

House Bill 1186

(As Engrossed February 16, 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

House Bill 1186 affects the Arkansas Teacher Retirement System (ATRS). The bill alters subsections of ACA §24-7-706. The changes are mostly to clarify wording. In our review and discussion with ATRS staff, we see two changes that could affect benefits under the plan.

First, House Bill 1186 would allow for multiple beneficiaries for the survivor annuities. Currently, Both spouses who have been married for at least one year before retirement or dependent (disabled) children are allowed as survivors. This bill would allow for both. In other words, a member could elect option A (100% survivor annuity) and name both their spouse and a dependent child to receive half of the survivor amount under the conditions laid out. The second change is to ensure that the spouse of a disabled annuitant who dies within the first year of retirement has the same options of an annuity or payment of residue as all other retirees.

Fiscal Impact

House Bill 1186 would only affect a very small number of members each year according to our discussion with ATRS staff and our analysis. Those few members could have a small cost individually depending on the option conversion factors. But, with the small number and low possible cost per member, it is our opinion that there is no significant fiscal impact to ATRS.

Other Information

The February 16, 2023 amendment to House Bill 1186 clarified the division if there was more than one dependent child named as survivor. It also reverted the definition of dependent child to the language in current law.

Sincerely,



Jody Carreiro, ASA, MAAA, EA, FCA
Actuary