

APERSpective

ACTIVE MEMBERS

SPRING 2021

APERS Director's Update

It is that time of year when trees turn green and flowers spring from the ground – a time of renewal and new growth. It is also that time of year when we have a new legislative session, and as expected it has been a busy one in regard to retirement issues.

As you may know from previous newsletters and town hall meetings, APERS proposed several changes to be considered this session. In addition, there are a number of bills working through the process that are not proposed by APERS but could impact the System and our membership.

The legislative session is expected to run through the month of April, so at the time of this article, some outcomes are still uncertain. To assist you in staying informed, APERS has added a page on our website where we will monitor and update all impactful legislation in a timely manner. The page can be found at www.apers.org/93 (93rd legislative session).

In other news APERS remains closed to the public at this time. We will continue to hold our retirement seminars

via Zoom until further notice. We will also continue to offer counseling services over the phone and via Zoom meetings as well.

As we are all aware, the situation in regards to the COVID pandemic is quite fluid and can change as we move through spring into summer. We will work to keep our membership abreast of any changes as they occur via

Our website: www.apers.org

On Facebook: www.facebook.com/Arkansas.PERS

And on Twitter [@ArkansasPERS](https://twitter.com/ArkansasPERS)

In conclusion, once again we wish everyone a Happy Spring, and if you have any questions or concerns please do not hesitate to contact us.



Executive Director Duncan Baird

APERS Sponsored Retirement Legislation in 2021

Name	Description	Group Affected	Status
Member Contributions (HB1348)	Increases the member contribution rate for all active contributory members from 5% to 7% in 0.25% increments over 8 years, beginning on July 2, 2022.	All active contributory members	Passed Act 365 of 2021
COLA (HB1347)	Changes the COLA for new hires (only) as of July 1, 2022. It will establish a COLA that is the lower of 3% or the Consumer Price Index for the previous year.	New hires only	Passed Act 366 of 2021
Final Average Compensation (HB1346)	Changes the final average compensation (FAC). It puts in place a 5-year FAC for new hires after July 1, 2022.	New hires only	Passed Act 370 of 2021

Also see page 3 chart "More Retirement Legislation to Watch"

Survey: Americans Prefer Pension Plans

Over the past couple of years, we have published several articles explaining how our retirement system works and how it differs from other types of retirement plans. We've described APERS as a "defined benefit" plan that provides retiring members a monthly pension for the rest of their lives, similar to the way the federal Social Security system works.

We also discussed various surveys that showed, among other things, that most state and local employees prefer defined benefit pension plans, and many chose public employment, at least in part, because they wanted that type of retirement plan.

In a recent article by the National Institute on Retirement Security published in March 2021, it expanded its survey to include private sector employees and found that their attitudes towards pension plans are essentially the same as those of public employees.

When it comes to pensions, 76 percent of Americans have a favorable view of defined benefit pensions and most (65 percent) agree that defined benefit pensions are better for providing retirement security than 401(k)-style plans.

This research finds that Americans do not seem to begrudge public employees their retirement benefits, but instead would like to receive similar retirement benefits. Some 77% say all workers, not just state and local workers, should have a pension.

To what extent do you agree or disagree with the following statement: **All workers, not just those employed by state and local governments, should have access to a pension.**



The article goes on to state, "while the majority of Americans are not on track for a secure retirement, one retirement bright spot is the benefits provided to state and local employees. Most public employees pay into a pension

plan that is their primary retirement benefit, which often is supplemented by individual savings and Social Security. Workers with these three sources of retirement income are best positioned to have a secure retirement."

To what extent do you agree or disagree with the following statement: **State and local government employees deserve these retirement benefits because they help finance part of the cost, by contributing money out of every paycheck.**



In summation, the general public feels you deserve your APERS retirement benefit and actually wishes they could have one too!

Information for this article came from "Americans' Views of State & Local Employee Retirement Plans," March 2021 by Dan Doonan and Kelly Kenneally for National Institute on Retirement Security (NIRS)

DROP Duration extended to 10 Years

The 93rd General Assembly recently enacted Act 518 of 2021 which amends the law concerning DROP. This notice provides information about the act.

Act 518 amends the law regarding the duration of participation in the DROP. It increases the maximum duration of participation from seven (7) years to ten (10) years. The act is effective March 31, 2021, and it permits an immediate continuation of service for current DROP participants. If you are an active participant on the effective date of the change, you are eligible to remain in the DROP for up to 10 years.

Act 518 does not change any DROP provisions other than the maximum duration. The eligibility requirements, election to participate, amount of benefit, contribution rate, and interest remain the same.

