Assembly members to opt out of membership in the Arkansas Public Employees Retirement System (APERS). The General Assembly member has to either be (a) retired from a reciprocal system or (b) already participating in APERS as a result of other employment. Given the very small number of General Assembly members relative to total APERS active membership, there is expected to be no material effect on the APERS computed employer contribution rate.

Mita Drazilov 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 opinion contained herein.

Please feel free to contact us with additional questions or comments.

Respectfully submitted,



Mita D. Drazilov, ASA, MAAA



David L. Hoffman

MDD:DLH:mdd