

House Bill 1346

(As Engrossed March 27, 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

House Bill 1346 affects the Arkansas Public Employees Retirement System (APERS). APERS has provisions that allow for the purchase of military time. The purchase of service credit is on an actuarially determined basis to maintain cost neutrality. In general, you must be vested to be eligible to purchase service. In the case of members of the general assembly, they have a ten year vesting instead of the five year vesting for all other members. House Bill 1346 would allow for the purchase of military time for those members who are not yet vested but do have at least five years of actual service.

Fiscal Impact

The wording of House Bill 1346 means that the members affected is very limited. Basically, only general assembly members with more than five, but less than ten years of service would be able to access this ability to purchase military service. The purchase is on a basis that is generally cost neutral. Therefore, it is our opinion that there is no fiscal impact to the retirement system due to the provisions of this bill.

Sincerely,



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