



January 31, 2023

Mr. Clint Rhoden  
Executive Director  
Arkansas Teacher Retirement System  
1400 West Third Street  
Little Rock, Arkansas 72201

**Re: House Bill (HB) 1184 Membership**

Dear Mr. Rhoden:

You have asked us for our analysis of HB 1184 as it relates to the Arkansas Teacher Retirement System (ATRS).

This Bill modifies Arkansas Code §24-7-406(e). The Bill provides that if a member enters into a contract with a covered employer after the start of the fiscal year, the system may prorate the number of contracted days in order to determine whether the member should be classified as a contributory member or a non-contributory member who may make an election to become a contributory member.

We understand from discussions with staff that current statutes could be interpreted to say that a full-time employee who is hired, for example, in the middle of the year would have the option of becoming a non-contributory member, whereas a full-time person who is hired at the start of the year would not have that option.

The effect of the Bill is to ensure equal treatment of full-time employees regardless of their date of hire within the year.

In our opinion, this Bill will have no material financial effect on the Arkansas Teacher Retirement System.

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.

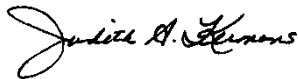
We did not review this Bill for compliance with Federal, State, or local laws or regulations, and internal revenue code provisions. Such a review was not within the scope of our assignment.

Brian B. Murphy, Judith A. Kermans 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.

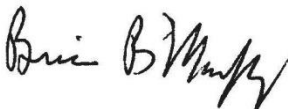
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This communication shall not be construed to provide tax advice, legal advice or investment advice.

Sincerely,  
Gabriel, Roeder, Smith & Company



Judith A. Kermans, EA, FCA, MAAA



Brian B. Murphy, FSA, EA, FCA, MAAA, PhD



Heidi G. Barry, ASA, FCA, MAAA

JAK/BBM/HGB:ah

