

# APERS *pective*

Spring 2011

Volume 15, Issue 2

*A Newsletter for Members of the Arkansas Public Employees Retirement System*

## A Change To The Deferred Retirement Option Plan (DROP) Interest Rate

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%. At their regularly scheduled quarterly board meeting on February 16, 2011, the APERS Board of Trustees voted for the new rate after considering the current economic environment, the future viability of the APERS plan, and interest rates available on other investment vehicles in making their decision.

APERS is the last Arkansas plan to adjust interest rates on a deferred retirement option plan. Other Arkansas retirement plans (Teacher Retirement and State Police Retirement) have already adjusted the interest rate paid on their plans. The new rate aligns the interest paid for the APERS DROP with those plans and will ensure that APERS will continue to fund retiree benefits for many years in the future.

If you have specific questions regarding your DROP account, please submit them in writing to the APERS Member Services Section at the address listed above (please include your social security number and current mailing address). General questions can be answered via telephone by either our Call Center representative or a retirement counselor in the Member Services Section.

## Estimating Your Future Retirement Benefits

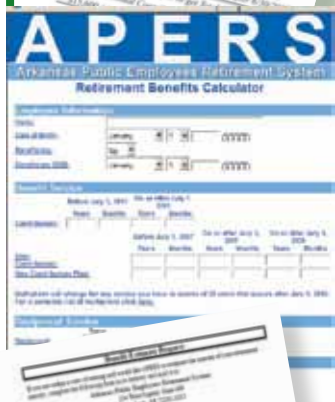
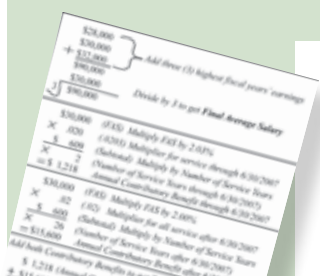
Whenever a Member decides its time to retire, they are naturally curious what their retirement benefit will be. APERS provides a number of different ways for a Member who is considering retiring to get an estimate.

The first is to simply do the math yourself. In the APERS Member Handbook provided to all employees, there are simple illustrated step by step instructions on how to create your own estimate. If you don't have a handbook on hand, you can find an electronic version of them on the APERS website ([www.apers.org](http://www.apers.org)) on the "Publications" page.

A second approach is to use the APERS online Benefit Calculator also found on the APERS website. Using the Benefit Calculator, a Member can create as many different outcomes (by changing items such as number of years worked, final average salary, etc.) as they like. In order to get the best possible estimate using the online calculator, a Member must know beginning and end dates for all APERS covered services. It's okay if you don't remember exact dates; it is just an estimate. It's also important to note the Benefit Calculator will not calculate an estimate if the member has multiple service credit (i.e., elected or public safety service).

The third and most accurate way to get an estimate is to request APERS to do the benefit estimate for you. To get an estimate of how much the benefit will be, a member must make that request to APERS in writing. For privacy reasons we can't provide benefit amounts over the telephone. A Benefit Estimate Request form can be downloaded from the APERS website ([www.apers.org](http://www.apers.org)), or you may contact APERS and we will mail you the form. Be aware, because of the volume of Members retiring, **APERS will only do estimates for members who are within a year of retirement.**

*(Continued on Page 3)*



**Upcoming Retirement Seminars - 2011**

Date & Time	City/Seminar Type	Location
4 May 9 a.m.-Noon	Heber Springs Half Day Seminar	City of Heber Springs Mayor's Office
18 May 1 to 4 p.m.	Arkadelphia Half Day Seminar	Arkadelphia Town Hall Board Room
8 June 9 a.m.-Noon	Mena Half Day Seminar	1100 College Dr., Rich Mountain Comm. College / Lecture Hall
11 June 9 a.m.-Noon	Magnolia Half Day Seminar	206 North Pine Police / Fire Complex A
<b>22 June 9 a.m.-4 p.m.</b>	<b>Rogers Full Day Seminar</b>	<b>301 West Chestnut - Council Chambers</b>
6 July 9 a.m.-Noon	Hamburg Half-Day Seminar	305 East Adams Street Hamburg City Hall

Members who want more information about the APERS retirement process, especially those about a year away from retiring, may want to attend one of the APERS seminars listed in the table to the left. Seminars are scheduled at various cities throughout Arkansas, giving all members a chance to find one in their area. APERS Member Services hosts several half-day seminars, some full-day seminars, and specific topic seminars such as financial planning or women's retirement issues. Members can choose one that best fits their schedule or needs. A more complete seminar list, an on-line registration application form, registration deadline information, and other details can be found at the APERS website of [www.apers.org](http://www.apers.org). For more information on seminars, you may also contact us at 501-682-7800, or 1-800-682-7377.

