

## Senate Bill 127

(As Engrossed February 21, 2023)

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

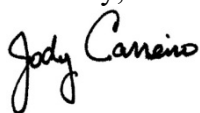
### Provisions of the Bill

Senate Bill 127 affects the Arkansas Public Employees' Retirement System (APERS). This bill amends the code in ten sections of the bill. These changes appear to be for clarification or correcting code references so that the contributory code sections are referenced. Section 7 of the bill adds a subsection to outline how a member who leaves employment, requests a refund of contributions, and is hired by another participating employer can repay the refunded contributions with interest and restore their service credit. Section 8 adds a subsection that allows for a lump sum payment of small benefit amounts before the annuity begins. This would be done after obtaining the member or survivor as applicable consents to the payment.

### Fiscal Impact

The changes made by Senate Bill 127 would not change any benefit or administration of benefits other than the items mentioned above in Sections 7 and 8 of the bill. It is our understanding that the language of Section 8 which allows for a lump sum payment of the equivalent value of a small benefit was in previous code and had inadvertently been deleted. This is already current practice of the system. Section 7 of the bill, allowing for restoring service credit by repayment of member contributions can be a small cost to the system in certain circumstances. A vested (over five years of service) member can ask for a refund, but that does not happen as often. So the main group would be people with less than five years of service who return to service. Most of these cases would have a very small or no cost to the system. Therefore, it is our opinion that there will be no material fiscal impact to APERS if Senate Bill 127 is enacted.

Sincerely,



Jody Carreiro, ASA, MAAA, EA, FCA  
Actuary