

APERS *perspective*

Fall-Winter 2009

Volume 14, Issue 1

A Newsletter for Members of the Arkansas Public Employees Retirement System

Director's Corner

As many of our members and retirees are aware from recent press reports, there have been allegations made that some elected officials have improperly "retired" in an effort to obtain retirement benefits while they remained in office and collected their salary as well. They have been called "double dippers" by the press and others. I write this article to explain this situation and to report on what APERS's Board of Trustees and its staff are doing about it.

It has been alleged that some elected officials "retired" without actually terminating their employment

by simply taking themselves off the payroll for the minimum statutorily-required period of time without vacating their offices, and then returning to that office after "retiring," which enabled them to collect both their salary and their retirement benefits simultaneously. While Arkansas statutes do not define the phrase "terminate covered employment," which is required in order to retire, the Attorney General has specified what he thought the law required in Opinion 2009-050, issued June 1, 2009.

APERS has an affirmative duty to inquire into all reasonable allegations that possibly improper payments have been and are being made from its funds.

In discharge of that duty, we have taken the news reports by the press seriously and APERS's staff is in the process of conducting an internal investigation into not only the allegations raised in the press, but also into all elected officials who have retired over the last ten years. We presume no wrongdoing at the outset and will evaluate each situation individually based upon the facts unique to it. In addition, the APERS Board of Trustees recently adopted an emergency regulation, Regulation 220, "Termination of Covered Employment Required for Retirement," which specifically spells out what a retiring member must do to terminate covered employment in order to be entitled to

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APERS Recovering From Investment Losses

APERS, along with every other public fund in the country, suffered from the onset of the credit crisis and subsequent capitulation of the financial markets that

began in earnest last fall. Even with a 12% rally in assets prices during the final quarter of the fiscal year, APERS lost over 20% of its asset value. The

result of such a dramatic decline is that the level of *pre-funded* future benefits is now 78 cents for every dollar projected rather than the 90 cents that was projected last year. While this funding ratio decrease is unfortunate, APERS is actually near the top of all public retirement systems in fiscal strength.

Fortunately, the markets are never static. In just the first three months of the new fiscal year the investment program has enjoyed a nearly 10% rate of return.

As the US economy recovers – and it inevitably will – so, too, will the APERS investment program. In the meanwhile, the APERS board of trustees will continue to carefully monitor the progress of each of its professional money managers to ensure the financial integrity of the system.

Upcoming Retirement Seminars

Date & Time	City/Seminar Type	Location
November 5 9 a.m.-noon	West Memphis Morning Seminar	Southland Greyhound Park- Little Rock Rm., 1550 N. Ingram St.
November 10 9 a.m.-noon	Little Rock Fin. Planning Seminar	State Highway Dept. Auditorium, 10324 Interstate 30
November 18 9 a.m.-noon	Clarksville Morning Seminar	Multipurpose Building 1611 Oakland Street
December 9 9 a.m. - 4 p.m.	Warren Full Day	Bradley County Courthouse 101 East Cedar

Upcoming Contributory Retirement Seminars

November 10 5:30 to 7:30 p.m.	Little Rock	UALR Donaghey Student Ctr -Room D
November 18 1:30-3:30 p.m.	Pine Bluff	Southeast Arkansas College 1900 Hazel Street

For additional information on these seminars, go to [www. APERS.org](http://www.APERS.org)

WWW.APERS.ORG

APERS PROFILE

Phillip Norton



Phillip Norton joined APERS in 2007 as manager of the agency's Information Systems Section. He is responsible for all of APERS internal Information

Technology environment, as well working on various IT modernization projects.

Phillip started working in State Government in 1994 in his freshman year in college at the Secretary of State's office. He worked in various other state agencies through the preceding years, including the State Treasurer's office, and before joining APERS, he worked the previous 10 years as the Information Systems Manager at the Arkansas Building Authority.

