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## **House Bill 1158**

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

### **Provisions of the Bill**

House Bill 1158 affects the Arkansas Public Employees Retirement System (“APERS”).

Under current law all new members in APERS are contributory. Those who were members before the contributory system went into place, July 1, 2005, had a one-time choice to remain non-contributory or become contributory. House Bill 1158 will allow a window to allow those non-contributory members to make an election for contributory status.

### **Fiscal Impact**

Act 742 of 2009 opened a similar window at that time. This election can only be made from non-contributory to contributory. This is to remain consistent with IRS laws and regulations. When the previous window was opened, about 250 members made this change. There will be a slight cost savings to APERS since the average cost of a contributory member is less than the average cost of the system as a whole. If the same number made the change with the passage of House Bill 1158, there would be a cost savings, but it would be less than 0.01% of payroll, that is, it would not significantly impact the contribution rate or the amortization of unfunded liabilities.

### **Other Comments**

These types of windows are not uncommon in contributory systems. They promote the system and the goodwill of the members.

Sincerely,



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

House Bill 1158  
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