

House Bill 1293

(As Engrossed March 6, 2025)

Actuarial Cost Study prepared for
Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 95th General Assembly

Provisions of the Bill

House Bill 1293 affects the death benefits paid by the Arkansas Claims Commission. ACA §24-5-705 outlines a death benefit that is in addition to the \$50,000 available to any state employee killed in the line of duty. This additional death benefit is available to those in named public safety and emergency response positions. House Bill 1293 increases this additional death benefit from \$150,000 to \$250,000 and adds state highway employees to the list of named positions.

Fiscal Impact

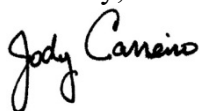
The Arkansas Claims Commission provided us with a listing of additional death benefits paid during the past 10 years, ending June 30, 2024. We wanted to look at 10 years of history since the small number of claims in this category creates a lot of volatility in the number. The number of awarded claims in this category for the ten years was 55. On average this means about 5.5 awarded claims per year would increase by \$100,000 each, or an additional \$550,000 per year of awards would be expected.

The Arkansas Department of Transportation is currently researching for their fallen worker memorial. We were able to review this list and found that in the same time period above there were nine deaths that could apply for this benefit. (There have been three deaths during the current fiscal year.) If we assume one new claim per year from this group, the Arkansas Claims Commission could be expected to award an additional \$250,000 based on this change. Therefore, House Bill 1293 would be expected to increase awards by \$800,000 per year in total.

Please note that §24-5-705(c)(2) states the benefits are paid by the state and one-half of the amount of the additional benefits will be paid by the appropriate state agency. Also note that §24-5-705(d) states that the additional death benefit is paid over four fiscal years, so any budgeting of additional amounts can be built up over four years.

Finally, these benefits are from the state and do not impact the state sponsored retirement systems.

Sincerely,



Jody Carreiro, ASA MAAA, EA, FCA
Actuary