

March 18, 2011

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 100**

Dear Ms. Stone:

Senate Bill 100 amends several sections of Arkansas Code (ACA), namely § 24-4-101(34), § 24-4-401(2), § 24-4-521(b) and adds § 24-4-1004. Our analysis of the proposed changes to this section follows.

The legislation provides public safety service credit for civilian firefighters of the State Military Department when the position is one hundred percent federally funded. The public safety service credit for these firefighters will earn credit at one and one-half times the regular rate for crediting service. The additional cost of this service credit is to be actuarially determined and be the responsibility of the employer.

APERS staff believes that nine (9) firefighters would be affected by the legislation with twenty-one (21) positions ultimately affected. If this group is separately experience rated, no part of the cost for the one and one-half times service credit accrual would be borne by other APERS employers. The legislation does not specifically address it, but the authority to make the determination of the costs seems to be a power of the Board in normal practice. Given the size of the group, and following past practice, a close one-time approximation of the cost could be made (such as is done with the Wildlife division in APERS) with no material impact resulting for other APERS employers.

One or more of the undersigned are Members of the American Academy of Actuaries (MAAA) as indicated, and meet 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,



Norman L. Jones, FSA, MAAA



David L. Hoffman

NLJ:DLH:dlh