

Senate Bill 204

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 204 affects the Arkansas Public Employees' Retirement System (APERS).

Arkansas Code Annotated §24-4-802 describes the necessary conditions for participation eligibility in APERS' Deferred Retirement Option Plan (DROP). Under current law, a member is eligible to enter DROP on the first day of the second month following the system's determination of eligibility. Senate Bill 204 would reduce the waiting period so that members could participate on the first of the month after the determination of eligibility.

Fiscal Impact

We do not believe there would be a material fiscal impact to APERS were Senate Bill 204 to become law. It is our opinion that any cost or savings would be insignificant and that this change is primarily administrative in nature.

Other

We understand that the extra month's waiting period was instituted as a safeguard when DROP was first implemented. As there is now far less reliance on physical paperwork, the change proposed in Senate Bill 204 would seem to be more efficient for members and would bring the timing of DROP retirement in line with that of regular APERS retirement.

Sincerely,



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