

## **Title 24. Retirement and Pensions**

### **Chapter I. Arkansas Public Employees' Retirement System**

#### **Subchapter A. Generally**

#### **Part 1. Official Rules of the Board of Trustees of the Arkansas Public Employees' Retirement System**

##### **Subpart 1. Administration**

###### **24 CAR § 1-101. Disclosure of information.**

(a) Disclosure of information from Arkansas Public Employees' Retirement System records and meetings shall be open to the public as provided by:

- (1) Arkansas Code § 25-19-101;
- (2) Arkansas Code § 21-12-203; and
- (3) Other applicable law.

(b) The Executive Director of the Arkansas Public Employees' Retirement System shall seek the advice of the Attorney General when necessary regarding release of information as provided herein.

(c) No information on a member's record will be given to any individual or agency except under the following conditions:

(1) The individual member may request information on his or her own account by coming to the system office in person or by requesting such information in writing; or

(2) Any person other than the member may receive information on the individual member's account by furnishing the system with a signed, notarized statement from such individual member asking that such information be given to the named third party.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"101 – 1957 (5) – Disclosure Of Information (as amended in 1987 and May 1998)"

**24 CAR § 1-102. Expense reimbursement for members of the board.**

(a)(1) In accordance with Acts 1995, No. 1211, the Board of Trustees of the Arkansas Public Employees' Retirement System does hereby authorize expense reimbursement for board members to attend all regular and special meetings of the board and its committees.

(2) Such reimbursement shall not exceed the rate established for state employees by state travel rules.

(3) Board members shall not be paid a stipend.

(b) The board does hereby delegate to the Executive Director of the Arkansas Public Employees' Retirement System the approval of all board travel other than travel to attend regular and special meetings of the board and its committees.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"102 – 1995 (8) – Expense Reimbursement for Members of the Board of Trustees"

**24 CAR § 1-103. Employer contribution rates.**

In accordance with the provisions of Arkansas Code § 24-2-701, the Board of Trustees of the Arkansas Public Employees' Retirement System will establish the employer contribution rate for both the state and local divisions to take effect on July 1 of each year.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"103 – 1997 (5) – Employer Contribution Rates (as amended October 2017)"

**24 CAR § 1-104. Employer reporting — Time and frequency of employer and employee contributions and the monthly report of service and earnings.**

In accordance with Acts 2015, No. 91, Arkansas Code § 24-4-202, the Board of Trustees of the Arkansas Public Employees' Retirement System hereby adopts the following requirements for employer remittances and reporting:

(1) Employer and employee contributions shall be remitted electronically with appropriate electronic reporting via COMPASS–ESS (Employer Self Service) and received by Arkansas Public Employees' Retirement System within five (5) business days after the payroll processing date;

(2) Remittances received within five (5) business days after the payroll processing date shall not be considered delinquent; and

(3) The retirement report of service and earnings, by electronic media, shall be submitted for receipt by the system on or before the fifth business day following payroll processing.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"104 – 1997 (5) – Employer Reporting – Time and Frequency of Employer and Employee Contributions and the monthly Report of Service and Earnings (as amended October 2017)"

**24 CAR § 1-105. Appeals from the executive director's determinations to**

**the board.**

Beginning with the adoption of this section, the following procedures shall be followed in any administrative appeals to the Board of Trustees of the Arkansas Public Employees' Retirement System from the Executive Director of the Arkansas Public Employees' Retirement System's determinations:

(1) **Time for appeal.** Any appeal from a determination by the executive director to the board:

(A) Shall be made in writing; and

(B) Must be received by Arkansas Public Employees' Retirement System no later than thirty (30) calendar days from the date upon which the appellant receives written notice of the executive director's determination or from the date that this section is adopted, whichever is later;

(2) **Prehearing submissions.**

(A) Any party, including the system staff, to such an appeal to the board shall cause any documentary evidence that is to be used by that party at the appeal hearing and a list of proposed witnesses to be received by the system no later than ten (10) business days before the date set for the board appeal hearing.

(B) Copies of these materials shall be furnished to all parties at that time.

(C) Failure to submit documentary evidence and a list of witnesses in a timely fashion to the system shall be a sufficient basis itself for such evidence to be excluded from consideration by the board; and

(3) **Conduct of the hearing.**

(A) In any appeal to the board, the presiding officer shall be:

(i) The chair of the board or his or her designee; or

(ii) A hearing officer appointed by the chair.

(B) The presiding officer shall determine all evidentiary objections.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of

Arkansas Rules provided as follows:

"105 – 2010 (8) – Appeals from the Executive Director’s Determinations to the Board of Trustees"

"EMERGENCY CLAUSE: It is hereby found and determined by the Board of Trustees that this rule should be effective immediately on an emergency basis pursuant to A.C.A. 25-15-204(b) because the existing lack of procedural rules governing administrative appeals from the Executive Director to the Board likely will substantially impair the prompt, just and speedy resolution of such appeals and constitutes an imminent peril to the public health, safety and welfare. Therefore, this rule shall be effective immediately upon its adoption."

**24 CAR § 1-106. Employer contributions for rehired retirees.**

(a) In compliance with Acts 2011, No. 558, when any employer covered by the Arkansas Public Employees’ Retirement System hires a system retiree into any position, that employer shall make the same employer contributions on behalf of the rehired retiree as it would have been required to make for a regular member holding the position in question.

(b) However, nothing in this section shall be taken or interpreted as authorizing or permitting the rehired retiree to obtain additional retirement credit in the system as a result of these employer contributions.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"106 – 2011 (7) – Employer Contributions for Rehired Retirees"

## **24 CAR § 1-107. Declaratory orders.**

### **(a) Purpose and use of declaratory orders.**

(1) To the extent any retirant or member of the Arkansas Public Employees' Retirement System has questions concerning the applicability of any rule, statute, or other order of the Board of Trustees of the Arkansas Public Employees' Retirement System, the retiree or member shall submit a written petition for a declaratory order to the Executive Director of the Arkansas Public Employees' Retirement System.

(2)(A) A declaratory order is a means of resolving a controversy or answering questions concerning the applicability of statutory provisions, rules, or orders over which the agency has authority.

(B) A petition for declaratory order may be used only to resolve questions as to how the statutes, rules, or orders may apply to the petitioner's particular circumstances.

(C) A declaratory order is not the appropriate means for:

(i) Determining the conduct of another person; or

(ii) Obtaining a policy statement of general applicability from the

board.

(D) A petition or declaratory order must describe the potential impact of statutes, rules, or orders upon the petitioner's interests.

(b) **The petition.** The process to obtain a declaratory order is begun by filing with the executive director a petition that provides the following information:

(1) The caption shall read: Petition for Declaratory Order Before the Arkansas State Employees Retirement System Board of Trustees;

(2) The name, address, telephone number, and facsimile number of the petitioner;

(3) The name, address, telephone number, and facsimile number of the attorney of the petitioner;

(4) The statutory provision or provisions, the board rule or rules, or the board order or orders on which the declaratory order is sought;

(5) A description of how the statutes, rules, or orders may substantially affect

the petitioner and the petitioner's particular set of circumstances, and the question or issue on which a petitioner seeks a declaratory order;

(6) The signature of the petitioner or petitioner's attorney;

(7) The date; and

(8) Request for hearing, if desired.

(c) **Board disposition.**

(1)(A) If the facts or circumstances provided in the petition are insufficient in detail to enable the board to render a declaratory order, the board has the authority to request supplemental information from the petitioner.

(B) If the supplemental information is insufficient or is not provided, the board may so state and is authorized to not render a declaratory order based upon what the board considers insufficient detail.

(C) The timeframes outlined in this section shall reset on the date the executive director receives the supplemental information.

(2)(A) The board may hold a hearing to consider a petition for declaratory statement.

(B) If a hearing is held, it shall be conducted in accordance with Arkansas Code §§ 25-15-208 and 25-15-213, and the board's rules for adjudicatory hearings.

(3) The board may rely on the statements of fact set out in the petition without taking any position with regard to the validity of the facts.

(4) Within ninety (90) days of the filing of the petition, the board will render a final order:

(A) Denying the petition; or

(B) Issuing a declaratory order.

(5)(A) The board may reconsider, withdraw, or amend a prior order upon its own motion.

(B) Written notice of the motion shall be mailed to the original petitioner at the last known address of the petitioner.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"107 – 2017 (8) – Declaratory Orders"

## **Subpart 2. Benefits**

### **24 CAR § 1-201. Age of members — How established.**

(a)(1) Effective with retirements commencing on or after July 1, 2011, proof of age must be provided by the member directly to the Arkansas Public Employees' Retirement System before a benefit can be paid.

(2) Employer certification of a member's age will not be accepted.

(b)(1) One (1) of any of the following documents shall be accepted as proof of age:

(A) Birth certificate;

(B) Baptismal or other church records issued before age five (5);

(C) United States Bureau of the Census Report issued 1920 or before;

(D) Social Security document other than application for Social Security number that states age or date of birth recognized by the Social Security Administration;

(E) A valid United States passport; or

(F) A valid Arkansas enhanced security driver's license.

(2) For the following, any combination of two (2) that agree:

(A) Marriage license;

(B) Insurance policy issued at least ten (10) years prior to current date;

(C) Family Bible;

(D) Military discharge;

(E) Child's birth certificate;

(F) Application for Social Security number; or

(G) Birth certificate issued at date when person was older than age five (5) when certified by the appropriate administering agency.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"201 – 1957 (5) – Age of Members - How Established (as amended 1969, 1994, May 2011, October 2017, and June 2019)"

**24 CAR § 1-202. Beneficiary — How changed.**

A member of the Arkansas Public Employees' Retirement System can only change a beneficiary by use of the form designated by the Board of Trustees of the Arkansas Public Employees' Retirement System to be used for such purposes.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"202 – 1957 (5) – Beneficiary – How Changed (as amended May 1998)"

**24 CAR § 1-203. Disability retirement.**

(a) Disability retirement for a member of the Arkansas Public Employees' Retirement System can be approved in one (1) of two (2) ways:

(1)(A) Before a member can be approved for disability retirement from the system, he or she must first apply and be approved by either Social Security or by the Federal Railroad Retirement Board for disability benefits.

