



February 22, 2019

Mr. Frank J. Wills, Deputy Director  
Arkansas State Police Retirement System  
One Union National Plaza  
124 West Capitol, 4th Floor  
Little Rock, Arkansas 72201

**Re: Senate Bill 144**

Dear Mr. Wills:

You have asked us for our analysis of Senate Bill (SB) 144 as it relates to the Arkansas State Police Retirement System (ASPRS).

SB 144 modifies section §24-6-411(c)(1) of the Arkansas Code. The law as currently written allows the surviving spouse of a member who dies-in-service, who was married to the member for at least one year immediately preceding the member's death, to receive a death-in-service benefit. The bill reduces the minimum length of marriage from one year to six months.

**We do not have any experience to indicate how often this change would result in additional benefits being paid. We currently model the death-in-service benefit using an assumption that 95% of male active members are married and 90% of female active members are married while employed. Altering these assumptions to assume 100% of active members are married increases the computed employer cost by 0.02% of payroll. We expect that the actual result will be less than that as experience emerges over time.**

Please review this letter carefully to ensure that we have understood the Bill properly. The analysis in this letter should not be relied upon if there is doubt about our understanding of the Bill. Our analysis relates only to the plan changes described in this correspondence. In the event that other plan changes are being considered, it is very important to remember that the results of separate actuarial analyses cannot generally be added together to produce a total. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.

We did not review this bill for compliance with Federal, State, or local laws or regulations, and internal revenue code provisions nor did we attempt to determine whether these changes would contradict or negate other related State, or local laws. Such a review was not within the scope of our assignment.

Mita D. Drazilov and Heidi G. Barry are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

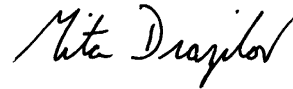
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This communication shall not be construed to provide tax advice, legal advice or investment advice.

Respectfully submitted,



David L. Hoffman



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DLH/MDD/HGB:sc

