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Senate Bill 146

(As Engrossed March 7, 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 146 affects the Arkansas Teacher Retirement System (ATRS).

Senate Bill 146 would modify ATRS membership law to include certain school resource officers (SROs) that are paid indirectly by the school district and meet other criteria for membership in ATRS. The criteria are as follows; a member must:

- Have retired from a reciprocal system (APERS, ASPRS, LOPFI, ASHERS)
- Be an Arkansas certified law enforcement officer
- Be employed primarily to provide services at the system employer
- Not have participated in the LOPFI DROP
- Not be eligible for public retirement service credit from the direct employer
- Not be receiving credit for the same salary or service in an Arkansas public retirement system

The SROs not directly paid and meeting these criteria become members after the system employer adopts an agreement with the direct employer to report and pay the contributions on their behalf.

Fiscal Impact

In general, Senate Bill 146 would bring some new, older members into ATRS. Although older members would cost more than the normal cost rate, it would still be less than the total contribution rate and would therefore be a gain to ATRS as a whole. Since we do not have an estimated number of new members, we cannot quantify the savings. Since most larger school districts already have arrangements with their local police departments for using active officers, I would assume there will be very few and that there is no measurable difference in cost to ATRS.

Other

ATRS will need to ensure that the direct employers meet the definition of governmental entities under proposed IRS 414(d) regulations.

Sincerely,

Jody Carreiro

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Actuary