

## **Senate Bill 7**

### Actuarial Cost Study prepared for Joint Committee on Public Retirement and Social Security Programs of the Arkansas 93<sup>rd</sup> General Assembly

#### **Provisions of the Bill**

Senate Bill 7 affects the local Police and Fire pension and relief funds (“Local Plans”) code. The SECURE Act was enacted on December 20, 2019. This federal pension law contained many changes. The primary change that governmental plans need to comply with is the change in Required Minimum Distribution date. This bill updates the law pertaining to Local Plans to bring it into compliance with this federal law.


#### **Fiscal Impact**

Senate Bill 7 would only change the timing of payments of DROP balances that have been left on account with the pension fund. The bill would postpone the required starting date from age 70 ½ to age 72. It is our opinion that there is no fiscal impact to the Local Plans due to the provisions of this bill.

#### **Other Comments**

A corresponding provision is part of Senate Bill 5 which affects the Arkansas Local Police and Fire Retirement System (LOPFI).

Sincerely,



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