

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM (370)
2011-13 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 \$616,462,808 the first year and \$641,548,231 the second year of the biennium.

FUNDING SOURCE

The budget is funded by cash funds, and trust funds.

II) CHANGES/APPROPRIATIONS

1. The APERS operations appropriation, funded with trust funds for \$126,955,859 the first year and \$127,041,282 the second year has increases of \$30,000,000 each year of the biennium, which include:

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

b. Reallocation of \$156,208 in FY12 and \$241,526 in FY13 from Professional Fees to Regular Salaries and Personal Services Matching to offset the cost of the positions.

c. Refunds/Reimbursements line item increase of \$26,000,000 each fiscal year to provide sufficient appropriation to cover costs of payouts to Deferred Retirement Option Plan and Partial Annuity Withdrawal members, and to refund contributions to terminating active members.

d. Benefits non-employee line item increase of \$4,000,000 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.

2. The state police retirement operations appropriation, funded with trust funds for \$30,343,560 each fiscal year, has an increase in Refunds/Reimbursement line item of \$10,000,000 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 and retirees.

3. The Judges retirement operations appropriation, funded with trust funds for \$9,163,389 each fiscal year has no increases.

4. Public Employees Retirement cash appropriation, funded with trust funds for \$400,000,000 the first year and \$425,000,000 the second year, has an increase of \$65,000,000 the first year and \$90,000,000 the second fiscal year in Benefits-Non-Employee line item to provide sufficient appropriation to accommodate payment of retiree benefits via direct deposit.

5. State Police Retirement cash appropriation, funded with trust funds for \$25,000,000 each fiscal year has an increase of \$5,000,000 each fiscal year to provide sufficient appropriation to accommodate payment of retiree benefits via direct deposit.

6. Judicial Retirement cash appropriation, funded with trust funds for \$15,000,000 each fiscal year has an increase of \$5,000,000 each fiscal year to provide sufficient appropriation to accommodate payment of retiree benefits via direct deposit.

III) ADDITIONAL POSITIONS

Total positions for FY 2009-2010: 74

Total positions for FY 2010-2011: 76

Total positions for FY 2011-2012: 80

Total positions for FY 2012-2013: 82

Increase/ (Decrease): FY12 - 4, FY13 - 2

IV) SPECIAL LANGUAGE

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

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

3. 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.