



# APERS Employers

Vol 1, Issue 2

## Expanding APERS Website Services

During the past year, employers saw the beginning of our initiative to make our website a more valuable resource for employers and members. The first phase concentrated on the design and organization of the site, including our new layout.

Moving forward we are continuing our initiative through a second phase that will improve the functionality of our website by expanding the selection of services that are available. This phase will include allowing you to perform member-related transactions through the employer portal. These transactions – which are described in more detail below – include verifying APERS membership, enrolling members and completing common forms online. The membership verification will be available by the end of the first quarter of fiscal year 2012 with the other transactions available soon afterward.

### Membership Verification

When you have potential new hires, you must determine if or how the employee should be reported to us. Based on a Social Security number that you enter, this tool will verify the following information:

- General Membership: Last reported date, Last reported plan code, Elected Official Status
- DROP Participation: Effective Date, Exit Date
- Retirement: Effective Date, Elected Official Status

The results will also provide a summary of the return to work provisions for former DROP participants and for retirees. With these provisions and the information listed above, you can determine a member's plan status or return to work status at any time without contacting us for assistance, and you will have documentation for your records.

**Verification of Termination and Verification of Credited Service** When members apply for retirement, you must complete some of the forms in the retirement application packet: the *Employer Verification of Termination* form to verify termination information; and if a member has public safety service, the *Employer Verification of Credited Service* form to verify the public safety information. This tool will allow you to provide the information found on these forms and submit it to us online.

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### Joint Responsibilities

Every successful relationship requires an ongoing responsible partnership. Here is a quick list of what makes a good partnership between APERS and an employer.

#### APERS Responsibilities To Employers

- ▶ Administer retirement benefits to each eligible member of APERS.
- ▶ Provide handbooks that contain information about member benefits.
- ▶ Keep members informed of benefit rights and options.
- ▶ Keep employers and members updated on legislative changes that affect them.
- ▶ Compile and make available Comprehensive Annual Financial Report to employers.

#### Employer Responsibilities

- ▶ Read and distribute informational materials provided by APERS.
- ▶ Enroll all eligible members.
- ▶ Report member earnings accurately and timely.
- ▶ Inform APERS of employee personal data changes (name changes, address changes, etc.).
- ▶ Inform APERS of employer contact or address changes.
- ▶ Share the information we send with your employees, but do not attempt to counsel them concerning their APERS retirement benefits. Refer employees to APERS for retirement counseling.

### A Reminder

#### Employer Rate Change Effective July 1, 2011

- APERS- 13.47%**
- Wildlife Officers - 25.47%**
- School Employers - 4.0%**
- ADJRS Employers – 24.72%**
- (Employer numbers beginning with 90XXX)*

## New APERS Board Regulations

**APERS Regulation 106, Employer's Contributions for Rehired Retirees.** This proposed new regulation implements Act 558 of 2011 and imposes the requirement upon participating employers who hire APERS retirees to pay employer contributions on behalf of those individuals.

**APERS Regulation 201, Age of Members-How Established.** This proposed amendment to the existing regulation would allow prospective retirees to prove their age by using a valid United States passport as of July 1, 2011 in addition to the existing authorized methods of proving a member's age.

**APERS Regulation 210, Public Safety Credit.** This proposed amendment to an existing regulation implements Act 978 of 2011 and imposes an additional twelve percent (12%) employer contribution requirement for civilian firefighters of the State Military Department who were made "public safety members" by Act 978.

**APERS Regulation 214, DROP Provisions.** This proposed amendment to an existing regulation implements Act 39, section 9, of 2011, which prohibits reemployment of DROP participants who have ceased participating in the DROP by public employers who are covered by any of the retirement plans identified in A.C.A. 24-2-401 (except

as provided for in A.C.A. 24-4-520), and also requires the APERS Board of Trustees to reevaluate the interest rate paid on DROP accounts annually at its regular February meeting.

**APERS Regulation 220, Termination of Covered Employment Required for Retirement.** This proposed amendment to an existing regulation implements Acts 38 and 774 of 2011 and provides for an increase in the time that certain municipal and county elected officials must refrain from accepting employment with an APERS-covered employer after retirement from one hundred eighty (180) days to one (1) year; provides that benefits forfeited under A.C.A. 24-4-520 are forfeited to the System; and provides that failure to meet termination requirements shall not revoke a member's retirement election.

