

House Bill 1188

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 1188 affects the Arkansas Teacher Retirement System (ATRS). The bill alters two subdivisions of ACA §24-7-736 which deals with the calculation of the final average salary used in determining benefits. Section 1 of the bill clarifies that rules concerning full and partial years of service can be promulgated by the board. Section 2 and 3 replace the term “percentage increase” with “anti-spiking percentage” and the term “salary differential” with “anti-spiking amount.” These changes help to improve clarity.

Fiscal Impact

We reviewed House Bill 1188 and discussed it with the ATRS staff. It is our understanding that this bill would not alter the administration or calculation of benefits due to ATRS members. 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