

APPROVED MAY 11, 2020

# EXHIBIT C

## MINUTES

### JOINT COMMITTEE ON PUBLIC RETIREMENT AND SOCIAL SECURITY PROGRAMS

Wednesday, December 18, 2019

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The Joint Committee on Public Retirement and Social Security Programs met Wednesday, December 18, 2019, at 8:00 a.m., Room MAC B, Little Rock, Arkansas.

**Committee members present:** Senators Bill Sample, Co-Chair; Eddie Cheatham, Blake Johnson, Greg Leding, Larry Teague, and Kim Hammer. Representatives Les Warren, Chair; Harlan Breaux (alternate), Andrew Collins (alternate), Lanny Fite (alternate), Grant Hodges, Douglas House, John Maddox, Tippi McCullough (alternate), Mark Perry, and Stu Smith

**Other legislators present:** Senators Linda Chesterfield, Fred Allen, Dan Douglas, Kenneth Ferguson, Julie Mayberry (alternate), Ron McNair, Johnny Rye, and Danny Watson

Senator Sample called the meeting to order.

#### **Consideration of Motion to Approve the September 5, 2019, through November 5, 2019, Meeting Meetings [Exhibits C1-C11]**

Senator Cheatham made a motion to approve the meeting minutes of September 5, 2019, through November 5, 2019. The motion was seconded by Representative House, and without objection, the motion carried.

#### **Consideration of Rule Change (Rule 214-1997 (5) – Deferred Retirement Option Plan (DROP) Provisions) [Exhibit D]**

**Mr. Duncan Baird, Executive Director, Arkansas Public Employees Retirement System (APERS), Allison Woods, Director Benefits Administration, APERS, and Laura Gilson, Chief Legal Counsel, APERS,** were recognized. Mr. Baird briefly discussed Rule 214-1997, Deferred Retirement Option (DROP) Provisions. He stated APERS is amending the rule to comply with Act 624 of 2019, which states:

*In accord with Act 624 of 2019, a member who participates in the Deferred Retirement Option Plan (DROP) is not required to separate from service at the end of seven (7) years following entry into the DROP if it would prevent that member from taking or holding office as a popularly elected official. That member will not forfeit their DROP balance if they separate from service as provided under § 24-4-520 after that member leaves elected office.*

*The DROP balance of a popularly elected official who does not separate service after seven (7) years of participation pursuant to Act 624 of 2019 shall remain with APERS until they separate from service. At that time, the member's DROP balance shall be distributed according to APERS Rules regarding distribution.*

*That DROP balance shall not accrue interest while being held by APERS pursuant to this Rule.*

*A member who does not separate service after seven (7) years of DROP participation pursuant to Act 624 of 2019 shall have their monthly APERS retirement annuity benefit paid to begin when the member separates from service as provided under § 24-4-520.*

*The employer of the popularly elected official shall continue to make the same employer contributions on behalf of the popularly elected official as it would have been required to make for a rehired retiree.*

Representative House made a motion to consider Rule 214-1997, as reviewed. The motion was seconded by Representative Stu Smith, and without objection, the motion carried.

There being no further business, the meeting adjourned at 8:10 a.m.