

House Bill 1111

(As Engrossed January 26, 2023)

Actuarial Cost Study prepared for

Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 94th General Assembly

Provisions of the Bill

The SECURE 2.0 Act was enacted on December 29, 2022. This federal pension law contained many changes. The primary change affecting governmental plans is the change in Required Minimum Distribution date. The beginning age for the Required Minimum Distributions is moved from 72 to 73 beginning in 2023 and then to age 75 in 2033. The Bill updates the corresponding sections of LOPFI and local fire and police plan laws to align with these changes.

Fiscal Impact

House Bill 1111 would only change the timing of payments of DROP balances that have been left on account with the pension funds. The bill would postpone the required starting dates as outlined above. It is our opinion that there is no fiscal impact to LOPFI or the Local Plans due to the provisions of this bill.

Sincerely,



Jody Carreiro, ASA, MAAA, EA, FCA
Actuary