**APERS Regulation 312, Contributory Component Required to Recognize Any Service Credit for County and Municipal Elected Officials.** This proposed new regulation implements Act 563 of 2011 and requires that, after July 1, 2011, county and municipal elected officials who are elected for the first time and who are entitled to receive enhanced service credit must contribute two and one-half percent (2.5%) of their gross salary in order to receive any service credit accruing as a result of serving in office.

## Year End Reminders!

As we approach another fiscal year end, we would like to point out a few reminders that will expedite the processing of your monthly report and the accurate and timely preparation of the annual member statements to be mailed to active members.

Update for your **June** monthly retirement reports will be on July 18<sup>th</sup> this year. Please make sure all June monthly reports are postmarked to APERS by the **11<sup>th</sup>** (since July 9<sup>th</sup> is on Saturday the June report due date will be Monday, July 11<sup>th</sup>), in order for us to meet our deadline. If you receive a DROP Confirmation Report, please remember to verify that the information provided is correct and return it via FAX or mail. In addition, please make sure all accounts are current so we can start the new fiscal year with a "zero" balance.

### **For AASIS Employers & FTP Upload Agencies:**

When auditing your recap of the monthly retirement report, please refer to the guidelines listed below:

- When sending in corrections, please only send in the pages that have corrections on them and make sure to annotate "**CORRECTION**" across the top of the page. Please provide supporting documentation for any changes requested to the report
- If your correction requires an increase in earnings and/or employee contributions, please provide us with documentation showing the payment for the contributions has been remitted to APERS. If payment has not been

remitted, you will need to forward a check for the contribution amount along with the correction request in order for us to process the correction. If a credit is due to your agency, a refund request must also be submitted in order for APERS to process the refund

- If you have audited your monthly recap and found no corrections, you can return a copy of the recap with a notation stating no corrections necessary.
- **For AASIS Employers:** If your correction requires an increase in salary and/or employee's contribution, please provide us with the applicable AASIS report for that employee showing that the employer and employee contributions have been paid.

### **For Agencies Filing Online:**

It is very important that you remember to enclose a Remittance Form along with each payment you send in to APERS. We must have the Remittance Form to verify exactly where the payment is to be applied.

If you have any questions please contact the Reporting Unit at 501-682-7818.

***WWW.APERS.ORG***

## Expanding Our Website Services

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### Member Enrollment\*

When employees are hired, you must submit a *Membership Data Form (MDF)*, *Designation of Beneficiary Form*, and a copy of a Social Security card to enroll the employee. The online enrollment tool will allow you to provide the information found on the MDF and submit it to us online. If you enroll your employees online, we will not require a copy of the Social Security card and members will manage their own beneficiary designation.

Throughout the next year we will continue with our initiative of expanding the services available on our website. The employer portal is our priority, and after we complete this phase, we will begin working on online services for our active and retired members. In the next quarter, watch carefully for detailed information and instructions on the membership verification once we complete this portion of the project.

*\* The member enrollment tool will be used by all employers except for state agencies that use AASIS*

### Member Enrollment for AASIS Users

If you are a state agency that uses the Arkansas Administrative Statewide Information System (AASIS), you also can look forward to eliminating the Membership Data Form (MDF) from your enrollment process. Instead of online enrollment, you will have an option that is virtually effortless. We are working with the AASIS Service Center to develop an enrollment interface between AASIS and MARSS (Membership Administration and Retirement Support System - our recordkeeping system). The interface will provide us with all of employee's personal data and employment information that we request on the MDF plus additional information that will help us better monitor eligibility and enrollment.


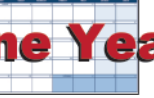
The interface will eliminate the need for you and your employees to complete the MDF, and it will ensure that all eligible employees are enrolled and are enrolled in a timely manner. The goal of AASIS and APERS is to save you time by not reproducing information that you already entered into AASIS and money by helping you avoid delinquent service costs from late enrollments. The new enrollment process is scheduled to begin by the end of the first quarter of fiscal year 2012, and we will communicate additional details and instructions to you in the final stages.