(B) If a member is approved for disability payments, then the member

shall furnish proof to the system of such approval and the member, who is otherwise eligible under state retirement law, will automatically be approved for system benefits retroactive to the date that benefits would have become payable under law; or

(2)(A) Should the member not be approved for Social Security or for Federal Railroad Retirement Board disability payments, the member, after having been denied Social Security or Federal Railroad Retirement Board through the administrative law judge appeal level, may appeal directly to the Board of Trustees of the Arkansas Public Employees' Retirement System.

(B)(i) The member shall furnish a physician's statement or physicians' statements and other medical documentation, obtained at the member's expense, to the system Medical Review Board (MRB) for evaluation.

(ii) The MRB shall be composed of physicians approved by the Board of Trustees of the Arkansas Public Employees' Retirement System.

(iii) The results of the MRB evaluation shall be presented to the Board of Trustees of the Arkansas Public Employees' Retirement System for final consideration.

(C)(i) Members applying under Acts 1999, No. 868, shall submit copies of a physician's statement or physicians' statements and other medical documentation, obtained at the member's expense, to the MRB for evaluation.

(ii) The results of the MRB evaluation will be presented to the Board of Trustees of the Arkansas Public Employees' Retirement System for final consideration.

(b) After retirement on disability, the member will:

(1) Be reviewed by the Social Security Administration or Federal Railroad Retirement Board if receiving benefits from either agency; and

(2) Have to furnish the system with a copy of the Social Security Administration or Federal Railroad Retirement Board findings.

(c) In those instances where a disability retiree is working, determination as to whether remuneration is substantially gainful, as referenced in Arkansas Code § 24-3-208, shall be based on guidelines used by the Social Security Administration for the

Social Security Disability Insurance program.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"203 – 1957 (5) – Disability Retirement (as amended November 2012)"

**24 CAR § 1-204. Computation of benefits for members with concurrent service in the system.**

In accordance with the authority provided in Arkansas Code §§ 24-4-105(b)(1) and 24-4-521, the Board of Trustees of the Arkansas Public Employees' Retirement System has determined that benefits for members with concurrent service within the Arkansas Public Employees' Retirement System, where a portion of the service is credited at more than one-for-one (i.e., elected or public safety), shall be computed as follows:

(1) A benefit will be calculated separately for service that results in public safety and/or elected credit based on the credited service and final average salary for the entirety of that service;

(2) A benefit will then be computed for all regular service based on the regular service and final average salary for that service; and

(3) The benefit computed for each type of service will be added together to obtain the total benefit.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"204 – 1985 (2) – Computation of Benefits for Members with Concurrent Service in

APERS (as amended May 2001)"

**24 CAR § 1-205. Physical or mental incompetency.**

(a) For the purpose of approving a death-in-service benefit, a dependent child above the age of eighteen (18) will be considered mentally or physically incompetent by one (1) of the following methods:

(1) Proof that the dependent has been deemed physically or mentally incompetent by an Arkansas court of jurisdiction; or

(2) Verification by the Social Security Administration that the:

(A) Dependent is receiving disability benefits on the deceased member's Social Security account; and

(B) Benefits became effective at the time of the member's death.

(b) If neither of the above can be obtained, the dependent may appeal to the Board of Trustees of the Arkansas Public Employees' Retirement System by the following method:

(1) The dependent will furnish to the Arkansas Public Employees' Retirement System a:

(A) Description of the physical or mental impairment; and

(B) List of all physicians seen for diagnosis or treatment;

(2) The board will designate another physician by whom the dependent will be examined at the system's expense; and

(3) A written statement from the examining physician will be the basis for the decision of the board on incompetency of the dependent.

(c) The board may require verification of continuing incompetency or reexamination.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"205– 1986 (10) – Physical or Mental Incompetency"

**24 CAR § 1-206. Cancellation of retirement.**

A member may cancel his or her retirement if:

- (1) He or she notifies the Arkansas Public Employees' Public Retirement System in writing prior to the effective date of retirement; or
- (2) After the effective date, he or she may cancel by:
  - (A) Notifying the system in writing; and
  - (B) Returning the benefit payment on or before the fifteenth calendar day of the month for which he or she received his or her first benefit payment.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"207– 1992 (2) – Cancellation of Retirement"

**24 CAR § 1-207. Qualified domestic relations orders.**

(a) In accordance with Acts 1993, No. 1143, the Arkansas Public Employees' Retirement System will comply with qualified domestic relations orders (QDROs) issued by chancery courts in the State of Arkansas that meet the following conditions:

- (1) The QDRO is issued in accordance with all provisions of the model QDRO adopted by the Board of Trustees of the Arkansas Public Employees' Retirement System and approved by the Legislative Council;
- (2) The QDRO, as specified in Section 1(3)(c) of Acts 1993, No. 1143, does not require the system to provide any type or form of benefit, or pay options not otherwise available under the system, does not require the system to provide increased benefits, and does not require the payment of benefits to an alternate payee which are required

to be paid to another alternate payee under another order previously determined to be a QDRO; and

(3) The QDRO is issued on or after the effective date of Acts 1993, No. 1143.

(b) The system will review QDROs for compliance with this section and notify appropriate parties of its findings.

(c) In those instances where the alternate payee selects alternative B under Section III (DURATION OF PAYMENTS TO ALTERNATE PAYEE) of the model QDRO, the actuary will use the following guidelines in computing an equivalent benefit to be paid for the alternate payee's lifetime:

(1) The interest rate will be the valuation rate;

(2) The mortality table will be the 50/50 Table; and

(3) The age used in the computation shall be the attained age at the last birth date prior to the effective date of the QDRO.

**Authority.** Arkansas Code §§ 24-4-105, 9-18-103.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"208– 1993 (5) – Qualified Domestic Relations Orders (as amended 1994)"

**24 CAR § 1-208. Crediting reciprocal service during the same fiscal year.**

If a member has reciprocal service during the same fiscal year with both the Arkansas Teacher Retirement System and the Arkansas Public Employees' Retirement System and if, under the two (2) systems' standard methods of crediting service, the combined service amounts to more than one (1) full year of actual service, then credit shall be reduced in a manner that is most advantageous to the member (determined jointly by the Arkansas Public Employees' Retirement System and the Arkansas Teacher Retirement System) so that in any given fiscal year, actual service shall not exceed one (1) year.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"209– 1993 (8) – Crediting Reciprocal Service During the Same Fiscal Year"

**24 CAR § 1-209. Public safety credit.**

(a)(1) Public safety credit will be granted:

(A) Only to those positions delineated in Arkansas Code § 24-4-101(34);

and

(B) In the instance of police officers, only to those officers:

(i) Whose primary duty is law enforcement; and

(ii) Who are certified law enforcement officers.

(2) The police chief, in the case of a municipality, or the sheriff, in the case of a county, must certify in writing to the Arkansas Public Employees' Retirement System that the officer's primary duty is law enforcement.

(3) In addition, the officer must be certified by the Arkansas Law Enforcement Training Academy as a certified law enforcement officer or be grandfathered in as of January 1, 1978.

(b) Public safety credit will not be granted to:

(1) Civilian or temporary employees of a police department; or

(2)(A) A municipal police officer or county deputy sheriff whose primary duty

is:

(i) Jailer;

(ii) Radio dispatcher;

(iii) Bailiff; or

(iv) Probation officer.

(B) However, an officer assigned to administrative duties may still be

considered public safety if he or she meets the specific requirements of Acts 2001, No. 1616.

(c)(1) In accordance with Acts 1997, No. 485, the term "public safety member" shall not include a member whose employment as a police officer or firefighter occurred on or after July 1, 1997.

(2) If a person who is employed in a public safety member position prior to July 1, 1997, changes covered employers, he or she shall be entitled to public safety credit for any subsequent employment in a qualifying police officer or firefighter position covered by the system that occurs on or after July 1, 1997.

(3) However, if there is a break in service for a period exceeding six (6) consecutive months, he or she shall not be entitled to further public safety credit.

(d) For those civilian firefighters of the Department of the Military who only became public safety members pursuant to Acts 2011, No. 978, the employer contribution rate shall be an additional twelve percent (12%) of the affected individual's gross salary in addition to the normal employer contribution rate for the affected individual's position.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"210– 1994 (2) – Public Safety Credit (as amended May 2001 & 2011)"

**24 CAR § 1-210. Changes in final average salary benefit computation.**

If earnings reported after the date of retirement are not equal to those certified by the employer, the benefit amount will not be adjusted if the resulting increase or decrease would be three dollars (\$3.00) or less over a twelve-month period.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"211– 1995 (8) – Changes in Final Average Salary Affecting Benefit Computation"

**24 CAR § 1-211. Compliance with benefits limits imposed by Section 415 of the Internal Revenue Code.**

The following guidelines for complying with qualified plan benefit limitations imposed by I.R.C. § 415 shall be followed in accordance with Acts 1995, No. 739:

(1) Total employer financed straight life annuity payments to any retired member in any calendar year shall not exceed the dollar limit specified in I.R.C. § 415;

(2) In any calendar year in which the total straight life annuity payments otherwise payable would exceed the amount permitted under I.R.C. § 415, the actual amount paid shall be reduced by such dollar difference; and

(3) A retiree whose benefits are reduced in accordance with I.R.C. § 415, limitations in any calendar year will be retested in subsequent years in accordance with the following objectives:

(A) Assurance that the Arkansas Public Employees' Retirement System will remain in compliance with I.R.C. § 415; and

(B) The smallest acceptable cumulative adjustments are made to the benefits paid to any retired member.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** I.R.C. § 415 is codified at 26 U.S.C. § 415.

