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House Bill 1251

(As Engrossed March 22, 2011)
Actuarial Cost Study prepared for
Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 88th General Assembly

Provisions of the Bill

House Bill 1251 potentially affects state employee members of a public retirement system in Arkansas.

House Bill 1251 makes several changes concerning redress of grievances and the grievance procedure for state employees. With regard to retirement systems, the bill would allow arbitrators to grant back pay, sick leave credit, and service credit to employees found to have been affected by an "unjustified or unwarranted personnel action."

Fiscal Impact

Most of the provisions of the bill fall far outside of the scope of actuarial analysis. Cost impact could arise from rewarding service credit and back pay as a result of employee grievances. In APERS, we understand that service credit is currently being awarded for those who are granted back pay, so this codification should create no cost impact on APERS. The other retirement systems, insofar as there are state employees who are covered members under this section of code, could experience a cost. However, a projection of the number of potential grievances or an accurate estimation of cost is not available.

Related Legislation

If ATRS members are state employees, House Bill 1251 could potentially conflict with Senate Bill 68 (now Act 163), which concerns credit under contract buyouts.

This analysis ONLY addresses retirement issues in this bill. The retirement issues are minor compared to the complete scope of this legislation. We are not charged with or qualified to address the non-retirement issues.

Sincerely,

Jody Carreiro

Jody Carreiro, A.S.A, M.A.A.A.
Actuary