Phillip graduated in 1993 from Dover High School in Pope County, and earned a degree in political science in 1998 from the University of Central Arkansas.

He married his wife Jaime in 2001, and they have two daughters, Ava Camille and Vivian Iris.

Phillip said his interests include cooking, travel, emergency Jeep repair, and being a Dad.

APERS Wants Your Suggestions for 2010

APERS would like for you to give us your thoughts on topics you want to see covered in next year's retirement seminars, currently being planned by APERS Counseling staff. Please take a few minutes to complete the survey and return it to the address listed on the form. Or if you prefer, you can do the survey online at www.apers.org/survey. Please respond by November 6, 2009. Thanks!

RETIREMENT SEMINAR SURVEY	
TIMES	
Which would you prefer:	
<input type="radio"/> Half day session (9:00 - 12:00) <input type="radio"/> Full day session? (9:00 - 4:00)	
<i>NOTE: The half day session would only cover APERS and social security. The full day session would have other speakers (i.e. attorney, tax specialist, financial planner, etc.).</i>	
TOPICS	
During a Full day seminar what topics would you prefer to have covered besides APERS and Social Security?	
<input type="radio"/> Legal Issues (i.e. wills, trusts) <input type="radio"/> Tax issues (i.e. lump sum distribution, etc.) <input type="radio"/> General financial planning (i.e. investing, your net worth, budgeting, etc) <input type="radio"/> Employer Insurance <input type="radio"/> Health care <input type="radio"/> Living longer and better <input type="radio"/> Consumer Education <input type="radio"/> Other _____	
ABOUT YOU	
Have you attended an APERS Retirement Seminar previously? <input type="radio"/> Yes <input type="radio"/> No	
What is your age?	How many Years of Service do you have?
<input type="radio"/> 20-35 years of age <input type="radio"/> 36-45 years of age <input type="radio"/> 46-55 years of age <input type="radio"/> 56+ years of age	<input type="radio"/> Less than 5 years of Service <input type="radio"/> 5 - 10 years of Service <input type="radio"/> 11- 20 years of Service <input type="radio"/> 20 - 25 years of Service <input type="radio"/> More than 25 years of Service
Comments	
MAIL TO You can mail this survey to: APERS Attn: Member Services 124 W. Capitol Ave., Ste 400 Little Rock, AR 72201	FAX TO You can fax the survey to: Attn: Member Services 501-371-1043
Return by Noveber 6, 2009	

Moving?

When you move, please inform APERS in writing. You can use the Change of Address form at: www.apers.org or send a handwritten letter with your signature stating your new address.

Remember to post your Social Security number on all correspondence you mail to APERS.

Director's Corner

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retirement benefits. That regulation has been posted to APERS's web site along with all of the Board's other regulations and will be applied prospectively.

We are only looking at retired elected officials and not at other public employee members and retirees because of the unique nature of a public official's position. While regular public employees have an employer who independently supplies retirement verification to APERS, elected officials do not always have the same independent verification upon which APERS has traditionally relied. Therefore, only elected officials who have retired over the last ten years will receive inquiries from APERS. Based upon the responses to the survey forms we have received so far, we do not expect that there will be more than a relatively small number of retired public officials who will be determined not to have terminated their employment properly.

We will make any such determination based upon a totality of the circumstances peculiar to the individual

in question and we will evaluate each situation on its own merits. While we presume no wrongdoing as an initial matter, if I conclude that a retiree did not terminate covered employment properly, my fiduciary duty compels me to attempt to recover any payments improperly made from APERS's funds and state law requires that APERS suspend retirement benefits until there has been a proper termination of employment. Of course, any affected retiree has the right to appeal my decision to the APERS Board of Trustees and further to circuit court under Arkansas' Administrative Procedures Act.