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"212– 1995 (8) – Compliance with Benefit Limits Imposed by Section 415 of the Internal Revenue Code (as amended May 1998)"

**24 CAR § 1-212. Five-year vesting.**

(a)(1) In accordance with Acts 1995, No. 1356, five-year vesting becomes effective July 1, 1997.

(2) This provision is not retroactive.

(b) In order to vest under this provision, a person must be a member of the Arkansas Public Employees' Retirement System on July 1, 1997, and have been a member for not less than ninety (90) consecutive calendar days prior to July 1, 1997, with five (5) or more years of service.

(c) If a person is a former member on July 1, 1997, with five (5) years but less than ten (10) years of service, that person must return to covered employment for a period of not less than ninety (90) consecutive calendar days after July 1, 1997.

(d) If a person is a former member on July 1, 1997, with less than five (5) years of service, that previous service will be counted toward five-year vesting provided the:

(1) Person returns to covered employment for a period of not less than ninety (90) consecutive calendar days; and

(2) Previous service has not been refunded.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"213– 1996 (2) – Five Year Vesting"

**24 CAR § 1-213. DROP provisions.**

(a) **Contributions to DROP account.**

(1)(A) For a member who has thirty (30) or more years of actual service, the

contribution shall:

(i) Be seventy-five percent (75%) of the member's computed benefit after election of a straight life or option benefit, as required by Arkansas Code § 24-4-801 et seq.; and

(ii) Include the temporary annuity, if applicable.

(B) For a member who has twenty-eight (28) years but less than thirty (30) years of actual service, the contribution shall be seventy-five percent (75%) reduced by five-tenths percent (0.5%) for each month that the DROP election precedes the date the member would complete thirty (30) years of actual service.

(2) Contributions to the account shall be increased for COLAs and ad hoc increases granted to retirees.

**(b) Interest on the DROP account.**

(1) Interest shall be credited monthly and compounded annually to the date of actual retirement.

(2) The Board of Trustees of the Arkansas Public Employees' Retirement System:

(A) Shall reevaluate the DROP interest rate annually at its regular February meeting; and

(B) May modify it by a simple majority vote without promulgating additional rules.

**(c) DROP payment methods.**

(1) The member may elect a lump sum or an annuity that concludes at the completion of twenty-five (25) years.

(2)(A) The member may select a combination of lump sum, rollover, and annuity, never to exceed the total amount of the DROP accrual.

(B) If the member elects a lump sum, the member may request that the lump sum be transferred to another qualified plan in a trustee-to-trustee transfer.

(C)(i) If the member elects a monthly annuity, the monthly amount shall remain constant for the twenty-five-year term.

(ii) That is, COLAs and ad hoc increases will not be added to this

monthly annuity and the balance in the account will not earn interest after the effective date of retirement.

**(d) Death of a DROP participant.**

(1) In the event a DROP participant dies during the period of participation, the benefit payable from the Arkansas Public Employees' Retirement System shall be determined as though the participant had separated from service and been found eligible for monthly benefits by the board on the day prior to the death, with death following immediately thereafter (per Acts 1997, No. 1052).

(2) The balance in the DROP account shall be paid to the designated beneficiary or to the member's estate if no designated beneficiary survives or is named.

**(e) Death of a retiree receiving a monthly annuity from DROP.**

(1) Upon the death of a retiree who was receiving a monthly annuity from the DROP:

(A) The DROP annuity will be treated as if it had been a straight life benefit; and

(B) The undistributed remaining balance in the DROP account, if any, will be paid to the designated beneficiary.

(2) The regular monthly retirement benefit will be treated according to the election made by the retiree at his or her entry into the DROP.

**(f) Failure to terminate covered employment within the maximum allowable time from DROP entry.**

(1) If a DROP participant fails to terminate employment within ten (10) years of entry into the DROP, the participant shall forfeit the balance in the DROP account.

(2)(A) The participant's employer shall be required to pay all contributions, with interest, that would have been paid on behalf of the member had he or she not participated in the DROP.

(B) The employer will acknowledge this requirement on the member's application for participation in the DROP.

(3)(A) However, a DROP participant also enrolled in the Arkansas Teacher Retirement System T-DROP due to reciprocal service credit shall be permitted to keep

the accrued balance on account with the Arkansas Public Employees' Retirement System until completion of the term of the Arkansas Teacher Retirement System T-DROP.

(B) No interest shall be paid on such balances.

(C) COLAs will continue to be paid.

**(g) Review of provisions.**

(1)(A) The provisions of the DROP program will be reviewed periodically, as determined to be necessary by the board.

(B) The contribution and interest rate provisions may be adjusted prospectively as the board considers such action to be actuarially appropriate.

(2) A member whose DROP participation has ceased shall not be prohibited from thereafter seeking and taking a publicly elected office that otherwise is covered under the Arkansas Public Employees' Retirement System but that member shall not be eligible to rejoin the Arkansas Public Employees' Retirement System.

**(h) DROP provisions for members called to active duty.**

**(1) Generally.**

(A)(i) A DROP participant who is called to active duty will provide the Arkansas Public Employees' Retirement System with a copy of his or her orders that will be maintained in the member's file.

(ii) A copy of the orders will be utilized to verify the date that the member is called to active duty.

(B)(i) The employer will continue to report the DROP participant on the monthly DROP report.

(ii) The employer representative will indicate that the member is on military leave.

(C) When the member is released from active duty, he or she will submit a copy of the DD214 Form or other appropriate documents to the Arkansas Public Employees' Retirement System to verify that the member has returned to covered employment, been released from active duty, or both.

**(2) Maximum participation period.**

(A) A DROP participant who is on active duty shall continue to receive his or her monthly DROP payment (which includes any benefit enhancements awarded to eligible retirees) until the maximum allowable time in the DROP has occurred or the member requests retirement and distribution of his or her DROP account, whichever occurs first.

(B)(i) If the member has participated in the DROP for at least five (5) years, he or she must:

(a) Complete a retirement application packet and DROP distribution form or forms prior to his or her departure for active duty; and

(b) Deliver the completed forms to the Arkansas Public Employees' Retirement System office along with a copy of his or her orders.

(ii) The retirement application and DROP distribution forms will be held and processed on the effective date indicated unless he or she returns to covered employment within the maximum allowable DROP term.

(C) Should the DROP member not deliver a retirement application packet and DROP distribution form or forms to the Arkansas Public Employees' Retirement System and the maximum allowable time in the DROP expires prior to the member returning to covered employment, requesting retirement, or both:

(i) The monthly DROP accrual will cease after reaching the maximum allowable time in the DROP and no additional interest will be paid;

(ii) The monthly retirement benefit will not become effective until the member files a completed retirement application and complies with applicable deadlines; and

(iii) The DROP account balance shall be distributed upon the member's filing of the required DROP distribution form or forms.

**(i) Death while on active duty.**

(1) In the event a DROP participant on active duty dies during the period of DROP participation, the benefit payable from the Arkansas Public Employees' Retirement System shall be determined as though the participant had separated from service and been found eligible for monthly benefits on the day prior to his or her

death, with death following immediately thereafter.

(2)(A) If survivor benefits are payable in accordance with Arkansas Code § 24-4-606, the surviving spouse, dependent children, or dependent parents will receive monthly benefits.

(B) The spousal benefit will be computed as if the member had elected Option B75.

(3)(A) The balance in the participant's DROP account will be adjusted to reflect a balance as if the member had chosen Option B75 upon entering the DROP.

(B) The DROP balance will then be paid to the designated beneficiaries.

**(j) Becoming eligible for DROP participation while on active duty.**

(1) If a member becomes eligible to participate in the DROP while on active duty, he or she will be placed in the plan retroactive to the date of initial eligibility providing the application is received within one (1) month of the member returning to covered employment.

(2) Such participation will also be contingent upon the necessary employee, if applicable, and employer contributions being made to the Arkansas Public Employees' Retirement System for the period of active duty prior to the employee entering the DROP.

**(k) Reemployment.**

(1) After release from active duty, should a DROP member fail to apply for reemployment or fail to accept reemployment pursuant to the provisions of 38 U.S.C. § 4312, as amended, the employer shall promptly notify the Arkansas Public Employees' Retirement System.

(2) After notice to the member and opportunity for hearing, should the Arkansas Public Employees' Retirement System determine that the member failed to apply for or accept reemployment as provided above, the Arkansas Public Employees' Retirement System shall:

(A) Determine that the member's retirement application and DROP distribution form required under maximum participation period, subdivision (h)(2)(C)(ii) of this section, are void as of the date of the member's release from active duty;

(B) Terminate payments of the deferred benefit into the member's DROP account;

(C) Deduct any payments of the deferred benefit into the member's DROP account after date of the member's release from active duty and interest thereon and pay said amount of the deferred benefit without interest thereon to the member as accumulated monthly annuity payments upon the member's filing a completed retirement application and DROP distribution forms in compliance with applicable deadlines;

(D) Not pay interest on the member's DROP account after the date of the member's release from active duty and hold said account balance pending the member's filing of the DROP distribution forms; and

(E) Pay the member's monthly retirement annuity to the member upon his or her filing a completed retirement application and in compliance with applicable deadlines.

**(I) Procedures applicable to DROP — Active duty issues.**

(1) The Executive Director of the Arkansas Public Employees' Retirement System shall:

(A) Determine all issues of interpretation or implementation of this section in regard to DROP members and active military duty; and

(B) Conduct any hearings provided for herein or required by other law.

(2)(A) If the member is not satisfied with the executive director's decision on matters that were not decided in conjunction with a hearing, the member may request that the issue be presented to the board.

(B) The board shall:

(i) Review the:

(a) Member's request for review;

(b) Record considered by the executive director; and

(c) Executive director's decision;

(ii) Afford the member the opportunity to:

(a) Present additional information or documentation; and



director to conduct further proceedings on the record on the member's allegation of procedural irregularity.

(ii) After any further proceeding by the executive director regarding any procedural irregularity, the executive director:

(a) May modify the findings and decision by reason of the additional evidence; and

(b) Shall file that evidence and any modifications, new findings, or decisions with the board.