If you have any questions about the DROP or need assistance, please contact APERS.

APERS Retirement Education Continues this Spring via Zoom

Throughout each year, APERS offers educational training to members new and old. All sessions are held via Zoom and require prior registration through the Members Self-Service portal (MSS). For more information about seminar dates and times, setting up Zoom, or registration go to www.apers.org/seminars. Members often learn a lot!

New Member Seminar

As a new member of the Arkansas Public Employees Retirement System you might have questions about the system: how it works and what you can expect from APERS over the course of your career. It is a basic introduction featuring general information on the system.

Road to Retirement Seminar

The Road to Retirement seminar is for any APERS member who is vested for benefits and wants to know more about the retirement system and understand what benefits and options are available as you approach retirement. You will receive information about reciprocity, service credit purchases, the benefit formula, and retirement eligibility. At some events we have a Social Security representative in attendance providing an overview of Retirement and Survivors insurance, working while receiving benefits, taxations of benefits, and Medicare.

Retirement Readiness Workshop

The Retirement Readiness Workshop is for any APERS member who is within one year of retirement and has questions about the retirement process. Workshop attendees will receive an estimate during this session.

DROP Entry Workshop

The DROP Entry Workshop is for any APERS member interested in the Deferred Retirement Option Plan (DROP) who will have at least 27 years actual service at the time of the session. Registered attendees will receive an estimate and information about Partial Annuity Withdrawal (PAW).

DROP Exit Workshop

The DROP Exit Workshop is for any APERS member who is currently in the Deferred Retirement Option Plan (DROP) and has questions about the exit process. Attendees should be within one year of exiting the DROP. Each registered attendee will receive an updated DROP projection and information about distribution options.

Individual Counseling Sessions

APERS members nearing retirement can schedule individual sessions by phone or ZOOM with trained counselors who will provide benefit estimates, explain retirement options, and help with applications and document requirements.

More Retirement Legislation to Watch in 2021

Name	Description	Status
HB1274	Allows a volunteer police officer to be a member of both APERS and LOPFI, similar to volunteer firefighters.	Passed Act 687 Of 2021
HB1281	Extends the APERS DROP from a maximum of 7 years to 10 years.	Passed Act 518 of 2021
HB1282	Allows a border municipal airport to join APERS.	Passed Act 519 of 2021
HB1298	Requires an active county judge and active mayor to be among the 3 non-state employees appointed to the APERS board by the Governor. Adds four additional retired members.	Passed Act 686 of 2021
HB1325	Cleans up antiquated language related to reciprocal service for all systems. It would allow each system to determine whether it uses another system's final highest compensation in calculating a benefit under reciprocity.	Sent to the Governor's office.
SB162	Allows an exception to the termination period for retired employees who are hired as temporary help by the legislature during a legislative session.	Passed Act 20 of 2021
SB231	Expands the law of forfeiture of retirement benefits if a member is convicted, or pleads guilty or nolo contendere to a felony offense related to the duties of his or her office while serving as a public employee.	Returned to the Committee on Public Retirement & Social Security Programs



Member Self-Service (MSS)

Although APERS offices are temporarily closed to the public, we are still working hard to serve members every day. Please remember that the Member Self-Service (MSS) portal is also helpful and always open – providing safe, secure online access for registered members at www.apers.org.

Visit us online at www.apers.org

IN THIS ISSUE: Director's Update | Survey: Americans Prefer Pension Plans
APERS Retirement Education | Legislation to Watch | DROP | Filing Dates

RETIREMENT AND DROP FILING DATES

Retirement Date	Earliest Filing Date	Latest Filing Date
June 1, 2021	March 3, 2021	May 3, 2021
July 1, 2021	April 2, 2021	June 1, 2021
August 1, 2021	May 3, 2021	July 2, 2021
September 1, 2021	June 3, 2021	August 2, 2021
October 1, 2021	July 5, 2021	September 1, 2021
November 1, 2021	August 3, 2021	October 4, 2021
December 1, 2021	September 2, 2021	November 1, 2021

APERS NEWS Volume 18, Issue 2

APERSpective is published by Arkansas Public Employees Retirement System for APERS members and retirees.

APERS EXECUTIVE STAFF

Duncan Baird
Executive Director

APERS BOARD OF TRUSTEES

Ms. Candace Franks, Chair
Mr. Larry Walther, Vice Chair
The Honorable David Hudson
Mr. Gary Carnahan
Mr. Daryl Bassett
The Honorable Joe Hurst
The Honorable Andrea Lea
The Honorable Dennis Milligan

Mr. Dale Douthit