

Senate Bill 77

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

Provisions of the Bill

Senate Bill 77 affects the Arkansas Judicial Retirement System (AJRS). This bill amends or repeals four sections of AJRS code which concern the mandatory retirement age set in AJRS. Current law states that a judge who is eligible to retire and turns age 70 before their next election must forfeit their retirement benefit. If not otherwise eligible to retire at age 70 they can complete their current elected term without forfeiting retirement. This is clearly a policy issue on mandatory retirement for a member of the group that is applied through the retirement law.

Senate Bill 77 appeals and amends the sections of code that enforce this mandatory retirement age. There would be no mandatory retirement age for judges if this bill were enacted.

Fiscal Impact

The AJRS is valued so that everyone does retire before they would have to forfeit their benefits. Therefore, in the one or two times this has happened in the history of Tier 2 of the system, the plan had an actuarial gain. Senate Bill 77 would just extend retirement. In some cases, they would have met the maximum benefit allowed. In other cases, the receiving of benefits later would offset the additional benefits earned. Therefore, it is our opinion that there will be no material fiscal impact to AJRS if Senate Bill 77 is enacted.

Related Legislation

Senate Bill 78 amends the same sections of law, but it allows for a return of contributions in the case of a judge who forfeits their benefit. Because of changes to the same sections of code, the passage of both Senate Bill 77 and 78 would be contradictory.

Sincerely,



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Actuary