

**ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM (370)  
2009-11 BIENNIUM - LEGISLATIVE RECOMMENDATION**

**I) AGENCY SUMMARY & REVENUE SOURCES**

**MISSION**

The Arkansas Public Employees Retirement System (APERS) administers a combined state-wide public employee retirement program for certain state (including members of the General Assembly and State Constitutional Officers), municipal, school district employees (cafeteria workers, bus drivers, and janitors enrolled before July 1, 1989) and all county employees (including county constitutional officers). APERS also administer the State Police Retirement System, the Judicial Retirement System, and the District Judges Retirement System. The Executive Director serves as State Social Security Administrator and is responsible for coverage related issues for state and local government employers.

**TOTAL BIENNIAL BUDGET**

The total budget of the Arkansas Public Employees Retirement System is \$501,169,026 the first year and \$500,961,584 the second year.

**FUNDING SOURCE**

The budget is funded by cash funds, which make up 70% of revenues, and trust funds which make up the remaining 30%.

**II) CHANGES/APPROPRIATIONS**

1. The APERS operations appropriation, funded with trust funds for \$96,662,077 the first year and \$96,454,635 the second year has increases of \$20,371,160 the first year and \$20,310,143 which include:

a. Regular salaries and personal services matching line item increases to support 6 new positions over the biennium.

b. Extra help line item increase of \$26,913 each fiscal year to support 2 new positions.

c. Data Processing line item transfer of \$1,700,000 each fiscal year to Professional Fees line item to properly classify these expenditures.

d. Refunds/Reimbursements line item increase of \$19,900,000 each fiscal year to provide sufficient appropriation to cover costs of payouts to Deferred Retirement Option Plan and Partial Annuity Withdrawal members.

e. Capital outlay line item increase of \$30,000 the first year and \$6,000 the second year to purchase new scanners to accommodate increased number of member documents scanned.

f. Refunds/Reimbursements line item additional increase of \$100,000 each fiscal year to cover increased payments resulting from merging the District Judges Retirement System into APERS.

2. The state police retirement operations appropriation, funded with trust funds for \$20,343,560 each fiscal year has increases which include:

a. Operating expenses increase of \$20,000 each fiscal year to

offset anticipated increases in actuarial costs.

b. Benefits-Non employee increase of \$1,000,000 each fiscal year to provide benefits to an increased number of retirees.

c. Refunds/Reimbursement increase of \$2,500,000 each fiscal year to provide sufficient appropriation for payment of the Deferred Retirement Option Plan, Partial Annuity Withdrawal and other retirement program payouts and refund payments to members leaving the system.

3. The judicial retirement operations appropriation, funded with trust funds for \$40,510 each fiscal year has increases which include:

a. \$3,000,000 each fiscal year to cover the transfer of court fee receipts and annual transfer payments from the State Treasury to AJRS custodian bank to be invested.

b. \$17,500 each fiscal year to cover an annual transfer of administrative costs from AJRS to APERS.

c. A reallocation of \$15,000 each year from professional fees to operating expenses to cover the anticipated increase in actuarial expenses.

4. The District Judges Retirement operations appropriation is deleted. Act 177 of 2007 abolished the Arkansas District Judges Retirement System and transferred authority to APERS.

5 Public Employees Retirement cash appropriation, funded for \$335,000,000 each year has:

a. An increase of \$97,000,000 each fiscal year in Benefits-Non-Employee to provide sufficient appropriation to accommodate annuity payments deposited via the Automated Clearinghouse (ACH) system.

b. A reallocation of \$3,000,000 each fiscal year from the District Judges Retirement System cash appropriation to APERS.

6. State Police Retirement cash appropriation, funded with trust funds for \$25,000,000 each fiscal year has an increase of \$9,500,000 each fiscal year to provide sufficient appropriation to accommodate payment of retiree benefits via direct deposit.

7. Judicial Retirement cash appropriation, funded with trust funds for \$15,000,000 each fiscal year has an increase of \$2,000,000 each fiscal year to provide sufficient appropriation to accommodate payment of retiree benefits via direct deposit.

8. District Judges Retirement cash appropriation, funded with trust funds for \$3,000,000 each year is deleted with a reallocation of \$3,000,000 to the APERS cash appropriation.

### III) ADDITIONAL POSITIONS

Total positions for FY 2007-2009: 69

Total positions for FY 2009-2010: 74

Total positions for FY 2010-2011: 75

Increase/ (Decrease): FY10 - 5, FY11 - 6

### IV) SPECIAL LANGUAGE

1. Carry forward provision **deleted**.

2. Authorizes fund transfer from Judicial Retirement Fund to APERS for reimbursement of costs.

3. Authorizes fund transfer from State Police Retirement Fund to

APERS for reimbursement of costs.

4. Authorizes transfer of authority of District Judges Retirement System to APERS.

5. Allows APERS to be exempted from seeking prior review of Legislative Council regarding transfers between benefits line item in the cash fund appropriation and the benefits-non-employee line item in the operations appropriation.