

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.

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%
Total	(0.01)%

* *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.