

## *The Director's Corner*

Did you know that the Arkansas Public Employees Retirement System pays out over \$200 million in retirement and survivor benefits annually? And that 98% of that \$200 million stays in Arkansas? In other words, APERS is an important and integral part of the Arkansas economy. These benefits don't stay in a shoebox, but go toward buying any number of goods and services in municipalities across the state.

What would happen if this dependable economic engine were to quit? There are law makers across the country that are waging war on defined benefit plans such as ours. They think DB plans place an undue burden on taxpayers. These lawmakers also think that 401(k)–style plans fit more readily into the “ownership society” that is frequently talked about at the federal level. In this instance, each individual would be responsible for committing a certain portion of his or her salary to a savings program which the state may or may not “match”, i.e. contribute an equal percentage amount up to 6%. Did you make an unwise or unlucky investment decision? Too bad; you have to live with it. What if this means you must seek public assistance to make ends meet? Don't forget that decision-makers in Washington are trimming assistance programs like Medicaid, Medicare, and maybe even Social Security. Where would the burden of these assistance programs fall

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## The Baby Boomers Are Coming!

An Alabama social work professor provided data that indicated Arkansas was one of the top ten states to see a gain in recent years of migrants age 55 and older. Dr. Mark Fagan, Department Head of Sociology and Social Work of Jacksonville State University, Alabama, has researched and written about recent migration histories of retirees, and the economic benefits baby boomer retirees bring to areas where they relocate. He provided a table from U.S. Census Bureau data of the Top 10 States Ranked by Net Migrants 55 and Older, From Years 1995 to 2000:

STATES RANKED BY NET MIGRANTS AGE 55+ (1995-		
RANK	STATE	NET MIGRANTS
1	Florida	297,737
2	Arizona	104,999
3	North Carolina	50,668
4	Nevada	50,554
5	South Carolina	36,878
6	Georgia	25,332
7	Texas	25,248
8	Tennessee	24,797
9	Arkansas	13,123
10	Alabama	11,327

In an article on rural economic development, Dr. Fagan noted that the number of people of retirement-relocation age will about double over the next 10-15 years. Dr. Fagan also noted in the article that attracting and retaining retirees will be important to future economic development for communities and states.

## Don't Have Direct Deposit?

Approximately 1,200 APERS retirees, survivors and beneficiaries receive their checks by mail instead of Direct Deposit. The following are two good reasons you should consider establishing Direct Deposit to receive future retirement benefits.

**1. Direct Deposit avoids the chance that your check might be lost or stolen when it's mailed.** While this doesn't happen often, such incidents do occur. If your check does not arrive on the usual date, APERS requires that 14 working days expire before you contact the agency regarding replacing the lost warrant.

Once notification that a check is missing is received, Benefit Accounting must prepare duplicate forms and mail these to the retiree to complete and return by mail (or in person) to APERS. Once the forms are returned, Benefit Accounting will request a duplicate payment be made for the individual.

The whole process of replacing a lost or stolen mailed check may take as long as 3 to 4 weeks, if not longer should unforeseen delays slow the process.

**2. Retirees usually get Direct Deposit payments faster than mailed**

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## APERS PROFILE

### Employee Profile for: **Jon Aucoin**



Jon Aucoin joined the Arkansas Public Employees Retirement System in 2002 and now serves the agency as Information Services Manager. He is responsible for overseeing all of the Member publications produced by APERS. This includes both the Active and Retired Newsletters, Employee Handbooks and the APERS Annual Financial Report, to name a few.

In fact, just about any publication that comes from APERS is created by Information Services. In addition to creating publications, Information Services also works closely with Member Services in developing the presentation materials used in the Retirement Seminars as well as coordinating the locations and speakers for those seminars.

Additional projects currently being handled by Information Services include coordinating the APERS Women's Seminar, a redesign of the APERS website ([www.APERS.org](http://www.APERS.org)), and development of a brand new Call Center to better service Members' needs.

Jon, a Louisiana native, has only been in Arkansas for about 5 years. He holds a BS in Psychology and an MS in Rehab Counseling, and has over 15 years experience in development and presentation of materials for the public as a corporate instructor. He also makes a mean Gumbo.

## Direct Deposit?

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**payments.** There are rare times when holidays may allow mailed checks to reach retirees faster than Direct Deposit payments, but as a general rule, most months all Direct Deposit retirees get their payments immediately on the first working day of the month. Mailed checks, particularly those mailed to cities or states far from Little Rock, may not get their mailed check until a few days later.

If you wish to switch to Direct Deposit, first you must have an account with a financial institution to receive the warrant. Direct Deposit can go into any account - not just checking or savings. Then you have to complete and return to APERS a Form MP-1,

Direct Deposit Authorization Form. Benefit Accounting requests Direct Deposit forms be turned into APERS by the 20th of each month before the next benefit payment. This allows the staff time to process all new direct deposit authorizations before payments are issued.

Any retiree who changes to a new bank account must complete and return a new Direct Deposit Authorization Form noting the new account to receive the benefit payment. As noted, please do this by the 20th of the month. A blank Direct Deposit Form can be downloaded from the agency website at [www.apers.org](http://www.apers.org). If you need a form mailed, call 1-800-682-7377, (501) 682-7860, or (501) 683-6045.

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then? Onto the states and thus on the local taxpayer, of course!

