

House Bill 1199

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 1199 affects the Arkansas Teacher Retirement System (ATRS). ATRS allows the purchase of service credit for a variety of reasons. These reasons are outlined in about ten different sections of the ATRS code. This process has been standardized over the years. One area that does not have the same language in all of these references was to permit a refund of unused purchased service. House Bill 1199 amends the law so there is consistent language to permit, at the member's request, a refund payment when a member ceases to be active before the credit is established as credited service or not used to establish eligibility in the system. Section 6 of the bill eliminates a reference to an effective date that is now obsolete.

Fiscal Impact

We reviewed House Bill 1199 and discussed the effects with the ATRS staff. It is our understanding that what this bill contains is codification of what is already the current practice of the system. There would be no changes in benefits or costs due to this bill. Therefore, it is our opinion that House Bill 1199 would not have a fiscal impact on ATRS.

Sincerely,



Jody Carreiro, ASA, MAAA, EA, FCA
Actuary