(iii) The member may request the opportunity to make an oral presentation to the board.

(5) The board may affirm or reverse the executive director's decision or remand the case for further proceedings.

(m) **Separation from employment — Popularly elected official.**

(1)(A) In accord with Acts 2019, No. 624, a member who participates in the Arkansas Public Employees' Retirement System Deferred Retirement Option Plan (DROP) is not required to separate from service at the end of the maximum allowable time in the DROP participation following entry into the DROP if it would prevent that member from taking or holding office as a popularly elected official.

(B) That member will not forfeit their DROP balance if they separate from service as provided under Arkansas Code § 24-4-520 after that member leaves elected office.

(2)(A) The DROP balance of a popularly elected official who does not separate service after the maximum allowable time in the DROP and pursuant to Acts 2019, No. 624, shall remain with the Arkansas Public Employees' Retirement System until he or she separates from service.

(B) At that time, the member's DROP balance shall be distributed according to the Arkansas Public Employees' Retirement System rules regarding distribution.

(C) That DROP balance shall not accrue interest while being held by the Arkansas Public Employees' Retirement System pursuant to this part.

(3) A member who does not separate service after the maximum allowable time in the DROP and pursuant to Acts 2019, No. 624, shall have his or her monthly Arkansas Public Employees' Retirement System retirement annuity benefit paid to begin when the member separates from service as provided under Arkansas Code § 24-4-520.

(4) 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.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"214– 1997 (5) – DROP Provisions (as amended May 1999, May 2001, August 2003, November 2010, May 2011, November 2011, October 2017, and December 2019)"

"COLA" means cost of living adjustment.

"T-DROP" means teacher deferred retirement option plan.

**24 CAR § 1-214. Spouse's acknowledgment of benefit selection.**

(a) If a member applying for retirement selects a straight life benefit, then the member shall be required to furnish the spouse's acknowledgment of that selection on a form provided by the Arkansas Public Employees' Retirement System.

(b)(1) An application shall not be denied because a spouse refuses to sign the form.

(2) However, a proof of notice to the spouse of this benefit selection shall be placed in the member's file.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"215– 1997 (5) – Spouse’s Acknowledgment of Benefit Selection (as amended October 2017)"

**24 CAR § 1-215. Direct deposit.**

(a) Persons first receiving monthly benefits from the Arkansas Public Employees’ Retirement System on or after October 1, 1999, shall be required to participate in the electronic direct deposit program.

(b) Persons receiving monthly benefits before October 1, 1999, shall enroll in the electronic direct deposit program on or before April 1, 2000.

(c) Waivers may be granted to those persons who certify in writing that they do not have a savings or checking account.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"216– 1999 (0) – Direct Deposit"

**24 CAR § 1-216. Partial annuity withdrawal.**

(a)(1) In accordance with Acts 2001, No. 357, only years and months of service will be utilized to determine the amount of eligible service in the calculation of the PAW.

(2) The actuarial reduction to be used in computing a PAW benefit, as provided by Acts 2001, No. 357, shall be a 50/50 gender blend of the 1983 Group Annuity Mortality Table with interest at eight percent (8%) and three percent (3%) annual compounded post-retirement benefit increases.

(b) Any service purchased after a member becomes eligible for an unreduced benefit will not be included in the number of months of PAW eligibility.

(c)(1) The date a member purchases service and becomes eligible for an unreduced benefit determines the date the member is eligible for the PAW.

(2) Any service rendered in the Arkansas Public Employees' Retirement System after this date is eligible for PAW.

(d)(1) Reciprocal and credited service will be utilized to determine the date a member was eligible for an unreduced benefit.

(2) However, only actual Arkansas Public Employees' Retirement System service after the date eligible for an unreduced benefit will be used in the calculation of the number of eligible PAW months.

(3)(A) The exception is Arkansas Rehabilitation Services members as defined in Arkansas Code § 24-2-302.

(B) Arkansas Rehabilitation Services members' service in the Arkansas Teacher Retirement System will be used in the monthly benefit amount and in determining the number of months eligible for the PAW.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"218– 2001 (5) – Partial Annuity Withdrawal"

"PAW" means partial annuity withdrawal.

**24 CAR § 1-217. Establishing retirement eligibility.**

Pursuant to Acts 2005, No. 2084, it is established that twenty-eight (28) years of actual service are required for a member to be eligible for an unreduced benefit prior to age sixty-five (65) when utilizing the contributory provisions of Arkansas Code § 24-4-

1101 et seq.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"219– 2005 (5) – Establishing Retirement Eligibility"

**24 CAR § 1-218. Termination of covered employment required for retirement.**

(a) When used in the context of Arkansas Code § 24-4-520, "terminate covered employment" shall mean that the employee/employer relationship has been brought to an end and no longer exists in any form, currently or prospectively, between the Arkansas Public Employees' Retirement System (APERS) member and an APERS covered employer.

(b)(1) For elected public officials, in addition to subsection (a) of this section, "terminate covered employment" includes complying with state law requirements for vacating their office.

(2) A retiring elected public official together with the local official responsible for certifying that the public office has been vacated shall execute an affidavit on a form provided by APERS stipulating compliance with this section.

(3) This affidavit shall be filed with APERS at least thirty (30) calendar days prior to the effective date of retirement.

(c) Any prearranged agreement that the member will return to work for any participating employer in any capacity, full-time or part-time, including as a leased employee, before the expiration of the period mandated by Arkansas Code § 24-4-520(b)(1), shall create a rebuttable presumption that the member has not terminated covered employment.

(d) A retired judge's appointment to serve as a special judge in accordance with

Arkansas Constitution Amendment 80, § 13 does not constitute a failure to terminate covered employment under Arkansas Code § 24-4-520.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"220– 2009 (8) – Termination of Covered Employment Requires for Retirement (as amended January 2011 and October 2017)"

**History.** Ark. R. 2025-22 (eff. October 31, 2025)

**24 CAR § 1-219. Proof required for establishing dependency of a nonspouse for purposes of designating an Option B beneficiary.**

A member seeking to designate an adult age forty (40) or older who is not that member's spouse as an Option B beneficiary pursuant to Arkansas Code § 24-4-606(a)(4), shall establish the proposed beneficiary's dependency by furnishing proof that the member claimed the proposed beneficiary as his or her dependent upon an annual federal tax return that was filed for the period ending at least one (1) year immediately preceding the first retirement annuity payment due date.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"221– 2009 (8) – Proof Required for Establishing Dependency of a Non-Spouse of Designating an Option B Beneficiary"

**24 CAR § 1-220. Recoupment of overpayments.**

**(a) Retiree receivables.**

(1) When Arkansas Public Employees' Retirement System determines that it has overpaid a retiree for whatever reason, the retiree is to be notified by letter as soon as reasonably practicable.

(2) The next month's annuity payment shall be for the corrected amount.

(3) The retiree shall be given the following options:

(A) Repayment in one (1) lump sum;

(B) Repayment of a specific dollar amount over a number of months, the amount dependent on the amount of the overpayment in relation to the size of the monthly benefit; or

(C) Reduction of future monthly annuity payments in equal pro rata amounts until the overpayment is fully recouped.

(4)(A) In the event that the retiree disputes the fact of an overpayment, he or she shall first have the appeal considered by the Executive Director of the Arkansas Public Employees' Retirement System.

(B) If the executive director's decision is unsatisfactory, the retiree shall have the right to an appeal before the Board of Trustees of the Arkansas Public Employees' Retirement System.

(C) Contributions to the account shall be increased for COLAs and ad hoc increases granted to retirees.

**(b) Deceased retiree receivables.**

(1)(A) Upon learning of the death of a retiree, the system shall immediately cancel all future payments.

(B) Where possible, the system shall contact the bank receiving the deceased retiree's direct deposit of benefits and ask for a return of the last payment.

**(2) With surviving beneficiary.**

(A) The designated beneficiary shall be notified as soon as reasonably practicable by letter of the overpayment.

(B) The survivor shall be given the following options:

(i) Return the annuity payment or payments made after the death of the retiree in a lump sum prior to receipt of any survivor benefits; or

(ii) Reduction of the survivor's monthly benefit by a specific dollar amount over a number of months until the overpayment is fully recouped.

(3) This recoupment process shall comply with the procedures and principles used by the Social Security Administration which mandate recoupment balanced with consideration of the financial impact upon the surviving beneficiary.

**(4) With no surviving beneficiary.**

(A) The system shall send notice of overpayment to the estate of the deceased retiree.

(B) Duplicate notices of overpayment shall be sent every thirty (30) days for a maximum of ninety (90) days until response is received.

(5) In the event that no response is received, the system shall evaluate the receivable for possible abatement at the next fiscal year-end, following the Department of Finance and Administration's rules for outlawed warrants.

(6) If the system has reasonable cause to believe that the overpayment is due to criminal malfeasance, the agency shall notify the prosecuting attorney of the county where the deceased retiree last resided.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** "COLA" means cost of living adjustment.

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"222– 2017 (10) – Recoupment of Overpayments"

**Subpart 3. Membership**

**24 CAR § 1-301. Prior service.**

Verification of service, including wages paid and number of hours worked, for the purpose of determining eligibility for free prior service, purchase of service, or delinquent service, may be established in the following ways:

(1)(A) Certification by the payroll or personnel officer or person otherwise responsible for payroll and personnel matters of the department or agency wherein the work was performed.

(B) Acceptable for both hours worked and wages;

(2)(A) Certification by the department or immediate supervisor under whom the employee actually worked.

(B) Acceptable for hours worked only;

(3)(A) Any documentary proof in the possession of the individual.

(B) May be acceptable for hours and/or wages depending on nature of proof.

(C) Acceptability will be determined by the Arkansas Public Employees' Retirement System; and

(4)(A) Notarized statements by two (2) co-workers.

