

March 1, 2013

Mr. David B. Clark
Executive Director
Arkansas Local Police and Fire Retirement System
620 W. 3rd, Suite 200
Little Rock, Arkansas 72201-2212

Re: Senate Bill 169

Dear Mr. Clark:

Senate Bill 169 amends several sections of Arkansas Code. Our analysis of the proposed changes to the sections follows.

Our understanding is that Senate Bill 169 provides for continuing LOPFI coverage for a LOPFI member who is subsequently employed by the Arkansas Fire Training Academy or the Arkansas Law Enforcement Training Academy on or after July 1, 2013. LOPFI members who left employment and were subsequently hired by these academies prior to July 1, 2013 will remain in APERS.

Based on the number of members who might be covered (26) and the ability of LOPFI to receive contributions from the academies, there will be no effect on current LOPFI employer contribution rates as a result of this legislation. The two academies are not eligible for participation in the receipt of/or funding with premium tax revenues, therefore, we expect that there will be no reduction in premium tax revenues available to current LOPFI employers as a result of this legislation.

The academies are currently paying the employer contribution rate as required in APERS. If SB 169 is adopted, the academies would pay the employer contribution rate as required for participating LOPFI employees.

One or more of the actuaries submitting this statement are Members of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

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Please call if you have any questions or comments.

Respectfully submitted,

A handwritten signature in black ink that reads "David L. Hoffman". The signature is written in a cursive style with a large, stylized initial "D".

David L. Hoffman

A handwritten signature in black ink that reads "Heidi G. Barry". The signature is written in a cursive style with a large, stylized initial "H".

Heidi G. Barry, ASA, MAAA

DLH:HGB:bd