

APERSpective

Volume 5, Issue 2

Spring 2008

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

The Director's Corner

It seems as though any time we tune into the national news we hear one panicky story after another about the US economy. Led by the financial sector, we are teetering on the brink of recession while millions are losing their homes to foreclosure. While the APERS investment program has lost money - down just over 4% fiscal year-to-date - we are weathering the storm quite well. The quarterly report that was issued for the December quarter showed us to be in the top one-third of all public funds on a risk-adjusted basis. This means that our professional money managers are adding significant value to our program, even as Wall Street flounders.

Thanks to our strong investment returns in the last fiscal year, the APERS board of trustees is able to lower the employer contribution rate on July 1, 2008 from 12.54% to 11.01%. This will be a great savings to employers around the state as tax revenues begin to shrink in the wake of this shaky economic environment. More importantly, as members of a defined benefit plan, your future benefits are safe and secure. You can count on the integrity of this retirement system for decades to come.

It is interesting to note that two states, Alaska and West Virginia, which had abandoned their defined benefit plans for public employees in recent years, are now in the process of reinstating them. The legislatures of both states have realized that the move to a defined

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IRS warns of tax time scams

With millions of taxpayers getting economic stimulus rebate checks starting in May, the Internal Revenue Service recently warned taxpayers to beware of several telephone and e-mail scams that use the IRS name as a lure. The IRS noted in a website release that it expects such scams to continue even beyond the April 15 filing deadline.

Scams using the rebates as bait have cropped up for several weeks. Many times these scams are targeted at seniors. The criminals are trying to trick people into revealing personal and financial information, such as Social Security, bank account or credit card numbers, which the scammers can use to commit identity theft, steal funds, or commit other crimes.

The IRS noted in the release some of the most recently reported scams, and what taxpayers can do to report fraud and scam calls and e-mails:



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ASEA offers discounted computer buy program

It's a fact of life that much personal communication and business handled today by phone, fax, or in-person may someday be done primarily through Internet computer transactions. Maybe you're a retiree who's never owned a computer or been on the Internet, but you're thinking of getting one and joining the online universe. Or maybe you're a retiree who already owns a computer, but wants to upgrade to a better model.

The Arkansas State Employees Association can help state retirees purchase computers for cash at a

discount through the Purchasing Power program. By paying cash for computers available through this program, buyers can get a discount from 2 to 6 percent, depending on product choice. To find out how they can qualify to participate, retirees may want to call Kelli Welcher at ASEA at (501) 378-0187. Callers might inquire if other savings - such as shipping - are also available.

Retirees with Internet access can also consult the Members Only page of the ASEA website at www.aseaar.org for information on the discount program.

Future APERS Direct Deposit Dates

May 1, 2008	June 2, 2008
July 1, 2008	August 1, 2008
September 2, 2008	October 1, 2008
November 3, 2008	December 1, 2008
January 2, 2009	February 2, 2009

Deposits are made on the first workday of each month that doesn't fall on a holiday.

Retirees to get 3% COLA

On July 1, 2008, APERS retirees and beneficiaries, including participants in the Deferred Retirement Option Plan, will receive a 3% Cost of living increase in their retirement benefit. The benefit is payable to any retiree who has been retired or participated in the DROP at least 12 months prior to July 1, 2008.

Who do I call about insurance?

Health Insurance - The State Employees and Public School Employees Insurance program is administered by the Employee Benefits Division (EBD) of the Department of Finance and Administration. If you have questions about your insurance coverage, call EBD at (501) 682-9656, or at 1-877-815-1017. Or visit the EBD website at: www.ARBenefits.org.

Life Insurance - Questions about your life insurance should be directed to **Minnesota Life service center at 1-888-826-2734**.

Have you moved recently?

Whenever you move, please inform APERS in writing. You can use the agency Change of Address form available at www.apers.org. Or you can just send a handwritten letter with your signature stating your new address. Remember to post your Social Security number on any correspondence you mail APERS. Persons who wish to request an Address Change form by phone may call (501) 682-7800.

The Director's Corner

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contribution scheme, where all the investment risk rests on the shoulders of the individual members, has packed a one-two punch: not only were public employees not saving and investing to sufficiently support themselves in retirement, but the cost to administer these "DC" plans was actually *higher* than in the old "DB" plans. We applaud the efforts of both these states to get back on the right track.

Did you know that APERS paid out more than \$275 million in retirement benefits last year? Of that amount, more than \$260 million stayed right here in Arkansas, and it doesn't just get hidden under the mattress! Retired public employees use their benefits to buy goods and services in their home towns, thereby supporting the local economy in a consistent manner. The certain knowledge that retirees are going to get a check from APERS each and every month means that they won't be inclined to "save it for a rainy day". They can spend it knowing that the very same amount will appear in their bank account or mailbox in the next month.