**The APERS 12-month timeline to retirement**

If you think you are within one year or less from hanging up your working shoes, it's time to start preparing for a smooth transition to your retirement! In the 12 months leading up to your retirement, a lot of decisions need to be made to help you avoid last-minute costs and potentially unpleasant surprises when you retire. The following timeline suggests some of the items a member needs to consider before filing that Retirement Application.



**12 Months Prior to Retirement**

APERS strongly urges you to attend one of APERS retirement seminars.

If you have not investigated the possibility of purchasing prior service, contact APERS about this option at 501-682-7830.

Write or make an appointment to see a retirement counselor for an estimate of your potential monthly retirement annuity.

Consider how emergency expenses will be handled. Make an effort to eliminate any debt, and pay off obligations for large purchases.

Contact your medical insurance provider to verify your post-retirement eligibility and rates. State and Public School employees may wish to contact the Employee Benefits Division about retiree insurance (EBD, at 501-682-9656 or 1-877-815-1017), or visit the EBD website ([www.ARBenefits.org](http://www.ARBenefits.org)).

Evaluate life insurance needs and contact your life insurance provider for information regarding eligibility rates.

Know the benefit option plans available from APERS (Straight Life, Option A-60, Option A-120, Option B-50, or Option B-75). Information on the various options can be found in your handbook, on the website, or you can contact APERS to mail you out a brochure.

Consider status of taxation after retirement. You may wish to speak with a tax adviser about retiree taxation issues.



**6 to 9 Months Prior to Retirement**

Request an Application for Retirement Annuity form from APERS. You can call APERS and they will send you an Application for Retirement. Applications can also be found on the APERS website or you can come by and pick one up at the APERS office.

Do a post-retirement budget to determine if your standard of living can be maintained.



**1 to 3 Months Prior to Retirement**

Return the completed Application for Retirement Annuity forms (i.e. Application, Direct Deposit, etc.).

Make sure that your employer has completed and submitted the Verification of Wages form that was included in the Application for Retirement.

**CONTACTING APERS**

**Phone (Local):** 501 682-7800

**Phone (Toll Free):** 1-800-682-7377

**Address:**

124 West Capitol  
Suite 400

Little Rock, AR 72201 - 3704

[www.apers.org](http://www.apers.org)

## APERS PROFILE

## Carlos Borrromeo



In 2010 **Carlos Borrromeo** was hired by the APERS Board of Trustees as the Chief Investment Officer for the Arkansas Public Employees Retirement System. His many responsibilities include monitoring the System's portfolio of assets, investment strategies, policies and objectives, as well as monitoring and assessing the external investment managers.

Carlos holds a degree in Finance and Economics, and recently obtained a degree in Accounting from UALR. His broad knowledge of the capital markets, trading and risk management experience is an asset in providing sound investment oversight of the APERS investment program.

Prior to coming to work for APERS Carlos worked for the state in 2009 with the Department of Human Services. Carlos also has an impressive work history in the private sector, having worked locally for Stephens, Inc, as well as for firms in Nashville, New York and Washington D.C.

Away from work, you may find Carlos, his wife and son (all avid baseball fans) catching a major league game at one of the ballparks around the nation. In fact, Carlos and family are attempting to see a game in every major league baseball stadium.. He also enjoys bicycling. You may see him biking on one of the many river trails or roads around the capital city.

## Understanding Reciprocal Service

Reciprocal service is service rendered to an Arkansas public retirement plan other than APERS. The other systems with which APERS recognizes service credit are the Arkansas Teacher Retirement System (ATRS), Arkansas Highway Employees Retirement System (ASHERS), Arkansas Local Police & Fire Retirement System (LOPFI), Arkansas State Police Retirement System (ASPRS), or the Arkansas Judicial Retirement System (AJRS).

Under certain circumstances, service with the Arkansas District Judges Retirement System (ADJRS) or service with an Arkansas college or university and some units within the Arkansas Department of Education, covered by an alternate plan such as TIAA-CREF or VALIC, is also considered reciprocal service.

