

Proposed Rule Regarding DROP Provisions for APERS Members

PURPOSE: The Arkansas Public Employees' Retirement System (APERS) seeks to amend APERS Rule 24 CAR § 1-213, the Deferred Retirement Option Plan (DROP) Rule for compliance with Act 247 of 2023.

BACKGROUND: Pursuant to Ark. Code Ann. § 24-4-105(b)(1), the APERS Board has the authority to make all rules necessary to administer the Arkansas Public Employees' Retirement System. Act 247 of 2023 amended Ark. Code Ann. § 24-4-606 to standardize a six-month marriage period for a member to select a spousal option beneficiary, whether pre- or post-retirement.

KEY POINTS: The proposed amendment to the Rule complies with Act 247 of 2023 by removing a reference in the Rule that would contradict that Act.

DISCUSSION: Section (i) of the current DROP rule addresses the administration of benefits when a DROP participant dies while serving on active duty. In that section of the current rule, there is a reference to a one-year marriage period requirement for a spouse to be eligible for survivor benefits. The proposed amendment to Section (i) of APERS Rule 24 CAR § 1-213 removes the reference to a one-year marriage period, which will now align with Act 247 of 2023. No other change in the DROP rule has been made.

RECOMMENDATION: APERS recommends that the proposed amendment to APERS Rule 24 CAR § 1-213 be approved for compliance with Act 247 of 2023.