

**MARKUP-APERS Regulation 408**

**REGULATION 408 - REGULAR INTEREST** - In accordance with A.C.A. 24-4-101 (38), the rate of interest to be charged for all provisions of Chapter 4 of Title 24 where reference is made to "regular interest"; ~~for payments received on or before December 31, 1999, shall be 7.75% per annum, compounded annually.~~ **Effective January 1, 2000, regular interest shall be 8% per annum, compounded annually. shall be the actuarially assumed rate of return as adopted by the Board of Trustees from time to time. Unless otherwise directed by the Board of Trustees, a change in the rate of "regular interest" shall become effective on the first day of the calendar year. Any commitment already in active payment status at that time wherein APERS has received at least one installment payment shall remain at the rate previously established by the Board.**

**QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS  
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE**

DEPARTMENT/AGENCY: Arkansas Public Employees Retirement System (APERS)

DIVISION \_\_\_\_\_

DIVISION DIRECTOR: Gail H. Stone

CONTACT PERSON: Frank J. (Jay) Wills, III

ADDRESS: 124 W. Capitol Avenue, Suite 400, Little Rock, AR 72201

PHONE NO: 501-682-7856 FAX NO: 501-682-7825 E-MAIL: jay.wills@arkansas.gov

NAME OF PRESENTER AT COMMITTEE MEETING: Jay Wills

PRESENTER E-MAIL: jay.wills@arkansas.gov

**INSTRUCTIONS**

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Donna K. Davis  
 Administrative Rules Review Section  
 Arkansas Legislative Council  
 Bureau of Legislative Research  
 Room 315, State Capitol  
 Little Rock, AR 72201

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1. What is the short title of this rule? Regular Interest
2. What is the subject of the proposed rule? Fixes the interest rate charged and paid as "regular interest" under the provisions of Chapter 4 of Title 24 (laws governing APERS) at the actuarially assumed rate of return on APERS investments adopted by the APERS Board of Trustees.
3. Is this rule required to comply with a federal statute, rule, or regulation? Yes \_\_\_\_\_ No X  
If yes, please provide the federal rule, regulation, and/or statute citation.
4. Was this rule filed under the emergency provisions of the Administrative Procedure Act?  
 Yes \_\_\_\_\_ No X  
 If yes, what is the effective date of the emergency rule? N/A  
 When does the emergency rule expire? N/A  
 Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes \_\_\_\_\_ No \_\_\_\_\_ N/A

5. Is this a new rule? Yes \_\_\_\_\_ No  If yes, please provide a brief summary explaining the regulation.

Does this repeal an existing rule? Yes \_\_\_\_\_ No  If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

Is this an amendment to an existing rule? Yes  No \_\_\_\_\_ If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up." The markup is attached. The amendment changes the regular interest rate from a fixed rate to that which mirrors APERS's investment's actuarially-assumed rate of return. Its immediate effect is to lower the rate charged by APERS from 8% to 7.75%.

6. Cite the state law that grants the authority for this proposed rule? If codified, please give Arkansas Code citation.

A.C.A. 24-4-105(b)(1).

7. What is the purpose of this proposed rule? Why is it necessary?

To conform the interest charged by APERS to its assumed rate of return so that the fund is not charging or paying interest that exceeds the Fund's rate of return or that is less than the Fund's rate of return.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b).

[apers.org/docs/pubs/APERS\\_BR\\_2013.pdf](http://apers.org/docs/pubs/APERS_BR_2013.pdf)

9. Will a public hearing be held on this proposed rule? Yes  No \_\_\_\_\_

If yes, please complete the following:

Date: February 13, 2015

Time: 10:00 a.m.

Place: APERS Board Room Fourth Floor, 124 West Capitol Avenue, Little Rock, AR

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

February 13, 2015

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

July 1, 2015

12. Do you expect this rule to be controversial? Yes \_\_\_\_\_ No  If yes, please explain.

# EXHIBIT D

13. Please give the names of persons, groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known.

APERS received no comments about the proposed amendment and nobody appeared for the public hearing.

## FINANCIAL IMPACT STATEMENT

**PLEASE ANSWER ALL QUESTIONS COMPLETELY**

**DEPARTMENT:** Arkansas Public Employees Retirement System  
**DIVISION** Legal  
**PERSON COMPLETING THIS STATEMENT:** Frank J. (Jay) Wills, III  
**TELEPHONE NO.** 501-682-7856 **FAX NO.** 501-682-7825 **EMAIL:** jay.wills@arkansas.gov

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

**SHORT TITLE OF THIS RULE** Regular Interest

1. Does this proposed, amended, or repealed rule have a financial impact?  
Yes  No

2. Does this proposed, amended, or repealed rule affect small businesses?  
Yes  No

If yes, please attach a copy of the economic impact statement required to be filed with the Arkansas Economic Development Commission under Arkansas Code § 25-15-301 et seq.

3. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please give the incremental cost for implementing the rule. Please indicate if the cost provided is the cost of the program.

### Current Fiscal Year

General Revenue N/A  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_

### Next Fiscal Year

General Revenue N/A  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_

Other (Identify) \_\_\_\_\_

Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

Total \_\_\_\_\_

- 5. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule? Identify the party subject to the proposed rule and explain how they are affected.

**Current Fiscal Year**

**Next Fiscal Year**

\$\_\_ Charged 8% interest on late payments  
to the Fund (e.g. employer contributions)\_\_\_ \$\_\_ Charged 7.75% interest on late payments to the Fund\_\_

\_\_\_\_\_

- 6. What is the total estimated cost by fiscal year to the agency to implement this rule? Is this the cost of the program or grant? Please explain.

**Current Fiscal Year**

**Next Fiscal Year**

\$     0    

\$     0    

Agencies participating in APERS will be charged less interest on late payments to the Fund than they were before the regulation was amended

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