

House Bill 1187

(As Engrossed February 13, 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 1187 affects the Arkansas Teacher Retirement System (ATRS). The bill alters the text of ACA §24-7-720 which defines the lump sum death benefit that is provided by ATRS. The changes remove what is considered redundant wording and will streamline the language of the section. There is added consistency by using “lump sum death benefit” throughout the section in referring to this benefit. There is some possible confusion in the current law about whether the T-DROP members are eligible for this benefit in all cases. House Bill 1187 clarifies that the benefit is extended to those on T-DROP.

Fiscal Impact

We reviewed House Bill 1187 and have discussed it with the ATRS staff. The bill does not appear to us to make any change to the current administration of the lump sum death benefits provided by the plan. Therefore, it is our opinion that there is no fiscal impact to ATRS due to the provisions of this bill.

Sincerely,



Jody Carreiro, ASA, MAAA, EA, FCA
Actuary