We hope to be able to conclude our investigations before the end of this year and we will work diligently towards that end. However, we will not allow our desire to conclude these matters in a timely fashion to override any affected retiree's right to reasonable notice of our intended actions and right to a reasonable opportunity to be heard. I remain in close contact with our Board of Trustees concerning this matter and APERS has the Board's full support in conducting our investigation into the alleged double dipping. Naturally, I will keep all of our members and retirees up to date on our investigation through periodic articles such as this.

Going Contributory Option Is Coming To An End

If you are a non-contributory member considering switching to the APERS contributory program, the deadline to do so is approaching fast. Any eligible non-contributory member wanting to switch must do so by December 31, 2009. Act 742 (SB163) of 2009 allows current non-contributory members to opt into the current contributory program, but the option is only for a limited time! Before the window of opportunity closes on December 31st, non-contributory members must submit an election form to APERS to commence contributing on the first pay period posted to APERS for January 1, 2010.

Election forms, properly filled out by both the member and the employer, received by APERS by the Dec. 31st deadline shall be deemed effective for participation. Make sure it's what you wish to do, because such elections **are irrevocable**. You can get the necessary form from your employer or it can be downloaded from the APERS website.

IMPORTANT FILING DATES

Retirement Filing Dates

Retirement Date	Earliest Filing Date	Latest Filing Date
December 2009	September 2, 2009	November 2, 2009*
January 2010	October 5, 2009*	December 2, 2009
February 2010	November 3, 2009	January 4, 2010*
March 2010	December 1, 2009	January 29, 2010*
April 2010	January 4, 2010*	March 2, 2010
May 2010	January 29, 2010*	April 1, 2010
June 2010	March 3, 2010	May 3, 2010*

* For retirement applications only - if a Filing Date falls during a weekend or on a holiday, the filing deadline becomes the next working day.

DROP Filing Dates

DROP Enroll Date	Earliest Filing Date	Latest Filing Date
December 2009	August 31, 2009	October 30, 2009
January 2010	September 30, 2009	November 30, 2009
February 2010	October 30, 2009	December 31, 2009
March 2010	November 30, 2009	January 29, 2010
April 2010	December 31, 2009	February 26, 2010
May 2010	January 29, 2010	March 31, 2010
June 2010	February 26, 2010	April 30, 2010

* The Filing Deadline for DROP applications is always the last working day of the 2nd month before enrollment, **not the last calendar day of the month!**

In this issue...

*The Director Discusses “Double Dipping”
APERS Investments Are Recovering
Have Suggestions For 2010 Retirement Seminars?
Time To Choose Contributory Option Ending Soon!
And more!*

Working Beyond 28 Years

Have you almost reached 28 active years of service with APERS? Are you wondering if it's worth it to keep working a few years longer?

Act 1200 of 2009 just gave APERS members some extra incentive to continue working longer than the 28 year minimum needed to earn an unreduced retirement.

All years of service earned beyond 28 actual years after July 1, 2009 will receive a higher benefit multiplier to calculate retirement service credit. In essence, years of service over 28 years will be calculated with a multiplier .50% higher than the multiplier used to calculate service for the first 28 years worked.

Members who are non-contributory currently receiving a 1.72% multiplier for 28 years of service, will have years of service over 28 years after July 1, 2009 calculated with a 2.22% multiplier.

Contributory members who are receiving credit at a rate of 2.0% would see service credited at a rate of 2.5% for all years of service beyond the first 28 years that occur after July 1, 2009.

APERS Offers Free Parking

If you're coming to APERS for business (applying for retirement, meeting with Benefit Accounting, etc.), you may be able to get free parking in the Union Plaza parking deck if space is available.

When heading southward on Louisiana Avenue, the parking deck will be on the driver's left-hand side in the APERS building at 124 West Capitol. After parking and conducting your business, have the APERS receptionist on the fourth floor validate your parking ticket, and present this to the parking staff for free parking.

APERSpective is a publication of the Arkansas Public Employees Retirement System and is distributed for the information of APERS active members.

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