(B) Acceptable for hours worked only.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"301– 1957 (5) – Prior Service (as amended 1994)"

**24 CAR § 1-302. County employees' representative.**

(a) The county clerks shall be and are hereby designated as the county employees' representative for the transaction of all business with the Board of Trustees of the Arkansas Public Employees' Retirement System.

(b) All business with county officials and employees shall be channeled through the county clerk's office.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"302 – 1959 (5) – County Employees' Representative"

**24 CAR § 1-303. Requirement for membership in system.**

(a) In accordance with Arkansas Code § 24-4-101(17), the Board of Trustees of the Arkansas Public Employees' Retirement System has final power to determine who is eligible for participation in the Arkansas Public Employees' Retirement System.

(b) Accordingly, all persons appearing on any covered employer's payroll (regular, temporary, or extra help) shall become members of the system as a condition of employment except as follows:

(1) Persons employed for a period of less than ninety (90) consecutive calendar days shall be excluded from membership;

(2)(A) Persons who are employed for a period of more than ninety (90) consecutive calendar days, but who do not qualify as full-time employees, shall be excluded from membership.

(B) A person shall be considered a full-time employee if the person works at least eighty (80) hours per month during a period of ninety (90) consecutive calendar days.

(C)(i) The eighty-hour requirement shall not apply to school division employees.

(ii) A school division employee shall be considered qualified if that person works at least one-half (1/2) of the time required by a full-time person employed in the position during a period of ninety (90) consecutive calendar days; and

(3)(A) Persons whose rate of pay does not constitute employment that is substantially gainful shall be excluded from membership.

(B) For purposes of this section, rate of pay is equal to monthly earnings reported to the system divided by the hours worked during the report month.

(C) A rate of pay of less than the federal minimum wage for the year in question shall not be considered substantially gainful.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"303 – 1965 (7) – Requirement for Membership in System (as amended May 2001)"

**24 CAR § 1-304. Membership eligibility for police officers and firefighters.**

(a)(1) A municipality which begins participation in Arkansas Public Employees' Retirement System after July 1, 1981, cannot enroll police officers or firefighters in Arkansas Public Employees' Retirement System.

(2) Those positions are covered by the provisions of Acts 1981, No. 364, which established the Arkansas Local Police and Fire Retirement System (LOPFI).

(b)(1) Municipalities that were participating in Arkansas Public Employees' Retirement System as of July 1, 1981, and who were reporting police officers and firefighters to Arkansas Public Employees' Retirement System, must continue to report police officers and firefighters to Arkansas Public Employees' Retirement System.

(2)(A) However, any municipal police department whose employees are covered by Arkansas Public Employees' Retirement System on July 1, 1997, is authorized by Acts 2001, No. 1541, to transfer those employees hired after July 1, 1997, to the Arkansas Local Police and Fire Retirement System.

(B) Such action must be taken by the governing body of the municipality

in accordance with provisions of Acts 2001, No. 1541.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"304 – 1990 (1) – Membership Eligibility for Policeman and Firemen (as amended May 2001)"

**24 CAR § 1-305. Wages for deputy tax collectors.**

(a) Fees paid to county deputy tax collectors for the collection of delinquent taxes and fees paid to deputy sheriffs in lieu of a salary shall be considered wages for retirement purposes.

(b) Service credit will be granted for any month in which the deputy tax collector or deputy sheriff works at least eighty (80) hours, provided the deputy tax collector or deputy sheriff is hired with the intent of working at least ninety (90) days.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"305 – 1991 (11) – Wages for Deputy Tax Collectors (as amended November 1995)"

**24 CAR § 1-306. Participation in the system under Acts 1995, Nos. 398 and 1292.**

(a) In accordance with Acts 1995, Nos. 398 and 1292, when the majority of employees of an entity covered by these acts elect to participate in the Arkansas Public Employees' Retirement System, the governing body of such entity shall certify such

vote to the Executive Director of the Arkansas Public Employees' Retirement System within ten (10) days after the vote by the employees.

(b) The effective date of coverage shall be either the first day of the calendar month next following receipt by the executive director of the election or the July 1 next following the receipt, as determined by the vote.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"306 – 1995 (5) – Participation in APERS Under the Provisions of Act 398 and Act 1292 (as amended May 1997)"

**24 CAR § 1-307. Participation in the system under Acts 1997, No. 76.**

(a) In accordance with Acts 1997, No. 76, if the Intergovernmental Juvenile Detention Council of the Tenth Judicial District elects, by a majority vote of the council, to participate in Arkansas Public Employees' Retirement System, the council shall certify such vote to the Executive Director of the Arkansas Public Employees' Retirement System within ten (10) days after the vote.

(b) The effective date of coverage shall be the later of July 1, 1997, or the first day of the calendar month next following receipt of the election results by the executive director.

(c) Interest on prior service purchases shall be "regular interest" as defined by the Board of Trustees of the Arkansas Public Employees' Retirement System in 24 CAR § 1-408.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of

Arkansas Rules provided as follows:

"307 – 1997 (5) – Participation in APERS Under the Provisions of Act 76 of 1997 (as amended May 2001)"

**24 CAR § 1-308. Enrollment in the system by colleges and universities.**

(a) Arkansas Code § 24-7-1002 requires certain employees of state universities, colleges, and community colleges to be enrolled in the Arkansas Public Employees' Retirement System, rather than the Arkansas Teacher Retirement System or the College Alternate Plan.

(b) Beginning November 20, 1997, those individuals first employed by the various colleges, universities, or community colleges in pay Grade 17 and below shall become members of Arkansas Public Employees' Retirement System.

(c) All members of Arkansas Public Employees' Retirement System who are promoted to a position Grade 18 and above will automatically become a member of the Arkansas Teacher Retirement System or the College Alternate Plan unless they choose to remain in the Arkansas Public Employees' Retirement System.

(d) Notwithstanding this section in effect on November 20, 1997, any employee first hired by a state college or university (other than an institution in the University of Arkansas system), after the effective date of Acts 2001, No. 765, may choose to participate in:

- (1) The Arkansas Public Employees' Retirement System;
- (2) The Arkansas Teacher Retirement System; or
- (3) An alternate plan as offered by the college or university.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"307 – 1997 (5) – Participation in APERS Under the Provisions of Act 76 of 1997 (as amended May 2001)"

**24 CAR § 1-309. Local government unit participation.**

(a)(1)(A) In accordance with Acts 1999, No. 865, rehabilitation service corporations that have acquired the status of a corporation authorized by Acts 1999, No. 880, and other local units of government as specifically defined in various sections of the Arkansas Code, may elect to participate in the Arkansas Public Employees' Retirement System.

(B) Provided, however, an entity shall not be allowed to participate if such participation would jeopardize the tax-qualified status of the plan under the Internal Revenue Code.

(2) Said election must be made by a majority vote of the governing body of each entity, or if there is no governing body, the election shall be made by the executive head of the entity.

(3) The entity shall certify the results of the election to the Executive Director of the Arkansas Public Employees' Retirement System within ten (10) days after the vote.

(4) Requests for participation shall be presented to the Board of Trustees of the Arkansas Public Employees' Retirement System for final approval.

(5) In the event the board determines there are qualification issues that must be resolved before final approval, the board shall request a review by the system's actuary, the Office of the Attorney General, or other sources as are needed.

(6) Pending review for Internal Revenue Service compliance, the effective date of coverage shall be the first day of the calendar month next following receipt of the certification or the July 1 next following the receipt, as determined by the election.

(b) Employers electing to participate under this section shall be placed in the local government division and the employer contribution rate shall be the rate for that division.

(c) Subject to the limitations contained in Section 415 of the Internal Revenue

Code, prior service may be purchased by persons employed by these participating entities in accordance with the standard purchase provisions as follows:

(1) The person is a participating employee covered under the system at the time of the purchase;

(2) The purchase does not jeopardize the tax-qualified status of the plan;

(3) The person furnishes proof, in a form required by the system, of the service and compensation received;

(4)(A) The person pays, or causes to be paid:

(i) All employee contributions at the rate and on the compensation that would have been paid had he or she been a member during that time;

(ii) All employer contributions based on the employer normal cost from the most recently completed regular annual actuarial valuation and the compensation that would have been paid had he or she been a member during that time; and

(iii) Regular interest (as defined by 24 CAR § 1-408) on the employee and employer contributions.

(B) The interest shall be computed from the date the service was rendered to the date the payment is received by the system.

(C) The person may purchase all of the service or any portion thereof in multiples of one (1) year; and

(5) The payment of funds shall be made in one (1) lump sum.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** Section 415 of the Internal Revenue Code is codified at 26 U.S.C. § 415.

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"309 – 1999 (5) – Local Government Unit Participation"

**24 CAR § 1-310. Termination of other employer participating retirement plans.**

(a) In accordance with Acts 1999, No. 884, effective July 1, 1999, employers participating in the Arkansas Public Employees' Retirement System may not establish another state-authorized retirement plan which requires employer contributions.

(b)(1) Before a participating employer may establish another state-authorized retirement plan for its employees, the employer shall submit a copy of the proposed plan and the state law or laws authorizing its creation to the Board of Trustees of the Arkansas Public Employees' Retirement System for a determination of compliance with Acts 1999, No. 884.

(2)(A) The board will provide a determination letter to the employer.

(B) If it is determined by the board, after consultation with any needed sources, that the proposed plan is not permitted under Acts 1999, No. 884, the system shall notify the employer that the plan may not be established.

(c) In accordance with Acts 2001, No. 1299, any participating employer that has established another state-authorized retirement plan before July 1, 1999, may continue to enroll new employees in that plan or successor plans.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"310 – 1999 (5) – Termination of Other Employer Participating Retirement Plans (as amended May 2001)"

**24 CAR § 1-311. Election of contributory provisions of Acts 2005, No. 2084.**

(a) All noncontributory members electing to participate in the new contributory program shall commence contribution of five percent (5%) of salary with the first payroll processing period of the ensuing effective calendar month.

(b) Members of Arkansas Public Employees' Retirement System who are called to active military duty prior to July 1, 2005, shall, upon their return to covered employment, have six (6) months within which to opt into the new contributory program.

