

April 8, 2013

Mr. George Hopkins  
Executive Director  
Arkansas Teacher Retirement System  
1400 West Third Street  
Little Rock, Arkansas 72201

**Re: House Bill 1205 as Engrossed on 4/3/2013**

Dear George:

You have asked us for an analysis of House Bill (HB) 1205 as engrossed, as it relates to the Arkansas Teacher Retirement System (ATRS). HB 1205 modifies Arkansas state law related to the settlement and relief of grievances of employees of state agencies. This letter replaces our previous letter dated March 14, 2013. Since HB 1205 does not contain any reference to pay, service credit or retirement benefits under the ATRS, this bill has no financial impact on the ATRS.

We hope this analysis meets your needs. 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.

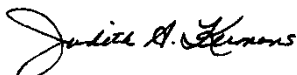
We did not review this bill for compliance with Federal, State, or local laws or regulations, and internal revenue code provisions. Such a review was not within the scope of our assignment.

The undersigned are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

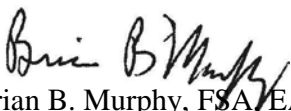
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This communication shall not be construed to provide tax advice, legal advice or investment advice.

Sincerely,



Judith A. Kermans, EA, MAAA, FCA



Brian B. Murphy, FSA, EA, MAAA, FCA

JAK\BBM:rmn