The fiscal year ended June 30, 2014 was especially beneficial to the APERS bottom line. Our investment portfolio earned an annualized return of 19.8%, allowing us to pay out a record $420 million in retiree benefits and still hit an all-time high asset level of $7.5 billion. While we still have an unfunded liability of over $1.8 billion, we are trending in the right direction.

"The average annual benefit paid our retirees is about $12,000 per year..."

The average annual benefit paid our retirees is about $12,000 per year – just enough to ensure that, after a career in public service, APERS members can retire with security and dignity. Did you know that as you use your pension benefits to buy goods and services in your local community that you are creating an additional $1.48 in economic impact for every $1.00 spent? And that those expenditures have helped create and support nearly 17,400 jobs around the state? (Source: National Institute on Retirement Security, Pensionomics 2014) The fact is, your retirement benefits provide a critical economic engine for all of Arkansas.

There are pundits around the country who are quick to decry the diversion of tax payer moneys toward public pension funds. As indicated above, there is no more effective way to support both our state economy and our members’ retired lives than through a defined benefit program like APERS. When you have the assurance that you will be getting a payment each and every month for the rest of your life, you are far more likely to spend that income as you need to rather than hoard that money against an unforeseeable emergency.

As the Arkansas General Assembly convenes this coming January, let your senators and representatives know just how much you value your APERS retirement benefits!
**1099-R and Example Form**

When you were working, your employer provided you with a W-2 form to file with your tax returns. Now that you are receiving retirement income, APERS is going to send you IRS Form 1099-R, which is used to report “distributions from pensions, annuities,” and similar sources. The 1099-R (much like the W-2) must be mailed out no later than January 31st. If you do not receive the form by the first week of February, that often means APERS doesn’t have your current mailing address (see “Requesting a Duplicate Form” on page 4).

To help you understand the information on the form, we’ve provided part of a blank 1099-R form below and highlighted some important sections (the real form is not highlighted):

APERS cannot advise members how to complete their tax returns; however, most will probably find the information they need from their 1099-R in the boxes we’ve highlighted in pink.

Remember that APERS only withholds taxes from your benefit payments based on your instructions. To stop, start, or change your withholding, you will need to complete and send us an IRS Form W-4P and/or an Arkansas withholding form. You can download these from our website or request that we mail them to you.
If you’re like most APERS retirees, the main thing you want to receive from us is your monthly annuity. But we’ll be sending some other communications at regular intervals that you should also be alert for. For example, if we are paying you an annuity as a member, beneficiary, or survivor you should receive a 1099-R tax form by about the first week in February. It will detail the benefits you received the previous calendar year and must be filed with your tax returns.

Twice a year, you will also receive statements we call benefit stubs, which are intended to alert you to any changes in your payments. The first will arrive sometime in January and show the amount of your monthly payment as of the beginning of the calendar year. It will reflect any changes that have occurred in the withholding rates for state and federal taxes or for other optional services like insurance (tax withholding is also optional). Your second stub will arrive in July (the beginning of the state’s fiscal year) and will indicate any increases in your payments due to a cost of living adjustment or legislative changes to the benefit structure. Anytime you initiate a change to your annuity, such as requesting more taxes be withheld, we’ll send you a stub reflecting that change as well.

From APERS
- Monthly Annuity
- 1099-R Tax Form in February
- Benefit Stub (January and July)
- Stub Reflecting Changes (optional)
- Newsletters

We also stay in touch with our retired members through this newsletter, our website at www.apers.org, and our Facebook page www.facebook.com/Arkansas.PERS (like us!). Be sure to take advantage of these excellent resources.

Certain special groups of annuitants will periodically receive forms they must complete to continue receiving benefits. Disability retirees must return an annual questionnaire, and dependent children between the ages of 19 and 23 who may be eligible for continued survivor benefits because they are full time students will be sent a copy of our Verification of Survivor Status form to complete at the beginning of every fall and spring school term.

Those are some examples of when you will hear from APERS, but it is essential that APERS hears from you about certain changes in your life as well. Most importantly, make sure we always have your current mailing address because Arkansas law requires us to send all your correspondence to the location we have on file.

Secondly, you need to alert us if your marital status (or your name) changes as soon as possible. Finally, APERS must be made aware whenever someone who is a part of a member’s retirement plan passes away, whether that’s the member, a spouse, or a beneficiary. Keeping APERS up to date ensures that you will get the maximum value from your retirement system.

Questions?
Please call APERS at 501-682-6956 or toll-free at 1-800-682-7377.
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Requesting a Duplicate Form 1099-R
Members who need a copy of their form 1099-R can submit a duplicate request form after February 15th. This allows enough time for any forms held up in the mail to process through.

You can download the duplicate request form from our website or call and ask us to mail you one. In order to protect your personal information, we require that you return the form by mail or in person; we do not accept them by email or fax.

The most common reason members do not receive their originals is that APERS does not have the correct mailing address. It is imperative that you update APERS immediately whenever your contact information changes.

Visiting APERS
For many of our members, coming to APERS can be a challenge, especially in regard to driving in downtown Little Rock. As a tool to help our members find their way to APERS, there are printable maps available to you on the APERS website (www.apers.org). The maps show routes from Conway, West Memphis, Fort Smith, and Texarkana, with details about how to navigate successfully in downtown Little Rock and where to park when coming to APERS.