(c) Notwithstanding the provisions of Arkansas Code § 24-4-1101(c), a noncontributory member who terminates service after December 31, 2005, but returns to covered employment in less than six (6) months, shall have the option to become contributory at the hire date.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"311 – 2005 (5) – Election of Contributory Provisions of Act 2084 of 2005"

**24 CAR § 1-312. Crediting of service and additional contributions required of local elected officials.**

(a) In compliance with Arkansas Code § 24-4-521(b)(5), a person who is employed as a local elected official covered by Arkansas Public Employees' Retirement System is eligible to receive enhanced service credit at two (2) times the regular rate of crediting service.

(b)(1) Pursuant to Arkansas Code § 24-4-521(b)(5), a person who is employed as a local elected official covered by the system must contribute an additional percentage of his or her compensation for the additional service credit that exceeds the regular rate of crediting service based on the following chart:

<b>Local Elected Officials Requirements for Additional Contributions</b>				
Contributory/Noncontributory Member Status	Beginning Service Date as Elected Official	Service Credit	Additional Employer Contributions	Additional Employee Contributions
Noncontributory	06/30/2011 or earlier	2x regular rate	0%	0%
Noncontributory (elected)	07/01/2011 or later	2x regular rate	2.5%	2.5%
Contributory	12/31/2013 or earlier	2x regular rate	0%	0%
Contributory (elected)	01/01/2014 or later	2x regular rate	2.5%	2.5%

(2) Any noncontributory local elected official who requests a refund of these contributions shall forfeit all service credit for the period represented by the refund.

(c)(1) Pursuant to Arkansas Code § 24-4-101(15)(B), a contributory member who is employed as a local elected official covered by the system shall accrue enhanced service credit on no more than ten (10) actual years of service.

(2) A noncontributory member who is employed as a local elected official covered by the system is not subject to the ten-year enhanced service credit accrual limitation under subdivision (c)(1) of this section.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"312 – 2011 (5) - Crediting of service and additional contributions required of local elected officials."

## **Subpart 4. Purchase, Refund, Repayment, Other Service**

### **24 CAR § 1-401. Proof of military service.**

(a) Any member of the Arkansas Public Employees' Retirement System claiming military service shall submit proof of:

- (1) System-covered employment immediately prior to going into military service;
- (2) Military service in the form of a DD214 or equivalent document;
- (3) Rehire by an agency subject to this act's statutory provisions within six (6) years subsequent to discharge from military service.

(b) Any member of the system desiring to purchase military service must provide proof of military service in the form of a DD214 or equivalent document.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"401 – 1957 (10) – Proof of Military Service (as amended 1987)"

### **24 CAR § 1-402. Repayment of refunded contributions.**

Repayment of refunded contributions by a member to reestablish forfeited service must be made in the Arkansas Public Employees' Retirement System in one-year increments, subject to the following conditions:

- (1) Service credit will be restored to the member's retirement account as each year's full payment is received by the Arkansas Public Employees' Retirement System;
- (2)(A) Full payment must be made before a member, or his or her survivor, makes application for monthly benefits.

(B) The interest applied to such purchases shall equal the actuarially assumed rate of return during the period of original service; and

(3) A person not a member of the Arkansas Public Employees' Retirement System, but who is a member of another retirement system and eligible for reciprocal agreement coverage (Acts 1965, No. 488, as amended), will be considered a member for the purpose of repurchasing service credit under this section.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"402 – 1986 (10) – Repayment of Refunded Contributions"

**24 CAR § 1-403. Purchase of military service credit.**

(a) Military service credit eligible for purchase under Arkansas Code § 24-2-502 shall include active duty and active duty for training.

(b) Provided, however, active duty for training shall not include:

- (1) Summer camp;
- (2) Weekend drills; or
- (3) Other duty with a duration of less than thirty (30) consecutive days.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"403 – 1991 (5) – Purchase of Military Service Credit"

**24 CAR § 1-404. Contributions for military service credit.**

In those instances where federal law requires that a member receive credit in the Arkansas Public Employees' Retirement System for service and earnings that the

member would have received had the member not been called to active military duty, the employer shall be required to pay the employer contributions that would have been due for the earnings to be credited.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"404 – 1991 (11) – Purchase of Military Service Credit"

**24 CAR § 1-405. Purchase of service credit for time lost due to workers' compensation injury.**

In accordance with the provisions listed below, an active member of Arkansas Public Employees' Retirement System may purchase time lost due to a workers' compensation injury:

(1) The member makes a written request to the system to purchase the service;

(2)(A) The member provides documentation from the employer and the Workers' Compensation Commission that time was lost due to a workers' compensation injury.

(B) Documentation must include a statement by the employer of the exact amount of time lost by month;

(3) The Executive Director of the Arkansas Public Employees' Retirement System determines that there is sufficient documentation and that all other requirements of Arkansas Code § 24-4-516 have been met; and

(4) The member pays or causes to be paid in a lump sum the cost of the purchase as determined by the system in accordance with Arkansas Code § 24-4-516.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"405 – 1995 (5) – Purchase of Service Credit for Time Lost Due to Workers Compensation Injury (as amended May 1998)"

**24 CAR § 1-406. Purchase of service credit for state service under a federal grant.**

In accordance with the provisions listed below, a person who is or was a member of the Arkansas Public Employees' Retirement System may purchase credit for state service under a federal grant:

(1) The member makes a written request to the system to purchase the service;

(2) The member provides documentation from the state agency receiving the service and the appropriate federal agency of the:

(A) Time of the service; and

(B) Amount the person was paid by month;

(3) The Executive Director of the Arkansas Public Employees' Retirement System determines that:

(A) There is sufficient documentation; and

(B) All other requirements of Arkansas Code § 24-4-517 have been met;

and

(4)(A) The member pays or causes to be paid in a lump sum the cost of the purchase as determined by the system in accordance with Arkansas Code § 24-4-517.

(B) The member may purchase all of the service, subject to the maximum stated in the act, or any portion thereof in multiples of one (1) year.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"406 – 1995 (5) – Purchase of Service Credit for State Service Under a Federal Grant (as amended May 1998)"

**24 CAR § 1-407. Direct transfer of eligible rollover distributions.**

As permitted by Internal Revenue Service regulations issued October 19, 1995, Arkansas Public Employees' Retirement System will accept eligible rollover distributions from tax-qualified retirement plans under the following conditions:

- (1) The proceeds from the rollover distribution must be used to:
  - (A) Purchase eligible service credit in the system; or
  - (B) Repay a refund and thereby reestablish forfeited service;
- (2) If the former plan is a defined contribution plan, that plan must permit such rollover; and
- (3)(A) The exact source of all funds involved in the rollover must be identified by the former plan.
  - (B) That is, after tax employee contributions, pretaxed contributions, and source (employee or employer), or earnings on contributions.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"407 – 1996 (2) – Direct Transfer of Eligible Rollover Distributions"

**24 CAR § 1-408. Regular interest.**

(a) In accordance with Arkansas Code § 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, shall be the actuarially assumed rate of return as adopted by the Board of Trustees of the Arkansas Public Employees' Retirement System from time to time.

(b) Unless otherwise directed by the board, the change in the level of regular interest shall become effective on the first day of the calendar year.

(c) Any commitment already in active payment status at that time, wherein the Arkansas Public Employees' Retirement System has received at least one (1) installment payment, shall remain at the rate previously established by the board.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"408 – 1997 (5) – Regular Interest (as amended May 2001, November 2014)"

**24 CAR § 1-409. Purchase of out-of-state or federal service credit.**

(a)(1) Pursuant to Acts 2005, No. 2021, permissible purchases of out-of-state public employment shall include service that, had it been performed in Arkansas, would typically be covered by other state public retirement systems, such as teacher, law enforcement, and judiciary time.

(2) Such purchases shall be irrevocable once completed.

(b) Establishment of out-of-state service purchases must be documented through the submission of a completed Arkansas Public Employees' Retirement System form certified by the former out-of-state employer.

(c)(1) Pursuant to Acts 2005, No. 2091, permissible purchases of federal public employment must have adequate documentation of actual employment.

(2) Service as a contractor, or other activity not otherwise covered for federal retirement benefits, is not eligible for purchase.

(3) Federal service purchases must be documented through the submission of a completed Arkansas Public Employees' Retirement System form certified by the

former federal employer.

(d) Out-of-state or federal service purchases will be strictly credited as actual service in the Arkansas Public Employees' Retirement System.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"409 – 2005 (5) – Purchase of Out-Of-State or Federal Service Credit"

**24 CAR § 1-410. Purchase of Arkansas National Guard or armed forces reserve service credit.**

(a) Under Arkansas Code § 24-2-503, members of the Arkansas Public Employees' Retirement System are eligible to purchase service credit for time served in the Arkansas National Guard or armed forces reserve.

(b)(1) A copy of the Form DD214, or other authorized military document, is utilized to document active duty (IADT, AD).

(2) All other Arkansas National Guard service (inactive duty training (IDT), annual training (AT), and active duty for training (ADT)) must be documented with a copy of NGB Form 23 or other authorized military document.

(c)(1) Annual salary is defined as fiscal year salary that is reported from July of one year to June of the next year.

(2) A full year of credited service is defined as fiscal year which is from July of one year to June of the next year.

(d)(1) Interest used in the calculation for the purchase of service credit under Arkansas Code § 24-2-503 shall be applied at the same rate as for the purchase of service credit by a member for time served in the United States Armed Forces under Arkansas Code § 24-2-502.

(2) When the final average of the three (3) highest annual salaries earned at

the time of purchase are utilized, interest will be calculated from the end of the most recent year of credited service to the date of payment in full.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** "AD" means active duty.

"IADT" means initial active duty training.

"NGB" means National Guard Bureau.

