

APERS Spective

Volume 8, Issue 2

Spring 2011

A Newsletter for Retired 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.

Anatomy of a Retiree's Semi-Annual Statement

Twice a year - in January and in July - APERS retirees and beneficiaries receive a statement like the example to the right. The purpose of the statements are to reflect any changes to a retiree's benefits and deductions, changes that historically occur January 1st or July 1st each year.

The January stub shows the retiree's beginning annuity amount for that month and the Calendar Year-To-Date. It is primarily intended to show the member any changes in federal or state taxes withheld (if there are tax table changes, they usually occur January 1st). The stub also shows any new year changes in withholdings for medical insurance, life insurance, or credit union savings. The January semi-annual statement is mailed to retirees the last working day of December.

The July stub, however, is intended to show any changes as a result of a Cost of Living Adjustment (COLA) increase (which occurs each July 1st), and/or benefit increase. Always mailed the last working day of June, the July stub gives

XXX-XX-XXXX	ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM					01-2010
	GROSS BENEFIT	FED. TAX	STATE TAX	HEALTH INS	CREDIT UN.	LIFE INS.
MONTHLY AMTS:	417.28	0.00	0.00	117.12	0.00	23.47
CALENDAR YTD:	417.28	0.00	0.00	117.12	0.00	23.47
				NET :		276.69
JOHN DOE 1 ANYWHERE DRIVE ANYWHERE, ARKANSAS 00000						

This is an example of a January Statement.

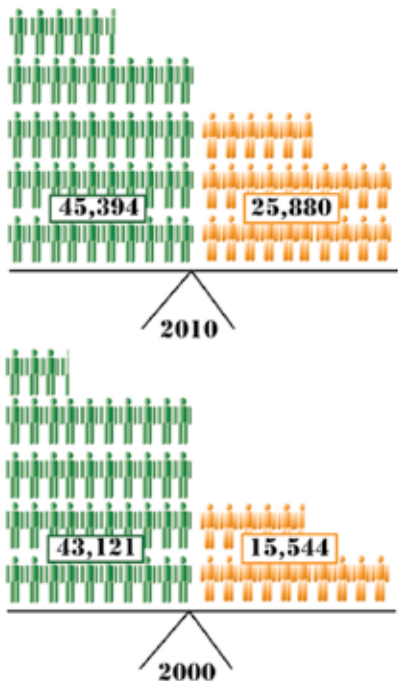
XXX-XX-XXXX	ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM					07-2010
	GROSS BENEFIT	FED. TAX	STATE TAX	HEALTH INS	CREDIT UN.	LIFE INS.
MONTHLY AMTS:	417.28	0.00	0.00	117.12	0.00	23.47
CALENDAR YTD:	2920.96	0.00	0.00	819.84	0.00	164.29
				NET :		276.69
JOHN DOE 1 ANYWHERE DRIVE ANYWHERE, ARKANSAS 00000						

This is an example of a July Statement.

the retiree's total benefit paid for July, understand what all the numbers that plus all annuity payments for January make up the statement mean. To better through July of the year of the statement. understand what is exactly on the statement, lets take a closer look at each From time to time APERS will receive piece of information that the statement a call from a Member who does not provides to a retiree.

Continued on page 2

A look at APERS' Retirees: 2000 to 2010



As a retiree of the APERS System, have you ever wondered how many other retirees also receive a benefit?

According to data in the 2010 APERS Actuarial Valuation and Experience Gain/(Loss) Experience Report, prepared for APERS by the actuarial firm Gabriel, Roeder, Smith & Company, as of June 30, 2010, there were 25,880 retirees. The accompanying graphic to the left illustrates how the APERS Retiree population has increased in the last decade, compared to the number of APERS workers.

On June 30, 2000, there were 43,121 APERS active members (those still working) and 15,544 retirees, a ratio of almost 3 workers to every retiree. However, by June 30 of

Fiscal Year 2010, there were 45,394 active members compared to 25,880 retirees. This reduced the ratio of active workers to 1.8 for every retiree, beneficiary or survivor.

The retiree population is expected to continue growing in relation to the number of APERS-system workers which will put further pressure on the system's assets to pay retiree benefits. That's why all new workers hired since July 1, 2005, are enrolled in the APERS new Contributory system. As more contributory workers replace retiring non-contributory system members, their contributions to their own retirement fund will strengthen the APERS' assets for paying promised benefits well into the foreseeable future.

Anatomy of a Retiree's Semi-Annual Statement

Continued from page 1

The illustration to the right is the same statement that we saw before with each piece of information "boxed". Below is a closer look at the 10 pieces of information the semi annual statement provides.

A CLOSER LOOK

1. SSN: Retiree's Social Security Number.

2. DATE: The month and year the statement represents.

3. GROSS BENEFITS: This column lists the total monthly benefit paid the retiree before any deductions and Calendar Year-To-Date total paid for the reporting period (in this case, January-July).

4. FED. TAX: The amount the retiree elects to withhold from the monthly benefit for federal taxes and the Calendar Year-To-Date total paid for the reporting period.

