

Are you eligible for disability retirement?

If a vested APERS member becomes disabled while working for an APERS covered employer, how does the member know if he or she should apply for a disability benefit?

To be eligible for disability retirement, an employee must be totally and permanently disabled from performing any useful service as an officer or worker.

According to the 2004 Member Handbook, a worker isn't eligible to apply for a disability benefit if the worker is already eligible for an unreduced retirement benefit, or is in the Deferred Retirement Option Plan (DROP). Disability benefits are not reduced for early retirement.

To be eligible for disability, an active APERS member must have:

- Ø Five (5) or more years of service credit.
- Ø At least 18 of 24 months of service immediately preceding occurrence of the disability.
- Ø A completed disability application.
- Ø Approval by the Social Security Administration for disability benefits. If you are not approved by the Social Security Administration (SSA) the applicant may, after appealing through the Administrative Law Judge level of SSA, appeal to the APERS Board of Trustees.

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Information Services - At Your Service!

When you call APERS to get forms to change your address or your direct deposit account, it's a good bet an Information Services Section employee assists you.

Information Services, more commonly referred to as Communications, was created in late 2001. The section was designed to improve APERS overall members' outreach program by providing timely and accurate information on all aspects of the state's retirement system to APERS active members, retirees and employers. The Communications Section strives to accomplish this task through various means, including the production and distribution of the agency's annual financial reports; Member Handbooks; newsletters; brochures; PowerPoint presentations, and other media products that inform and educate our members and their employers.

In addition, the Communications Section assists callers with requests for forms to change addresses, names, beneficiaries, and direct deposit accounts. The Communications Section mails the forms upon request to active mem-

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Director's Corner

The state circuit courts recently ruled in *McFadden vs. Weiss* that many public fund retirees are owed tax refunds. Are you one of these people? You may be if one of the following events is true for you:

1. You retired between 1986 and 2002 with contributory service (that is, credited service before 1978) in your record;
2. Before you retired, you repaid a contributory refund;
3. Before you retired, you purchased military service.

In other words, many retirees that made after-tax contributions to APERS and received benefits during the period 1999 through 2002 are eligible for a tax refund from the state.

How do you claim your refund? You will need to file a form with the State of Arkansas. The claim form and instructions are available at www.arkansas.gov/dfa/ or at your local revenue office. You will need to show both the gross amount of your benefit received during this period and the cost of the contributions you made to APERS. This information can be found on the IRS 1099-R forms sent to you in each of those years from APERS.

While APERS staff will be able to help you confirm this data, we unfortunately cannot be responsible for pro-

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cessing the refund paperwork. Please see your local revenue office for processing. The deadline for filing is next year – March 15, 2006.

APERS, like most public retirement plans around the country, continues to recognize strong results from its investment program. For the fiscal year ended June 30, 2004 the investment program returned 13.40% — well above the 8.0% needed to keep the plan financially healthy. As of December 31, 2004, the value of the fund stood at an all-time high of \$4.64 billion.

Speaking of the fiscal health of the retirement system, there is a bill in front of the legislature right now that would require that all members first hired into an APERS-covered position on or after July 1, 2005 must contribute 5.0% of their pre-tax salary into the system. In exchange for the contribution, these members would accrue higher retirement benefits than are available to non-contributory employees.

Current members would have the option of moving to the contributory program before December 31, 2005. Importantly, this change to the system's structure would result in a meaningful savings to the state's taxpayers, as the required employer contribution rate would decrease over time. Senate Bill 69, sponsored by Senators Steve Faris of Malvern and Jimmy Jeffress of Crossett, is important legislation that could help everyone, employers and employees alike.

APERS Retirement Filing Dates

Date	Earliest Date To File	Latest Date To File
June	March 3, 2005	May 2, 2005
July	April 4, 2005*	June 1, 2005
August	May 3, 2005	July 5, 2005*
September	June 3, 2005	August 2, 2005
October	July 5, 2005*	September 1, 2005
November	August 3, 2005	October 3, 2005*
December	September 2, 2005	November 1, 2005

* If the filing date falls during a weekend or on a holiday, the latest filing date becomes the next working day.

What work rules apply for PAW eligibility?

The Partial Annuity Withdrawal (PAW) is an option that allows a member who works beyond the date he or she is eligible for an unreduced retirement benefit to take a lump sum distribution of up to 60 months of his or her benefit. A member eligible for PAW applies for the PAW option at the time the member applies for retirement from an APERS employer. To be eligible for the PAW, a member must receive a full month of

service credit the month immediately before the retirement month. This is especially important for public school employees to remember if they intend to retire in the summer months following the end of their school year. Retirement application deadlines are listed above this article. Members who anticipate retiring within a year should call or write Member Services to talk with a counselor.