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"410 – 2005 (5) – Purchase of AR National Guard or Armed Forces Reserve Service Credit"

## **Subpart 5. District Judge Members**

### **24 CAR § 1-501. Policy.**

(a) It is declared to be the state's public policy that district judges and former municipal judges may retire or be retired when that course appears to be in the best interest:

- (1) Of the official concerned; and
- (2) For the public welfare.

(b) Factors to be considered for retirement are:

- (1) Physical disability;
- (2) Advanced age; or
- (3) Other infirmities calculated to materially impair the conduct of judicial duties.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"601 – 2009 (5) – Policy"

**24 CAR § 6-502. Definitions.**

As used in this subpart:

(1) "Actual service" means service credit beginning January 1, 2005, in the former Arkansas District Judge Retirement System and service credit beginning July 1, 2007, in the Arkansas Public Employees' Retirement System;

(2) "Average annual salary" means the average of the last three (3) years' salary ending with the most recent year;

(3) "Board" means:

(A) The Board of Trustees of the Arkansas Public Employees' Retirement System after June 30, 2007; and

(B) The Board of Trustees of the Arkansas District Judge Retirement System for the period beginning January 1, 2005, through June 30, 2007;

(4) "District judge" means:

(A) A district judge in office on December 31, 2004, who was covered under Arkansas Code § 24-8-801 et seq.; or

(B) A district judge elected to office on or after January 1, 2005, through June 30, 2007;

(5) "Municipal judge retirement fund" means a local municipal judge and clerk retirement fund established by a local government under Arkansas Code § 24-8-301 et seq., Arkansas Code § 24-8-401 et seq., or Arkansas Code § 24-8-501 et seq.;

(6) "Purchased service" means service credited for retirement purposes on or before December 31, 2004, in a municipal judge retirement fund;

- (7) "System" means the Arkansas Public Employees' Retirement System; and
- (8) "Total service" means the sum of actual service and purchased service.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"602 – 2009 (5) – Definitions"

**24 CAR § 1-503. Annual actuarial valuation and monetary distributions.**

(a) An actuarial valuation shall be made annually to determine if the division allocated to Arkansas District Judge Division of Arkansas Public Employees' Retirement System is meeting the financial objectives of state-supported retirement systems.

(b) The provisions of this section are contingent upon and shall only remain in effect if the disbursement of fine revenues continues under the law as it existed on July 16, 2003.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"603 – 2009 (5) – Annual Actuarial Valuation and Monetary Distributions"

**24 CAR § 1-504. Membership generally.**

(a) If elected or appointed to office, all district judges shall participate in the:

(1) Arkansas District Judge Retirement System beginning January 1, 2005, through June 30, 2007; and

(2) Arkansas Public Employees' Retirement System thereafter.

(b)(1) A district judge who is covered by the Arkansas Public Employees' Retirement System on December 31, 2004, will continue to be covered by the Arkansas Public Employees' Retirement System on January 1, 2005.

(2) The successor judge of that district court shall be covered by the Arkansas District Judge Retirement System for the period January 1, 2005, through June 30, 2007, and by Arkansas Public Employees' Retirement System thereafter.

(c)(1) Any former municipal judge who is eligible to receive a retirement benefit for service as municipal judge as provided by law before July 16, 2003, and any former municipal judge who is receiving a retirement benefit as provided by law for service as municipal judge shall:

(A) Participate during the period from January 1, 2005, through June 30, 2007, in the Arkansas District Judge Retirement System; and

(B) Have his or her benefits administered by the Arkansas District Judge Retirement System during that period.

(2) Any former municipal judge who is eligible to receive a retirement benefit for service as municipal judge as provided by law before July 16, 2003, and any former municipal judge who is receiving a retirement benefit as provided by law for service as municipal judge shall:

(A) Participate in the Arkansas Public Employees' Retirement System beginning July 1, 2007; and

(B) Have his or her benefits administered by the Arkansas Public Employees' Retirement System thereafter.

(3) A surviving spouse of a municipal judge who is eligible to receive a survivor's benefit as provided by law on December 31, 2004, and any surviving spouse of a municipal judge who is receiving a retirement benefit as provided by law shall:

(A) Participate on and after January 1, 2005, in the Arkansas District Judge Retirement System and have his or her benefits administered by the Arkansas District Judge Retirement System until June 30, 2007; and

(B) Participate in the Arkansas Public Employees' Retirement System beginning July 1, 2007, and have his or her benefits administered by the Arkansas

Public Employees' Retirement System thereafter.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"604 – 2009 (5) – Membership Generally"

**24 CAR § 1-505. Contribution members refund.**

(a) The contribution of each district judge member of the Arkansas District Judge Retirement System shall be five percent (5%) of each member's annual salary for service rendered on or after January 1, 2005.

(b) If a district judge ceases to be a member prior to qualifying for retirement benefits, the judge may be refunded all contributions paid by the judge into the system.

(c)(1) For purposes of deferring federal and state income tax and pursuant to the provisions of 26 U.S.C. § 414(h)(2), as adopted by Arkansas Code § 26-51-414, the governmental entity that pays the salary of the judge shall pick up the member's contributions to the system:

(A) As required by this section; and

(B) That are payable on or after January 1, 2005.

(2)(A) Member contributions paid by the applicable governmental entity shall be paid from the same source of funds used for the payment of salary to a member.

(B) A deduction equal to the amount of the member's contribution paid by the employer shall be made from each member's salary.

(3) For all other purposes, member contributions paid by the applicable governmental entity shall be considered member contributions.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"605 – 2009 (5) – Contributions Members Refund"

**24 CAR § 1-506. Contributions by governmental entity.**

(a)(1) As employer, the governmental entity that pays the salary of a district judge shall make contributions to the Arkansas Public Employees' Retirement System as a percent of the salary of the active district judge based on the most recent actuarial cost report.

(2) These contributions will begin January 1, 2005.

(b)(1) If any participating public employer fails to file the retirement report with the system by the date established by the Board of Trustees of the Arkansas District Judge Retirement System, the system shall impose a penalty of one hundred fifty dollars (\$150) for each time the report is late.

(2) A statement of the penalty shall be sent to the participating employer.

(3) If the penalty is not received by the last business day of the month in which the report was due, then the system shall cause the amount to be transferred from any moneys due the participating public employer from the Treasurer of State as provided in Arkansas Code § 19-5-106(a)(5).

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"606 – 2009 (5) – Contributions Government Entity"

**24 CAR § 1-507. Additional funding retirement benefits.**

(a) The governmental entity that has established a local municipal judge's

retirement fund shall be required to contribute an amount of money that represents the actuarially determined accrued liability for those judges and former judges who are covered by the local fund on December 31, 2004.

(b) The assets in the local municipal judge retirement fund, not to exceed the amount in subsection (a) of this section, shall have been paid to the Arkansas District Judge Retirement System on January 1, 2005.

(c) If the local municipal judge retirement fund does not have sufficient money available to pay the amount determined in subsection (a) of this section to the system on January 1, 2005, then the remaining amount of actuarially determined accrued liability shall be paid to the system on or before December 31 each year after for up to the next thirty (30) years based on a thirty-year amortization period.

(d)(1) If the amount in the municipal judge retirement fund is greater than the actuarially determined amount of the liabilities to be transferred to the system, that excess may be retained by the sponsoring governmental entity for the sole purpose of paying the retirement benefits of district judges.

(2) If at any time in the future an obligation to fund the system no longer exists, then any excess shall be retained by the sponsoring governmental entity.

(e)(1) The accrued benefit used to determine the accrued liability under this section shall be determined by:

(A) Calculating the benefit that the judge would be eligible to receive on December 31, 2004, as provided by law before July 16, 2003, if the judge was eligible to begin receiving benefits on January 1, 2005; and

(B) Multiplying the amount in subdivision (e)(1)(A) of this section by the number of years of eligible service and then dividing by the greater of either the number of years of service needed to be eligible to retire or the current years of eligible service.

(2) The service years shall be determined under the law before July 16, 2003.

(f) The accrued benefit determined under subsection (e) of this section for any retiree or surviving spouse who is receiving benefits on December 31, 2004, shall be the amount that he or she is receiving or entitled to receive on that date.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"607 – 2009 (5) – Additional Funding Retirement Benefits"

**24 CAR § 1-508. Contributions — Cessation upon maximum benefit eligibility.**

When a district judge has sufficient service in the Arkansas District Judge Retirement System to qualify for the maximum benefit provided by this part, no further contributions are required.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"608 – 2009 (5) – Contributions – Cessation Upon Maximum Benefit Eligibility"

**24 CAR § 1-509. Actual service requirement.**

(a) Benefits under this part shall be based on actual service in the:

- (1) Arkansas District Judge Retirement System beginning January 1, 2005; and
- (2) Arkansas Public Employees' Retirement System beginning July 1, 2007.

(b)(1) Eligibility for benefits shall be based on actual service in the Arkansas District Judge Retirement System and on actual service in the Arkansas Public Employees' Retirement System plus the equivalent service purchased from the Municipal Judge and Clerk Retirement System as of January 1, 2005.

(2) This section is not intended to decrease the benefits earned or increase the

eligibility requirements for members who were participants in a local plan, as authorized by law, prior to January 1, 2005.

(3) The benefits earned and those eligibility requirements shall transfer to the Arkansas District Judge Retirement System and to the Arkansas Public Employees' Retirement System following the abolishment of the Arkansas District Judge Retirement System.

(c) Any laws permitting the purchase of nonvested service or providing free credited service shall not apply.

(d) The provisions of Arkansas Code §§ 24-2-501 and 24-2-502, concerning free and purchased credited service, shall not apply.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"609 – 2009 (5) – Actual Service Requirement"

**24 CAR § 1-510. Eligibility for benefits — Retirement generally.**

Any district judge shall be eligible for a retirement benefit if the judge has served at least:

- (1) Twenty (20) years of total service upon reaching age fifty (50);
- (2) Sixteen (16) years of total service upon reaching age sixty (60); or
- (3) Eight (8) years of total service upon reaching age sixty-five (65).

