

# Arkansas Public Employees Retirement System Supplemental Actuarial Valuation as of June 30, 2018

## Proposal 3 – Member Contributions Interest Crediting Rate (2.0%) Affecting All Members

**Present Provision:** A member will earn interest on his or her member contribution balance at a rate of 4% annually.

**Proposed Provision:** After the effective date of the proposed change, a member will earn interest on his or her member contribution balance at a rate of 2% annually.

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**Actuarial Information:** The following shows the computed change in the employer contribution rate that would be necessary to fund for the proposed benefit on a level cost basis based on the Board's funding policy with modification as described on page 3:

Increase in Employer Contribution Rate	% of Payroll
Normal Cost	(0.01)%
UAAL* (20-year amortization)	0.00%
<b>Total</b>	<b>(0.01)%</b>

\* *Unfunded Actuarial Accrued Liability.*

Based on the Board's current practice of maintaining rate stability and maintaining an employer contribution rate of 15.32% of payroll, adoption of this benefit change would not change the amortization period.

**Note:**

- 1) If the proposed benefit change had been in effect on the valuation date of June 30, 2018, the unfunded actuarial accrued liability would be reduced by \$0.1 million.