



February 26, 2025

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

Re: Actuarial Analysis of House Bill (HB) 1325 Dated 01-30-2025

Dear Ms. Fecher:

We are providing our analysis of HB 1325 dated 01-30-2025 as it relates to the Arkansas Public Employees Retirement System (APERS).

The bill adds §24-4-901(f) to the Arkansas Code. The bill states that a member of APERS previously covered under an alternate retirement plan as defined in §24-7-202 may be credited for each year of employment covered under the alternate retirement plan to meet eligibility requirements for receiving a monthly retirement benefit under the system if the employee did not: (A) vest in the alternate retirement plan; and (B) did not receive a payment or withdraw contributions from the alternate retirement plan for the period of covered employment.

It is not clear if §24-4-901, as currently written, prohibits the use of reciprocal service for members of an alternate retirement plan in some situations. If this is the case, then we believe the additional language proposed in the bill may impact a small number of employees and will result in additional reciprocal service credit for eligibility purposes. We believe the impact on APERS will be small.

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.

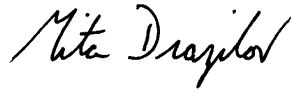
We did not review this bill for compliance with Federal, State, or local laws or regulations, and internal revenue code provisions, nor did we attempt to determine whether these changes would contradict or negate other related State, or local laws. Such a review was not within the scope of our assignment.

Ms. Amy Fecher
February 26, 2025
Page 2

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:ah

