

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM (370)

FISCAL YEAR 2018

As enacted by Act 180 of 2017

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 administers the State Police Retirement System and the Judicial 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 APPROPRIATION

The total appropriation for FY2018 is \$915,057,234.

FUNDING SOURCE

The appropriations for APERS are funded by investment earnings and employee and employer contributions.

II) CHANGE LEVEL REQUESTS

PUBLIC EMPLOYEES RETIREMENT OPERATIONS (Appropriation 2QR)

This appropriation is funded by employee and employer contributions and investment earnings and provides for the operating costs of the agency. Total appropriation for FY2018 is \$142,050,285, an increase of \$32,500 from base level. Change levels include increases to Capital Outlay for purchase of modular office furniture to reorganize business processes and for equipment to administer the new pension system.

PUBLIC EMPLOYEES RETIREMENT CASH (Appropriation C22)

This appropriation is funded by employee and employer contributions and investment earnings and provides payments to beneficiaries by direct deposit. The total appropriation is \$650,000,000, an increase of \$150,000,000 over base level, to accommodate greater demand of payment via direct deposit.

III) ADDITIONAL POSITIONS (Total Authorized Positions FY2017 : 82)

Total Authorized Positions FY2018: 82

Total Base Level Positions: 82

Increase / (Decrease): 0

Extra Help Positions FY2018: 6 (Base Level Extra Help: 6)

IV) SPECIAL LANGUAGE

JUDICIAL RETIREMENT FUND TRANSFERS: Allows a maximum of \$60,050 for FY2018 to be transferred from Judges Retirement Fund to the Arkansas Public Employees Retirement System Fund for costs incurred managing the Judicial Retirement System. Transfer is subject to approval by Chief Fiscal Officer of the State.

STATE POLICE RETIREMENT FUND TRANSFERS: Allows a maximum of \$110,687 for

FY2018 to be transferred from the State Police Retirement Fund to the Arkansas Public Employees Retirement System Fund for costs incurred managing the State Police Retirement System. Transfer is subject to approval by Chief Fiscal Officer of the State.

EXEMPTION FROM PRIOR REVIEW: Exempts agency from seeking prior review from Arkansas Legislative Council for transfers between the Benefits line item in Public Employees Retirement Cash Fund Appropriation and the Benefits-Non-Employee line item in the Public Employees Retirement Operations Appropriation. Transfers are necessary to accommodate retirees' change in preference for method of payment.

SPECIAL STATE POLICE RETIREMENT FUND TRANSFERS: Allows a maximum of \$50,000 to be transferred from the State Police Retirement Fund to the Arkansas Employees Retirement Fund for costs associated with the new pension administration system. Includes a provision that the transfer shall sunset at the end of fiscal year. Transfer is subject to approval by Chief Fiscal Officer of the State.

SPECIAL JUDICIAL RETIREMENT FUND TRANSFERS: Allows a maximum of \$50,000 to be transferred from the Judicial Retirement Fund to the Arkansas Public Employees Retirement Fund for costs associated with the new pension administration system. Includes a provision that the transfer shall sunset at the end of fiscal year. Transfer is subject to approval by Chief Fiscal Officer of the State.

***LANGUAGE TO BE DELETED* ESTABLISHMENT OF A TEMPORARY "POSITION POOL":** Authorizes agency to hire up to ten, temporary C117 level positions, at a base pay of \$32,249, to implement the new pension administration system. All positions will sunset by end of fiscal year 2017, and the temporary nature of the positions will be clearly disclosed in hiring materials.

Revised: April 2017