

## Senate Bill 115

### 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

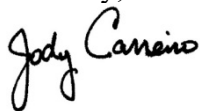
Senate Bill 115 affects the Arkansas Teacher Retirement System (ATRS). This bill amends many subdivisions of ACA §24-7-710 which defines the survivor annuity benefits payable due to a member's death in service. The bill does not alter any provisions of the single sum death benefit payable by ATRS. Two wording changes that are included throughout the bill are documentation timing exceptions must be granted by the "Executive Director of the Arkansas Teacher Retirement System" and not just the "system" and several substitutions of "active member" which previously was just "member" for clarification purposes. There are other changes that appear to be for clarification purposes only.

This section of code (ACA §24-7-710) provides for a benefit for a member's surviving dependent child. This benefit is generally payable until age 18 but can be extended to age 23 if enrolled in post-secondary education. The language changes in Senate Bill 115 surrounding a member's surviving dependent child to include vocational-technical school education in the list of schools. There is also a subdivision added to better define how the surviving dependent child benefit works in the case of a member who returns to work.

#### Fiscal Impact

Senate Bill 115 makes mostly administrative clarification changes. After review and discussion with ATRS staff we conclude that the only item that will change benefits as currently administered is the addition of vocational-technical to the list of post-secondary institutions and the definition of the surviving dependent benefit for return to work members. Both of these items could add to the number of eligible or eligible to extend benefits. Although not easily measurable, it is our opinion that any additional benefits paid by the system would have a fiscal impact that would not be significant to ATRS.

Sincerely,



Jody Carreiro, ASA, MAAA, EA, FCA  
Actuary