

Senate Bill 106

Actuarial Cost Study prepared for Joint Committee on Public Retirement and Social Security Programs of the Arkansas 89th General Assembly

Provisions of the Bill

Senate Bill 106 affects the Arkansas Teacher Retirement System (ATRS).

There were significant changes to ACA §24-7-502 dealing with termination of active membership during the 2009 and 2011 sessions. One of the requirements of being terminated or retired is that the member does not “form an employment relationship” during the separation period. Senate Bill 106 provides an exception that a retired member may discuss future employment during the separation period with a system covered employer.

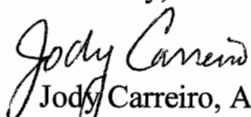
Fiscal Impact

Senate Bill 106 should not change the practice of ATRS in dealing with these situations. ATRS would only apply this section if there was a written or oral contract of employment. Therefore, there would be no direct fiscal impact to the system.

Other

Senate Bill 106 could create ambiguity for employers beyond what already exists. Current law does not seem to prohibit discussions. There only seems to be a prohibition against “forming an employment relationship”.

Sincerely,



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Actuary