Disability retirement information

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Although Social Security has a five-month waiting period, a member should immediately file for disability with APERS. If the Social Security Administration approves the member's disability benefits, the member will receive benefits from APERS, retroactive to the first of the month following the later of the termination date, or the member's disability onset date. The effective date of your disability retirement will be the later of the first of the month following your termination, or the first of the month following the disability onset date. A member's monthly disability benefit is based on the worker's final average salary, years of service and a formula set by law. There is no reduction in benefits because of age or service. A member approved for disability retirement can't return to work for an APERS-covered employer without jeopardizing the disability benefit. The disability retirement will terminate upon return to a position covered by APERS.

Got your handbook?



In November, APERS sent 2004 APERS Member Handbooks to all APERS-covered employers. Each employer was given enough books to distribute to all workers in the agency. APERS doesn't send the books directly to individual members. If you didn't receive a Member Handbook, please contact your agency personnel or human resources office.

At Your Service

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bers and retirees. Our members who have access to the Internet can also download these forms directly from the APERS website (www.apers.org). Communications also works with the Member Services department to set up retirement information seminars that APERS members can attend before they retire. The Communications Section schedules meeting sites, lines up speakers on topics such as Social Security, insurance for state and public school retirees, and estate planning. Communications notifies APERS employers of upcoming seminar dates and locations via mail and the APERS website.

As noted above, locations and dates for seminars are mailed to all APERS

member agencies, but if a member doesn't receive the information or has questions, they're welcome to call the Communications Section for more details. Members and retirees are welcome to call if they need assistance with getting change forms, or if they have questions about other services the Communication Section offers. Call 682-7860 or 683-6045 (inside Pulaski County) or call toll-free at 1-800-682-7377 (for persons outside Pulaski County).

Have you moved?

Whenever you move, please inform APERS in writing. You can use the agency Change of Address form available online at www.apers.org.

You also can call APERS at (501) 682-7860 and a form will be mailed. Remember to include your Social Security number on the form.

Beware of fraud e-mails about your retirement

Recently a retirement system in another state reported SPAM e-mails being sent out to their members requesting personal information. The article reported "The e-mails may say that your retirement plan benefits have changed, some promise a complimentary estimate in exchange for your personal information. Please beware of such e-mails".

Even though there have been NO reported occurrences of this scam in Arkansas, our members need to aware of the following:

APERS, like most retirement systems, WILL NOT send out e-mails requesting personal information because it is not secure.

If you do receive an e-mail stating it is from APERS and requesting personal information (name, age, social security number, annual income, etc.), please do not reply to it and let APERS know about it as soon as possible. You can contact Marcy Marks at our main office at 501-682-7800 or at 1-800-682-7377.

APERS PROFILE

Employee profile on Susan Bowers



Susan Bowers is the Associate Director of the Investments Section of the Arkansas Public Employees Retirement System. In this role, Ms. Bowers is responsible for the administrative oversight of all APERS investments, as well as investments for the Arkansas State Police Retirement System and the Arkansas Judicial Retirement System.

Mrs. Bowers began her career with APERS over 25 years ago in October 1979. From 1979 to 1993, Ms. Bowers worked as an Investment Specialist. She became the department supervisor in 1993, a position she held until 1998 when she assumed her current position.

Ms. Bowers grew up in Arkansas and attended the University of Arkansas. Before joining APERS she worked in the investment department of First National Bank and also Dean Witter Reynolds.

WWW.APERS.ORG

DROP Application Filing Dates For 2005

Effective Date	File Between These Dates*	
June	February 28	April 29
July	March 31	May 31
August	April 29	June 30
September	May 31	July 29
October	June 30	August 31
November	July 29	September 30
December	August 31	October 31

* The filing deadline date for DROP applications is always the last working day of the 2nd month before enrollment (NOT the last calendar day of the month).

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Do you know who your beneficiary is?

Many events can change a member's beneficiary needs, such as marriage, divorce, the birth of a child, or a family member's death. But many members don't update this information with APERS, which can create unneeded hardships for surviving family members if a member dies.

When members receive their APERS annual benefits statement (traditionally received by most members in late August or September), it's a good idea to check the beneficiary information and make any changes that are needed.

To update beneficiary information, active members can print from the APERS website (www.apers.org) either of the following forms, depending on the action needed:

Designation of Beneficiary Form.

Request for Change of Beneficiary Form.

Read the forms carefully - they may require verification signatures by witnesses or a notary public, and the member may have to send supporting source documents to designate or change beneficiaries. If a member has questions, call Member Services at (501) 682-7830, or 1-800-682-7377.

Free credit report!

On June 1, all Arkansans get the option to check their credit history for free once a year, due to new federal legislation. There are three ways you can request a report - by the Internet, by telephone, or by mail.

For more details, either log onto Annualcreditreport.com, or call toll-free 1-877-322-8228.