

House Bill 1157

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 1157 affects the provisions of the Arkansas Teachers Retirement System (ATRS). ACA §24-7-710(c) defines the survivor annuity benefits for dependent children of active members who die. Current law in this section extent the dependent child benefit to age 22 if they continued in higher education. This has become increasingly hard to administer for various reasons. Among those are the changing definitions of higher education and the number of students who take various gap years for educational or other purposes. House Bill 1157 takes the higher education requirements out and extends the benefit to all who are below age 22. The bill also makes other adjustments for consistency.

Fiscal Impact

We have reviewed the provisions of House Bill 1157. This change would extend benefits to some dependent children that were not previously covered, but some of that would be offset by administrative savings. This would also provide more consistency with other benefits and the current social and educational environment. It is our opinion that House Bill 1157 will create additional costs to the system but would not make a significant change to the actuarially determined cost of ATRS.

Sincerely,



Jody Carreiro, ASA MAAA, EA, FCA
Actuary