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"610 – 2009 (5) – Eligibility for Benefits – Retirement Generally"

**24 CAR § 1-511. Eligibility for benefits — Early retirement.**

(a) Any member of the Arkansas District Judge Division of the Arkansas Public Employees' Retirement System who has eight (8) years or more of actual service in the Arkansas Public Employees' Retirement System, including service in the former Arkansas District Judge Retirement System, may elect to retire and receive retirement benefits at any time after reaching age sixty-two (62) and before reaching age sixty-five (65).

(b) The retirement benefits of a member electing to retire before age sixty-five (65) with less than sixteen (16) years of actual service shall be reduced:

- (1) Six percent (6%) for each full year; and
- (2) Proportionately for any part of a year that the judge retires before reaching age sixty-five (65).

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"611 – 2009 (5) – Eligibility for Benefits – Early Retirement"

**24 CAR § 1-512. Eligibility for benefits — Disability retirement.**

(a) Any member of the Arkansas District Judge Division of the Arkansas Public Employees' Retirement System who has served a minimum of five (5) consecutive years as a member of the Arkansas Public Employees' Retirement System (including service in the former Arkansas District Judge Retirement System, if any), shall receive retirement benefits if any incapacitating disability as determined by the Board of Trustees of the Arkansas Public Employees' Retirement System shall occur during any term for which the judge has been elected.

(b)(1) A judgment of disability shall not be granted by the board unless the board is reasonably assured of a judge's permanent physical or mental incapacity to perform the duties of the judicial office.

(2) The board shall act only upon proper certification of incapacity by two (2) or more physicians.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"612 – 2009 (5) – Eligibility for Benefits – Disability Retirement"

**24 CAR § 1-513. Retirement and survivors' benefits generally.**

(a) The retirement benefits to be paid an eligible and qualified member or retiree under this part shall be the sum of subdivisions (a)(1) and (2) of this section:

(1) Two and five-tenths percent (2.5%) of the average annual salary multiplied by the number of years of actual service; and

(2) The accrued benefit from the municipal judge retirement funds as of December 31, 2004, that was purchased and defined under 24 CAR § 1-507.

(b) The benefit in subsection (a) of this section shall not exceed eighty percent (80%) of the average annual salary.

(c)(1) Survivors' benefits shall be fifty percent (50%) of the amount of the retirement benefits of an active district judge or a judge who has retired under the provisions of a local plan before January 1, 2005.

(2) Upon the death of an active district judge who has served at least three (3) years, the judge's survivors shall receive a sum equal to fifty percent (50%) of the retirement benefits provided in subsection (a) of this section.

(3) Survivors' benefits shall be payable as follows:

(A) If the deceased judge is survived by a spouse to whom the judge was

married for not less than one (1) year and with whom the judge was living at the time of death, and if the decedent is not survived by any minor child or children, then the spouse shall draw for life or until remarriage a sum equal to fifty percent (50%) of the benefits provided in subsection (a) of this section;

(B)(i) If the decedent is survived by both an eligible spouse and minor children, then one-half (1/2) of the survivors' benefits shall be paid to the spouse for life or until remarriage.

(ii) The other one-half (1/2) of the survivors' benefits shall be paid to the guardian of the minor children during the period of minority.

(iii) When all of the children cease to be minors, then the survivors' benefits paid to the minor children shall be paid to the spouse;

(C) If the deceased judge is not survived by an eligible spouse but is survived by minor children, then the survivors' benefits under subsection (a) of this section shall be payable to the guardian of the minor children during the period of minority; and

(D) If a surviving spouse who is receiving survivors' benefits under this section remarries and the benefits are discontinued and the surviving spouse again becomes unmarried, benefits provided in this section for the spouse shall be resumed.

(d) As used in this section, "average annual salary" means the average of the last three (3) years' salary ending with the most current year.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"613 – 2009 (5) – Retirement and Survivor's Benefits Generally"

**24 CAR § 1-514. Eligibility for benefits — Deferred vested retirement.**

(a) Any member of the Arkansas District Judge component of the Arkansas Public

Employees' Retirement System who has served a minimum of eight (8) years of service, including any service in the former Arkansas District Judge Retirement System, shall be eligible for a deferred vested retirement benefit.

(b) This deferred vested benefit is accrued under 24 CAR § 1-513 and is payable beginning on the first of the month after the member has reached age sixty-five (65).

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"614 – 2009 (5) – Eligibility for Benefits – Deferred Vested Retirement"

**24 CAR § 1-515. Restrictions on benefits.**

(a)(1) This part is complementary.

(2) However, no person may take benefits under two (2) or more sections at the same time.

(b) Retirement and survivors' benefits shall be measured by the average annual salary under 24 CAR § 1-513(d).

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"615 – 2009 (5) – Restrictions on Benefits"

**24 CAR § 1-516. Redetermination of benefits.**

(a) The provisions of this section shall apply only to benefits provided for members of the Arkansas District Judge Retirement System for service rendered between January

1, 2005, and July 1, 2007, and service rendered in the Arkansas Public Employees' Retirement System thereafter.

(b)(1) Each July 1, the Arkansas District Judge Retirement System shall redetermine the amount of each monthly benefit that has been payable by the Arkansas District Judge Retirement System for at least twelve (12) full calendar months.

(2) The redetermined amount shall be payable for the following twelve (12) calendar months.

(c) The redetermined amount shall be the amount of benefit payable as of the immediately preceding July 1 increased by three percent (3%).

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

616 – 2009 (5) – Redetermination of Benefits"

**24 CAR § 1-517. Limitation on benefit enhancement.**

(a) No enhancement of benefits under 24 CAR § 1-513 shall be implemented if it would cause the Arkansas District Judge Retirement System's unfunded actuarial accrued liabilities to exceed a thirty-year amortization.

(b) No enhancement of benefits under 24 CAR § 1-513 shall be implemented by the Arkansas District Judge Retirement System if it has unfunded actuarial liabilities being amortized over a period exceeding thirty (30) years until the unfunded actuarial liability is reduced to a level less than the standards prescribed by Arkansas Code § 24-1-101.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of

Arkansas Rules provided as follows:

"617 – 2009 (5) – Limitation on Benefit Enhancement"

**24 CAR § 1-518. Reciprocal systems.**

(a) The Arkansas District Judge Retirement System is a reciprocal system under Arkansas Code §§ 24-2-401 – 24-2-404.

(b) There is no reciprocal service with the local municipal judge retirement systems before January 1, 2005.

(c) In establishing eligibility for a benefit from the Arkansas District Judge Retirement System, the credited service:

(1) Under all reciprocal systems shall be totaled; and

(2) Shall be used in determining eligibility for an Arkansas District Judge Retirement System benefit.

(d) In determining the amount of a benefit from the Arkansas District Judge Retirement System, only the credited service under the Arkansas District Judge Retirement System and the benefit formula of the Arkansas District Judge Retirement System shall be used.

(e) Whenever the Arkansas District Judge Retirement System provides a benefit amount that is not dependent on length of credited service, the benefit amount shall be reduced to the proportion that Arkansas District Judge Retirement System credited service bears to total reciprocal system-credited service.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"618 – 2009 (5) – Reciprocal System"

**24 CAR § 1-519. Termination required for retirement.**

(a) A member must terminate covered employment to be eligible for retirement.

(b) A member is not terminated from employment for retirement purposes if the person returns to a position that would otherwise be covered within one hundred eighty (180) days of the person's effective date of retirement.

(c) Persons failing to meet termination requirements shall forfeit their benefits until the requirements are met.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"619 – 2009 (5) – Termination Required for Retirement"

**24 CAR § 1-520. Benefit provisions — Subjection of annuity right to process of law.**

(a)(1) The right of a person to an annuity, to the return of accumulated contributions, the annuity itself, any annuity option, any other right accrued or accruing under the provisions of this subpart, and all moneys belonging to a plan shall not be subject to:

- (A) Execution;
- (B) Garnishment;
- (C) Attachment;
- (D) The operation of bankruptcy or insolvency laws; or
- (E) Any other process of law.

(2) The rights described in subdivision (a)(1) of this section shall not be assignable except:

(A) When a qualified domestic relations order has been filed pursuant to Arkansas Code § 9-18-101 et seq.; or

(B) As specifically provided in this part.

(b) An employer shall have the right of setoff for any claim arising from embezzlement by, or fraud of, a member, retirant, or beneficiary.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"620 – 2009 (5) – Benefit Provisions – Subjection of Annuity Right to Process of Law"

**24 CAR § 1-521. Adjustment of erroneous payments.**

(a)(1) If any change or error in the records of the Arkansas District Judge Division of the Arkansas Public Employees' Retirement System or any audit of a member's annuity calculations results in any person's receiving more or less than the person is entitled to receive had the records or the calculations been correct, the Board of Trustees of the Arkansas Public Employees' Retirement System shall correct the error and adjust the payment in accordance with this part so that the actuarial equivalent of the benefit to which the person was correctly entitled is paid.

(2) However, no monthly adjustment of less than one dollar (\$1.00) shall be made.

(b) If an overpayment is determined, any subsequent payments shall be adjusted to the correct amount.

(c) If an underpayment is determined, regardless of the date of the determination, the Arkansas Public Employees' Retirement System shall pay in a lump sum to the person the total of any underpayments made prior to the date of determination, and any subsequent payments shall be adjusted to the correct amount.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"621 – 2009 (5) – Adjustment of Erroneous Payments"

**24 CAR § 1-522. Incorporation of the Board of Trustees of the Arkansas District Judge Retirement System’s rules.**

The Board of Trustees of the Arkansas District Judge Retirement System’s rules are incorporated into this part by reference.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"622 – 2009 (5) – Incorporation of the Arkansas District Judges Retirement System’s Board Rules"

**24 CAR § 1-523. No waiver of sovereign immunity.**

Nothing contained in this part shall be taken as a waiver of sovereign immunity.

**Authority.** Arkansas Code § 24-4-105.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"623 – 2009 (5) – No Waiver of Sovereign Immunity"