



February 23, 2023

Ms. Amy Fecher, Executive Director
Arkansas Judicial Retirement System
One Union National Plaza
124 West Capitol Avenue, Suite 400
Little Rock, Arkansas 72201

**Re: Actuarial Analysis of Amendment No. 1 Dated 2-15-2023 to House Bill (HB) 1246
Dated 1-25-2023**

Dear Ms. Fecher:

We are providing our analysis of Amendment No. 1 dated 2-15-2023 to HB 1246 dated 1-25-2023 as it relates to the Arkansas Judicial Retirement System (AJRS).

Section 1 of the bill creates new Arkansas Code § 24-8-229, concerning payment of benefits to survivors. The bill clarifies that the effective date of monthly benefits payable to a survivor of a deceased member or a survivor of a deceased retiree under § 24-8-218 and § 24-8-219 is the first day of the calendar month next following the month in which the member or retiree died, regardless of when the survivor submits an application for the payment of the benefits.

Section 2 makes corresponding changes to new Arkansas Code § 24-8-718 concerning members in Tier Two. The bill clarifies that the effective date of monthly benefits payable to a survivor of a deceased member or a survivor of a deceased retiree under the Tier Two Actual Judicial Service Benefit Plan is the first day of the calendar month next following the month in which the member died, regardless of when the survivor submits an application for the payment of the benefits.

The bill is a clarification of current practice. Therefore, this change has no material financial impact on AJRS.

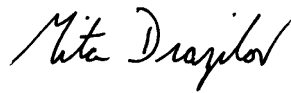
Please review this letter carefully to ensure that we have understood the bill properly. The analysis in this letter should not be relied upon if there is doubt about our understanding of the bill. Our analysis relates only to the plan changes described in this correspondence. In the event that other plan changes are being considered, it is very important to remember that the results of separate actuarial analyses cannot generally be added together to produce a total. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.

Ms. Amy Fecher
February 23, 2023
Page 2

We did not review this bill for compliance with Federal, State, or local laws or regulations, and internal revenue code provisions nor did we attempt to determine whether these changes would contradict or negate other related State, or local laws. Such a review was not within the scope of our assignment. Mita D. Drazilov and Heidi G. Barry are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This communication shall not be construed to provide tax advice, legal advice or investment advice.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Mita D. Drazilov, ASA, FCA, MAAA



Heidi G. Barry, ASA, FCA, MAAA

MDD/HGB:rmn