As tax time rolls around, many of you will be receiving refunds from the government. And just as certain as tax time, are the fraudsters out there who want to separate you from your money. If you are contacted by phone or e-mail by someone claiming to be a representative from the IRS, watch out! DO NOT give out personal information such as bank account numbers or your Social Security number. The IRS has stated repeatedly that they never contact individuals by phone or e-mail. Rather, any communication from them would come by mail only. Don't fall for anyone claiming they want to make sure that the IRS has your correct bank information so that your refund is properly deposited; they are trying to steal from you.

As always, the APERS trustees and staff continue to work hard to ensure that the membership receives the best benefits possible, in the most cost efficient way.

IRS warns of tax time scams

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Rebate Phone Call

In this scam, a caller identifies himself as an IRS employee and tells the target he or she is eligible for a sizeable rebate by filing taxes. The caller then states that he needs the potential victim's bank account information to direct deposit the rebate. If the target refuses to give the account information, he or she is told they can't get the rebate.

Paper Check Phone Calls

A caller claims to be an IRS employee who is calling because the IRS sent a check to the individual being called. The caller states that because the check has not been cashed, the IRS wants to verify the individual's bank account number.

Audit E-mail

The audit e-mail is a new ruse not seen before by the IRS. An e-mail notifies the recipient that his or her tax return will be audited. This is the first scam of which the IRS is aware that uses an audit threat to get the victim to respond. Another unusual part of this scam is the e-mail salutation may address the recipient by name. Because most phishing scams go to sometimes millions of e-mail accounts, it's not typical for such e-mails to be personalized. The e-mail instructs the recipient to click on links to complete forms with personal and account information, which the scammers will use to commit identity theft.

There are other scams noted that are too numerous to list here. You can go to the IRS website (www.irs.gov) to learn more about some of the most common ones reported this year, and in past years.

Remember: The IRS never uses e-mails or phone calls to request personal tax information!

(Information obtained from the Internal Revenue Service website)

How can you report fake calls, e-mails?

The Internal Revenue Service encourages anyone to use the following contact options to report to the IRS any questionable phone call or e-mail claiming to come from the federal tax agency.

The IRS never uses e-mails or phone calls to request personal tax information.

Report instances of such suspected fraud to the Treasury Inspector General for Tax Administration at 1-800-366-4484.

The IRS suggests computer users forward questionable e-mails to a special IRS mailbox titled **phishing@irs.gov**.

More information is available on the IRS website on identity theft, phishing and telephone scams that use the IRS name, logo or fake IRS websites. Computer users can enter the terms "phishing," "identity theft" or "e-mail scams" into the search box in the upper right corner of the IRS webpage.

The Arkansas Attorney General's website (www.ag.arkansas.gov) also offers a wealth of information on phishing and identity theft, and sources to contact if you become a victim.

(Information from the websites of the IRS and the Arkansas Attorney General)

Free APERS parking

Retirees on APERS business can get free parking (if available) at the agency's parking deck. Drivers traveling on Louisiana St. (a one-way street) will turn left into the parking deck, located on Louisiana between Fourth St. and W. Capitol Ave. Once you finish your appointment, bring the parking ticket to the receptionist's desk on the fourth floor to have the ticket validated.



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124 West Capitol Avenue, Suite 400
Little Rock, AR 72201

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APERS PROFILE

Employee Profile of **Jim Chandler**

As Associate Director of Fiscal Affairs (Chief Fiscal Officer), Jim Chandler oversees and leads the Administrative Services Section of APERS. This section is composed of Accounting & Reporting, Benefit Accounting (which processes the retirees' monthly annuities) and an Operational Section that includes AASIS, Payroll, Purchasing and Personnel. Jim stated his future goal is that Administrative Services continues to enable APERS to provide outstanding service for its active and retired members, especially with the "baby boomers" beginning to retire.

Mr. Chandler began employment with APERS on December 21, 2006, immediately after a two-plus year mobilization with the Army and retiring from the Army Reserve. Overall, Jim has 10 years in public service at the Arkansas Public Service Commission, UAPB, DFA, DHS and APERS.

He grew up in Little Rock, attended Catholic High School and the University of Central Arkansas in Conway. He is a Certified Public Accountant with a BBA in Accounting from UCA and an MBA from TUI. Jim also graduated in 2001 from the Army's Command and General Staff College at Ft. Leavenworth, Kansas.

Jim and his wife Patsy have been married 23 years, and they have two sons, Jonathan and Thomas, who are both active in Scouting.



APERSpectrize is a publication of the Arkansas Public Employees Retirement System and is distributed for the information of APERS annuitants, beneficiaries and survivors.

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ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

124 W. Capitol Avenue, Suite 400
Little Rock, AR 72201
501-682-7800
1-800-682-7377
www.apers.org