

# EXHIBIT C

## JOINT COMMITTEE ON PUBLIC RETIREMENT & SOCIAL SECURITY PROGRAMS MEETING JOINTLY

MAY 10, 2019

### MINUTES

The Joint Committee on Public Retirement and Social Security Programs met Friday, May 10, 2019 at 8:30 a.m. in Room B, MAC, Little Rock, Arkansas.

Committee members and alternates present were: Senators Eddie Cheatham, Joyce Elliott, Kim Hammer, and Jason Rapert. Representatives Les Warren, House Chair, Sonia Barker, Harlan Breaux, Bruce Coleman, Gary Deffenbaugh, Brian Evans, Douglas House, John Maddox, Julie Mayberry, Tippi McCullough, Mark Perry, and Jay Richardson.

Other members present were: Senator Mark Johnson. Representative Reginald Murdock, Johnny Rye, and Danny Watson.

#### **Call to Order**

Representative Warren called the meeting to order.

#### **Opening Remarks by Committee Chairs**

Representative Warren said Senator Sample was unable to attend the meeting due to a scheduling conflict. He thanked the members for attending today's meeting.

#### **Review of Rule Change Proposed by the Arkansas Public Employees Retirement System (APERS) Rule 201-1957 (5) – Age of Members – How Established [Exhibit C]**

Representative Warren recognized Duncan Baird, Executive Director, and Jay Wills, Deputy Director, Arkansas Public Employees Retirement System (APERS). Mr. Wills told committee members the change to Rule 201-1957 (5) corresponds to Arkansas's new enhanced driver's license. He said the APERS system has always required a strict proof of identity and age. This rule change added the enhanced driver's license to the list of documents the system will accept as proof of identity and age. Senator Cheatham made a motion to accept the rule as reviewed. Representative Stu Smith seconded the motion. The motion carried.

#### **Review of Rule Changes Proposed by the Arkansas Teacher Retirement System (ATRS) Rule 4, Board of Trustees Composition and Elections [Exhibit D], Rule 7, Reporting and Eligibility [Exhibit D1], Rule 8, Purchases and Refunds [Exhibit D2], Rule 10, T-DROP and Return to Service [Exhibit D3], Rule 16, Cash and Savings Help (CASH) Program [Exhibit D4]**

Representative Warren recognized Clint Rhoden, Executive Director, Arkansas Teacher Retirement System (ATRS). Mr. Rhoden said ATRS has been working to consolidate and coordinate rule changes in a consistent manner in preparation for the upcoming rules codification project the Bureau of Legislative Research is developing. Under the new process, a rule change combines four or five rules into one section, maintaining the language used in prior rules. Mr. Rhoden said all the prior rules that are being consolidated are the result of legislation passed in the 2017 legislative Session. Additional rule changes resulting from the 2019 legislative Session will be developed and incorporated in the future. Mr. Rhoden explained that Rule 10 has technical corrections and

combines the T-Drop specifications with Rule 10-3, the policy on return to service by retirees. He said all the rule changes have been communicated to retirees through e-mail updates on the ATRS website. Mr. Rhoden said the primary means of communication to all ATRS members is by the Executive Director Update, which is sent out quarterly.

Legislators discussed that ATRS might enhance their notification process to retirees when rule changes are proposed. Mr. Rhoden said he has been traveling the state visiting all the teacher associations at their area meetings. He also plans to attend the Arkansas Retired Teachers Association state convention scheduled for October 29, 2019 in the Benton Convention Center, where he will be available to speak to a large group of retirees.

Representative Warren suggested the committee consider making one motion saying all the proposed rule changes presented by ATRS have been reviewed, with the understanding the changes address only technical corrections. Senator Elliott made the motion to consider all the rules as reviewed by the Committee. Senator Hammer seconded the motion. The motion carried.

#### **Discussion and Consideration for Adoption – Interim Study Proposals (ISPs) Referred to the Joint Committee on Public Retirement and Social Security Programs from the 92<sup>nd</sup> General Session**

Representative Warren presented his Interim Study Proposal (ISP 2019-073) and said he has been asked to study retirement option plans that could be made available to individuals who would otherwise have no retirement options. Representative Warren suggested the study include members of the banking community to determine an interest in the development of 401K type plans to be made available to anyone in their communities. The plan could be similar to the 401K plans available through Regions and Simmons banks. Representative Warren said the study would be an opportunity to explore investment opportunities for individuals who do not have a retirement plan available through their employer. Legislators discussed opening the study to include members of the banking industry, retirement financial services, insurance industry, and credit unions. Senator Rapert asked Representative Warren to allow him to invite individuals who are knowledgeable on a national level. These individuals could educate all members of the General Assembly on the issue.

Senator Elliott recommended that adoption of all four ISPs listed on the agenda be included in one motion for approval by the Committee since they are simply studies. Representative Warren asked if there was any discussion or questions about Senator Johnson's ISPs. There were none. Senator Elliott made the motion to accept the ISPs for study and was seconded by Senator Hammer. The motion carried.

#### **Brief Review of the Summary of Public Retirement System Bills Passed During the 92<sup>nd</sup> General Session [Exhibit F]**

Representative Warren recognized Jody Carreiro, Committee Actuary, Osborn, Carreiro, and Associates. Mr. Carreiro referenced the summary he provided in the member's packets which contains two lists of the retirement legislation that became law during the 2019 legislative Session. One list provides the legislation identified by Act number. The second list provides the legislation arranged by retirement systems. Legislators briefly discussed the wording found in Act 638 as it relates to changes in the Arkansas Local Police and Fire Retirement System (LOPFI) disability eligibility regarding duty disability.

**Consideration of the Adoption of the Motion Authorizing the Co-Chairs to Approve the Expenditure of Committee Funds for Special Expenses Incurred by the Joint Committee on Public Retirement and Social Security Programs [Exhibit G]**

Representative Warren gave examples of the types of special expenses, which may be necessary for the Chairs to authorize, such as fees for an individual to make a presentation, the presenter's travel and hotel accommodation costs, room and other rental fees for the committee to hold off-site meetings. Representative Deffenbaugh made a motion authorizing the Co-Chairs to approve special expenses incurred by the Joint Committee. Senator Elliott seconded the motion. The motion carried.

There being no further business, the meeting adjourned at 9:00 a.m.

