

## Senate Bill 144

(As Engrossed February 19, 2013)

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 144 affects the closed Local Fire Plans under the oversight of the Pension Review Board. Under current law, a firefighter who remarries after retirement may have his or her spouse become eligible for a survivor benefit if:

- The local plan is actuarially sound, as determined by the actuary for the Pension Review Board,
- The local plan's board chooses to adopt the benefit for its members, and
- The surviving spouse had been married to the firefighter for at least five years.

Senate Bill 144 would tighten the requirements for a remarried spouse to become eligible by modifying the third criterion to also require that the marriage occurred within five years of the firefighter's date of retirement.

### Fiscal Impact

Senate Bill 144 itself would create no fiscal impact. A local plan's board would still be required to elect adoption of the remarriage provision, and this election would have to be approved by showing soundness through an actuarial valuation. The practical effect of this bill would be to restrict the benefit so that fewer spouses would be eligible for a survivor benefit for any new plans which adopted the remarriage provision. Passage could result in a slightly lower cost to the funds adopting the provision than that which would be incurred under current statutes.

### Other

The bill, as worded, would not apply to Local Police plans (see §24-11-425); this is a policy consideration. We believe that the bill would not apply retroactively to those remarried spouses who are already receiving benefits, although there is no language present to that effect. If the bill were to apply retroactively to funds which have already adopted the remarriage provision, it would make some survivors who are currently receiving benefits ineligible and could create administrative difficulties in verifying dates of marriage.

Sincerely,



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Actuary