

Senate Bill 203

Actuarial Cost Study prepared for Joint Committee on Public Retirement and Social Security Programs of the Arkansas 91st General Assembly

Provisions of the Bill

Senate Bill 203 affects the Arkansas Teacher Retirement System (ATRS).

Senate Bill 203 would create a new section under the general provisions subchapter of ATRS code. This section would mandate that an early retirement or severance offer from an employer does not include a requirement that the employee files for retirement with ATRS.

Fiscal Impact

There would be no measureable actuarial cost associated with this bill; if there were any impact, we believe that it would arise from allowing a handful of retirement-eligible participants to continue working each year. In general, this would delay the participants' retirement elections; such delays would typically create an actuarial savings to the system. The primary impact would be a slight administrative savings to ATRS as the system would no longer have to be involved in disputes arising from early retirement offers.

Other

We understand that the early retirement agreements referenced in Senate Bill 203 are uncommon, but they do occur a handful of times each year. ATRS staff has indicated that the bill would alleviate some administrative difficulties on the system's end, especially concerning active or T-DROP participants who would prefer to continue teaching at different districts post-severance.

Sincerely,



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