

Osborn, Carreiro & Associates, Inc.

ACTUARIES • CONSULTANTS • ANALYSTS

One Union National Plaza, Suite 1690
124 West Capitol Avenue
Little Rock, Arkansas 72201
(501) 376-8043
FAX (501) 376-7847

House Bill 1253

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

Provisions of the Bill

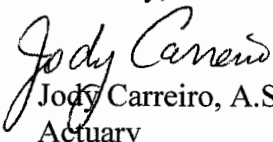
House Bill 1253 affects the recorder-treasurers and city treasurers in cities of the second class covered by local municipal plans.

The section of code affected by House Bill 1253 describes the eligibility to retire for these employees. House Bill 1253 does not change the eligibility but strikes the phrase “upon a vote of approval by the governing body of the city” from this section.

Fiscal Impact

Many cities of the second class (cities with at least 500 residents but less than 2,500) are in APERS and not affected by this section of code. The phrase being struck would mean, to me, that currently the governing body grants the final approval for payment of the benefit. That is, clerks could not approve their own retirement benefits. Unless this phrase is being interpreted as meaning that the governing body could vote arbitrarily not to pay someone who otherwise meets the requirements, then there would be no fiscal impact as a result of this bill.

Sincerely,



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

House Bill 1253
March 18, 2011