Another thing to consider is what would happen to the state and local economies if there weren't this steady stream of consumer spending going on. Retirement annuities are, for the most part, payable for the life of each of the 21,000 APERS retirees. This is a very predictable stream of funds. When you know what you are going to receive each month for the rest of your life, you are more likely to spend it rather than save it for emergencies. If local businesses suffer, employment suffers; it's a downward spiral no one should wish on our great state.

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The APERS investment program continues to do well despite fiscal uncertainties around the world. For the eight months of Fiscal Year 2006, the fund has earned 11.45%. Our domestic equity managers brought in 11.41%, international equities returned 22.09%, and the fixed income managers earned a combined 1.21%. The APERS real estate program gained 11.89% while the timber program returned 17.89%. The total dollar value of APERS now stands at \$5.2 billion.

The APERS Board of Trustees works diligently to ensure that we are invested in a diversified array of investments, allocated to best ensure that APERS attains the rate of return necessary to support our benefit structure. We are justifiably proud of the results so far, and hope to maintain this standard of excellence into the future.

## Changed addresses in the last year?

Earlier this spring Benefit Accounting received several calls from retirees stating they didn't receive their 1099-R Statements, the official statement of APERS benefits paid for calendar year 2005. Usually the reason is simple. The retiree or beneficiary moved within the last year, but did not send APERS a Change of Address Form.

Whenever a retiree or beneficiary moves, the retiree must notify APERS of the change of address by using an APERS Change of Address Form.

You may also send us a handwritten request that includes your social security number, your new address, your old address, and a telephone number to reach you. Remember, your Social Security Number must be placed on all forms you mail us, and APERS will not accept a change of address request over the phone.

If you need a change form, one can be mailed to you by calling APERS at (501) 682-7860, or 1 (800) 682-7377, or a form can be downloaded from our website at [www.apers.org](http://www.apers.org).

Notifications of a change in address should be mailed to:

**APERS**  
Attn: Benefit Accounting Unit  
124 West Capitol, Suite 100  
Little Rock, AR 72201

Remember changing your address at the United States Post Office, or with other state agencies, **does not** update the address with APERS. You must notify APERS of the change of address in writing!

## Parking at APERS

Members conducting business with APERS can get free parking (if available) at the agency's parking deck attached to One Union National Plaza.

Drivers traveling on Louisiana Street (a one-way street) will turn left into the parking deck, located on Louisiana between Fourth Street and West Capitol Avenue. Once you finish your business, ask the APERS staff member helping you to initial your parking ticket. Then bring the ticket to the receptionist's desk on the fourth floor to have the ticket validated.

## Making your will Fail Safe

Creating a will to dispose of your estate upon death has been discussed by attorneys for years at APERS retirement seminars. If you're ready to take the step to create a will or some other legal document, thoroughly discuss with your attorney all details that will make your will "fail safe" - a document that is not likely to be contested or ruled invalid in probate court.

Most wills work as intended. To ensure that occurs, you and your attorney should determine that the final document includes...

- *Specific, easily understood instructions. Avoid vague phrases on your wishes, to reduce the chance opposing parties can argue your true intentions.*
- *Specific names of beneficiaries to inherit your assets.*
- *Provisions to cover divorce; adoption; remarriage; change*

*in state of residence or the size of estate, or changes in feelings toward beneficiaries.*

- *A provision for other beneficiaries to inherit the estate, if the intended inheritor dies before you.*
- *Provisions for exonerating your debts or other obligations from your estate before any assets are transferred to the beneficiaries.*
- *A provision for Ademption, when property noted in a will can't be given to a beneficiary because the property was sold or destroyed between the time the will was created and your death.*
- *A justification for unusual bequests that others might question.*
- *An alternate executor.*

Your lawyer will probably bring up such details regarding your estate plans. But if your attorney doesn't, it can't hurt for you to do so.

## DIRECT DEPOSIT DATES

### May to October 2006

**May 1, 2006**

**June 1, 2006**

**July 3, 2006**

**August 1, 2006**

**September 1, 2006**

**October 2, 2006**

**Direct Deposit benefits are paid on the first workday of each month.**

*In this issue...*

*Here come the Baby Boomers! Need reasons to change to Direct Deposit accounts? The Director's Corner! Employee Profile! Consider details to make your will "fail safe"! Be wary of fake Social Security e-mail! And more!*

## Beware of fake Social Security e-mail

A false e-mail claiming to be from the Social Security Administration is trying to trick users into giving out private information in an identity theft scam, the agency reported recently in a news release.

Social Security has received reports of a fake e-mail message being circulated addressed to "Dear Social Security Number and Card owner" alleged to be from the Social Security Administration. The message informs the reader "that someone illegally is using your Social Security number and assuming your identity" and directs the reader to a phony website designed to look like Social Security's Internet website. If a user goes to the phony website, the individual is asked to confirm his or her identity with "Social Security and bank information." The individual is then asked for specific credit card information and PIN numbers.

The agency's commissioner stated Social Security never asks persons for their credit card information or personal PIN number. Officials stated you should never provide your personal identification numbers over the telephone or Internet unless you trust the requesting source.

Computer users are encouraged to report receipt of this e-mail message, or other suspicious activity, to the Social Security's Office of Inspector General at 1-800-269-0271. Persons who are hearing impaired may call the OIG TTY number at 1-866-501-2101. A Public Fraud Reporting form is available online at this website address: [www.socialsecurity.gov/oig](http://www.socialsecurity.gov/oig).

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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