APERS may be able to recognize the service you have accrued in any of the plans listed above for "vesting" purposes. This means that the total of the service in all the plans may be counted toward your eligibility for benefits (service forfeited by a refund of contributions cannot be counted unless it has been repaid and restored). To establish reciprocity, you must sign the appropriate form and have it completed and signed by a representative of all the plans in which you have service. A "Reciprocal Service Agreement" may be obtained from any of the plans listed or at [www.apers.org](http://www.apers.org) under "Forms."

## UPCOMING FILING DATES

## Retirement Filing Dates

Retirement Date	Earliest Filing Date	Latest Filing Date
June 2011	March 3	May 2
July 2011	April 4*	June 1
August 2011	May 3	July 5*
September 2011	June 3	August 2
October 2011	July 5*	September 1
November 2011	August 3	October 3*

\* 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
June 2011	February 28	April 29
July 2011	March 31	May 31
August 2011	April 29	June 30
September 2011	May 31	July 29
October 2011	June 30	August 31
November 2011	July 29	September 30

\* 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!**

The form should be completed and filed with all applicable retirement systems while you are still an active member (still working for an Arkansas public employer). If you have service in any two or more of the retirement systems listed, please contact APERS or the other system for the reciprocal service agreement.

Remember, specific information about your record cannot be released on the phone or from a phone request. You must submit your request in writing or make an appointment to see a Counselor.

## Estimating Your Future Retirement Benefits

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On the form, a member may list two projected retirement dates. The member isn't obligated to retire on either of these dates, but APERS Member Services staff use the dates as a starting point to calculate the member's monthly annuity.

The form also provides the member the option to mark if they want a projected benefit estimate calculated for the DROP, Partial Annuity Withdrawal, or for a disability benefit. Members can also ask for a purchase cost for buying military service or repaying a termination refund to restore forfeited credit from past service.

Once APERS receives a completed Benefit Estimate form, APERS Member Services strives to give the member their written estimate within 10 calendar days.



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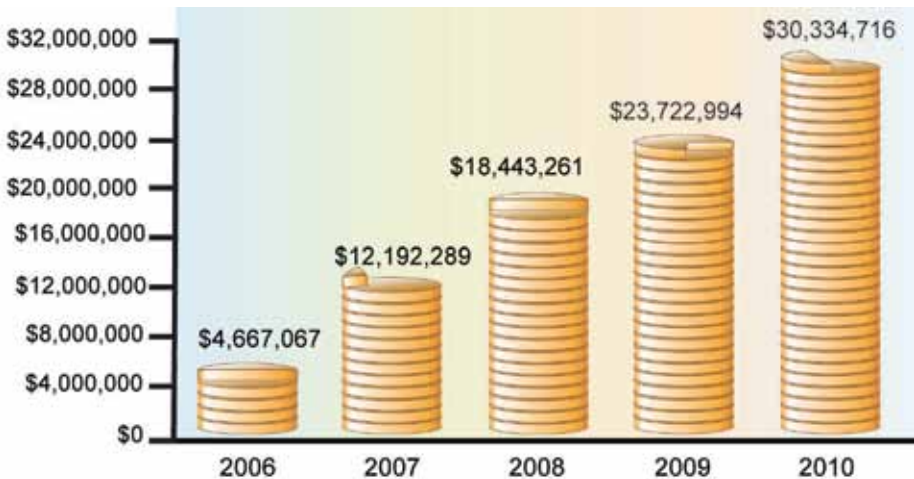
***In this issue...***

***Benefit Estimates requests! Retirement Seminars! APERS retirement timeline! Understanding Reciprocal Service! The Employee Profile! And much more!***

**After 5 years, member contributions strengthen APERS**

The graph below shows how employee contributions have strengthened the APERS Retirement System since the Contributory program was reinstated on July 1, 2005. As older Non-Contributory system workers retired, and replaced by more and more Contributory System workers, the contributions have steadily risen.

Contributory program participants (who totaled 21,259 members by June 30, 2010) automatically contribute 5 percent of their pre-tax earnings into the system. Because the Contributory member is contributing to the system, the member will have their retirement benefit calculated with a higher multiplier than the multiplier used for Non-Contributory System workers. In the program's first full year (July 1, 2005 to June 30, 2006), contributory employees paid \$4,667,067. As of June 30, 2010 (the end of the program's first five years), contributory workers paid \$30,334,716 in employee contributions into the system.



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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