### TERMINATION REFUND

If your employees request a **Termination of Employment Refund Request** form, please ensure that you provide them with the most recent version which is available on our website. The old two-page version is obsolete, **APERS will no longer accept them** due to outdated tax and rollover information.

## Rehiring After the Effective Date of Retirement

When an employee terminates employment there is a mandatory waiting period before they can be rehired. Below is a table showing the waiting period based on when the person either entered DROP or simply retired. Note that anyone who enters the DROP on or after March 1, 2011 **CANNOT RETURN TO COVERED EMPLOYMENT**.

Regular Retirement	
After the Effective Date of Retirement	Retirement Effective Date
 <b>180 Days</b>	On or after July 1, 2009
Retirement with DROP Participation	
After the Effective Date Of Retirement	DROP Effective Date
 <b>30 Days</b>	January 1, 2009 or before
 <b>90 Days</b>	<b>ELECTED OFFICIALS ONLY</b> In DROP before (and still an Active member on) January 1, 2009
 <b>180 Days</b>	February 1, 2009 through February 1, 2011
 <b>NO!</b>	March 1, 2011 and on (includes employers covered under reciprocal plans)
Elected Officials	
After the Effective Date Of Retirement	Retirement Effective Date
 <b>90 Days</b>	Before July 1, 2009
 <b>180 Days</b>	July 1, 2009 through February 1, 2011
 <b>One Year</b>	March 1, 2011 and forward

### 3% Interest on DROP Accounts

Effective July 1, 2011, the interest paid on accrued on monthly benefit contributions to the Arkansas Public Employees Retirement System (APERS) Deferred Retirement Option Plan (DROP) members' accounts will be 3%.



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**UPCOMING EVENTS**

**June 2011**

- Notices mailed to all non-contributory members regarding opportunity to elect to be contributory. **Act 140 of 2011 – Member Records Section**
- New remittance forms for Fiscal Year 2012 will be mailed in late June for the July remittances and July report that is due to APERS by August 10, 2011. - **Reporting Unit**

**July 2011**

- Information will be mailed to employers about the process for their non-contributory members of APERS who elect to be contributory. Employees/employers must properly submit necessary paperwork no later than December 31, 2011 for an effective date of the first payroll period that is reported for January 2012. **Act 140 of 2011 – Member Records Section**
- The employer contribution rate changes to 13.47% (for most employers) for the first pay period reported for the month of July 2011. **See APERS website.**
- Officials elected or appointed to an elected position on or after July 1, 2011, and their employers must contribute an additional 5% to APERS for the additional service credit that the member will receive. The employer and employee must contribute an additional 2.5% respectively.
  - For these newly elected or appointed officials the employer contribution rate will 15.97%; and, the employee contribution rate for contributory members will be 7.5% and for non-contributory members 2.5%.**Act 563 of 2011 – Reporting Unit**

**August 2011**

- Surveys will be mailed to all APERS participating employers requesting information on their current membership that is not being reported to the System. **Act 558 of 2011 – Internal Auditor**
- Revised forms for enrolling members will be mailed to employers. – **Member Records Section**

**August through December 2011 (Dates subject to change)**

- Introduction to the APERS Employer Portal. - **Member Records Section**

**December 2011**

- For those non-contributory members electing to be contributory as of January 1, 2012, completed Election forms are due to APERS by December 31, 2012. **Act 140 of 2011 – Member Records Section**

**January 2012**

- Employers will begin to pay employer matching to APERS for members that are participating in the Deferred Retirement Option Plan (DROP) as well as retirees that have returned to a position covered by APERS. This will be effective with the first pay period to be reported for the month of January 2012. **Act 558 of 2011 – Reporting Unit**

Upcoming Employer Training Dates	
Date & Time	Location
August 31st 9 a.m.-1 p.m.	<b>Warren</b> - 104 N Myrtle St. City of Warren (1st floor)
September 28th 9 a.m.-1 p.m.	<b>Forrest City</b> -1335 N. Washington Civic Center / Ferguson Room
November 2nd 9 a.m.-1 p.m.	<b>Fort Smith</b> – Fort Smith Public Library 3201 Rogers Ave