

**House Bill 1203**

(With Amendment #1)

Actuarial Cost Study prepared for  
Joint Committee on Public Retirement and Social Security Programs  
of the Arkansas 94<sup>th</sup> General Assembly

**Provisions of the Bill**

House Bill 1203 affects the retirement of mayors of cities of the first class. These benefits are not typically funded as a retirement plan but are paid from a city's general revenues. In general, a mayor is entitled to a benefit if they are age 60 and have served 10 years or at any age if they serve 20 years. A city can elect to include retirement at age 55 with 10 years of service. For eligibility purposes these mayors can count service with the city either before or after their time as mayor. That eligibility service is counted as one year for every two years of service. For example, a mayor who worked for the city in another capacity for four years and then served as mayor for eight years would have the 10 years of eligibility (8 plus  $(4 / 2) = 10$ ) for a benefit at age 60.

There is a sentence in this section of code that causes some confusion as to when you can count other city service toward eligibility service. House Bill 1203 removes that sentence and does some renumbering to ACA §24-12-123 and Amendment #1 adds a similar, but clearer sentence.

**Fiscal Impact**

House Bill 1203 should not change the eligibility or benefits paid to mayors by the cities. It would appear that removing the sentence might open the door for some people to be provided a benefit twice for the same service (or "double dip"). There is a state prohibition on receiving benefits from two plans for the same service in ACA 14-42-117. Amendment #1 adds subsection (c) to this section of code that clarifies and reiterates this prohibition. Therefore, it is my opinion that with Amendment #1, there should not be two benefits drawn for the same service. Therefore, it is our opinion that there is no additional cost to the cities that have mayors that qualify for this benefit and mayors in cities that participate in APERS will not receive two benefits for the same service.

Sincerely,



Jody Carreiro, ASA, MAAA, EA, FCA  
Actuary