

PAW AT A GLANCE

The PAW option is elected at retirement.

- When you sign up for PAW you may receive a payment for each full month you worked beyond your retirement eligibility date up to a maximum of 60 months.
- You become eligible to participate in PAW when you have worked **beyond** the following eligibility requirements:
 - Age 65
 - Any age with 28 years of actual service
 - Age 55 with 35 years of credited service
- You may elect the PAW or enter the DROP, but you **cannot** do both.

For more information contact:

Arkansas Public Employees Retirement System

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Little Rock, AR 72201

(501) 682-7800 or 1-800-682-7377

www.apers.org

As much as possible, this brochure has been written in non-technical terms, avoiding the formal language of the retirement laws, rules and regulations. Any conflict between the information contained in this brochure and those retirement laws, rules and regulations must be resolved pursuant to the governing statutes, rules and regulations.

If questions about interpretation arise as a result of the attempt to make the retirement provisions easy to understand, Chapters 2, 4, and parts of 7 of Title 24 of the Arkansas Code Annotated (1987), as amended, as well as APERS promulgated regulations, must remain the final authority.

The information provided in this brochure is based on the Arkansas Retirement System laws and rules in existence at the time this brochure was published and is subject to future modification based on changes in the law.

APERS



The Partial Annuity Withdrawal



Partial Annuity Withdrawal

APERS members who work beyond the date they are eligible for an unreduced monthly benefit are eligible to take an advance payment of up to 60 months of their monthly annuity. This is called a **Partial Annuity Withdrawal (PAW)**.

“The PAW option is elected at retirement.”

PAW provides an alternative for members who can't participate or choose not to participate in the Deferred Retirement Option Plan (DROP). The PAW option is elected at retirement.

Eligibility Requirements

You become eligible to participate in PAW when you have worked **beyond** the following eligibility requirements:

- **Age 65**
- **Any age with 28 years of actual service**
- **Age 55 with 35 years of credited service**

When you sign up for PAW you may receive, within 90 days of retirement, a payment for each full month you worked beyond your retirement eligibility date up to a maximum of 60 months.

Example of PAW

John Doe works 60 months beyond the date he was first eligible for an unreduced benefit. When John retires, he may choose from 1 to 60 months of PAW. John's lifetime monthly benefit is reduced based on his age and total PAW payment.

If you elect PAW your monthly annuity benefit will be reduced by an actuarial factor tied to your age. If your beginning benefit includes a “temporary” amount because you are a non-contributory member and you chose to retire below age 62, that temporary benefit will still be removed when you reach age 62.

Applying for the PAW

You must submit a completed APERS retirement application and a PAW election form. You will indicate on the retirement application that you wish to elect PAW.

You must apply for an unreduced retirement and PAW no more than 90 days, and no less than 30 days, before your retirement effective date.

“You may elect PAW or enter the DROP, but you cannot do both.”

You can find copies of the APERS retirement application and the PAW election forms on the active member forms page of the APERS website at **www.apers.org**.

You can also contact Member Services by phone or in writing to request a retirement application, PAW election forms, filing deadlines, or to get answers to other questions.

PAW Payments

Your PAW payment can be paid:

- **Directly to you as a lump sum**
- **A rollover distribution to a qualified retirement plan**
- **A partial lump sum and the remainder rolled over to a qualified retirement plan**

On lump sum payments, APERS withholds 20% for federal taxes and 5% for state taxes. Lump sum payments under age 59 ¹/₂ may be subject to early withdrawal penalties.

APERS suggests you meet with a financial planner or tax professional to discuss personal tax obligations.