Osborn, Carreiro & Associates, Inc.

ACTUARIES ● CONSULTANTS ● ANALYSTS

One Union National Plaza, Suite 1690
124 West Capitol Avenue
Little Rock, Arkansas 2.072201
(501)376-8043 fax (501)376-7847

Senate Bill 160

(As Amendment #1, March 27,2025)
Actuarial Cost Study prepared for
Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 95th General Assembly

Provisions of the Bill

Senate Bill 160 affects the provisions of the Arkansas Public Employees Retirement System (APERS) in two ways. The employers of APERS are state agencies, all seventy-five counties, municipalities that elect coverage and some "non-state" employers as defined in ACA §24-4-101. Senate Bill 160 would specifically name the Arkansas Development Finance Authority (ADFA) as an eligible employer. We understand they are already participants, but this will explicitly state this.

The second section of Senate Bill 160 would change the makeup of the APERS board. The board as defined in ACA §24-4-101 is made up of 3 state employee members, 3 nonstate employee members, the Secretary of DFA, the Auditor and the Treasurer. Senate Bill 160 would add two additional members to bring the total to 11. They would be the Secretary of Shared Services and the Bank Commissioner.

Fiscal Impact

We understand that the employees of ADFA are already participating in APERS. Therefore, there is no fiscal impact for this section of Senate Bill 160.

There is no direct fiscal impact from the make-up of the board of APERS. These types of public boards are made up of a combination of employee and employer representatives with the understanding that several of the employer representatives are also participants in the plan. This change adds a bit more to the employer's side, but this board has a fairly strong employee (active and retired) representation. Therefore, in my opinion, this change would not interfere with the progress of the system moving toward being fully funded.

Sincerely,

Jody Carreiro

Jody Carreiro, ASA MAAA, EA, FCA
Actuary