5. STATE TAX: The amount the retiree elects to withhold from the monthly benefit for state taxes and the Calendar Year-To-Date total paid for the reporting period.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM							
1 XXX-XX-XXXX	3	4	5	6	7	2 07-2010	8
	GROSS BENEFIT	FED. TAX	STATE TAX	HEALTH INS	CREDIT UN.	LIFE INS.	
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10 JOHN DOE 1 ANYWHERE DRIVE ANYWHERE, ARKANSAS 00000							

In this example, the retiree opts only to withhold funds to pay for health and life insurance, but not for taxes or the credit union.

6. HEALTH INS: The amount the retiree paid from the monthly benefit for health insurance and the Calendar Year-To-Date total paid for the reporting period.

7. CREDIT UN.: The amount the retiree elects to withhold from the monthly benefit for the Credit Union and the Calendar Year-To-Date total withheld for the reporting period.

8. LIFE INS.: The amount the retiree paid from the monthly benefit for life insurance and the Calendar Year-To-Date total paid for the reporting period.

9. NET: This row shows the net amount left of the retiree's monthly benefit after any deductions for insurance or taxes. Note that this is the MONTHLY net benefit, not the Calendar Year-To-Date Net Benefit.

10. NAME: Retiree's name and address on record.

Need More Information?

If you have questions about your statement or any other APERS related topic, you call us at (501) 682-7800. Persons outside Pulaski County can call toll-free, 1-800-682-7377.

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.

2011 APERS Direct Deposit Dates

May 2, 2011

June 1, 2011

July 1, 2011

August 1, 2011

September 1, 2011

October 3, 2011

November 1, 2011

December 1, 2011

Deposits are made on the first workday of each month. If the first falls on a holiday or weekend, deposits are made the next official workday.

Who to call about state health insurance?

If you have questions about your state health insurance coverage, call Employee Benefits Division at (501) 682-9656, or at 1-877-815-1017. Or visit the EBD website at: www.ARBenefits.org.

Requesting a verification of your benefits

Retirees sometimes call APERS to request a statement verifying the benefits they are paid. Retirees or beneficiaries need this information for various reasons, such as certifying income when applying for a loan or a lease.

APERS can provide a Letter of Verification of Benefits to the requestor.

To get this letter, retirees must send APERS Retiree Services a completed Retiree Request for Verification of Benefits form. APERS can also mail the form to retirees if they contact the Call Center at 501 683-6049 or 501-683-6050.

The form can also be downloaded immediately from any computer with Internet access. Just go to the APERS webpage (www.apers.org), click the

word Forms on the top Navigation bar to open the page listing forms for active members, retirees and employers.

Under retiree forms, click the words [Verification of Benefits Request](#) to open the document. Then you can print the form to fill out (sorry, you can't fill it out online yet).

The form asks the retiree to designate if they are a member of APERS, or one of two other state retirement systems APERS administers - the Judicial Retirement System, or the State Police Retirement System.

Also, if a member has recently moved, the retiree can check a box on the form indicating this is the retiree's newest address. Don't forget to include your Social Security Number on the form as

well. The address for mailing the form is noted at the bottom of the page.

Moved recently?

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 correspondence you mail APERS. A form can be mailed if you call us at (501) 682-7800. Persons outside Pulaski County can call toll-free, 1-800-682-7377.





Arkansas Public Employees Retirement System
 124 West Capitol Avenue, Suite 400
 Little Rock, AR 72201

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In this issue...

Anatomy of a Semi-Annual Statement!

A look at APERS retirees - 2000-2010!

A change to the DROP plan's interest rate!

Direct Deposit Dates! And more!

Lost your 1099-R? Here's how to get another one

Sometimes you forget where you put the form, sometimes the form never reaches you in the first place, and sometimes the dog eats your homework. . .

Regardless of the reason, every spring APERS gets numerous calls from retirees requesting another copy of their 1099-R Form from the previous year.

To help insure your information is kept confidential, APERS cannot mail a duplicate 1099-R Form based only on a phone call. To get a new one, retirees or beneficiaries must complete an APERS Authorization for Duplicate 1099-R Form.

If you have access to the Internet, you can download the form from the APERS website (www.apers.org). Just click on the Forms link at the top of the APERS homepage, and find under the Retirees Forms the Duplicate 1099-R Request document. If a retiree has moved, they can check on the form that the listed address is the current one. Once APERS receives a properly completed form,

Retiree Services usually generates and mails the requestor a new 1099-R statement within 48 hours.

Other forms APERS retirees commonly request during and after tax season are federal and state tax withholding forms, usually to increase the amount of taxes withheld from their retirement annuity. Once again retirees and beneficiaries can download them from our website, thus eliminating the wait time to get the forms in the mail.

To find the tax withholding forms, open the Retirees Forms link from the APERS website. Then click open the federal form "W-4P Withholding Certificate for Pension and Annuity Payments 2011" and the document "State Tax Withholding Form."

If you don't have a computer or online access, we can mail any requested form. Contact the APERS Call Center at 501-682-7800, or toll-free (outside Pulaski County) at 1-800-682-7377, and we'll send the form to your address on record.

APERSpective 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