ASPRS
ARKANSAS STATE POLICE
RETIREMENT SYSTEM

Member Handbook

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Business hours are from 8:00 a.m. to 5:00 p.m. Monday - Friday.

Call hours from 8:00 a.m. to 4:30 p.m. Monday - Friday.

Website
www.apers.org

Mailing Address
APERS
124 West Capitol Ave, Suite 400
Little Rock, AR 72201

Telephone
(501) 682-7800
(800) 682-7377

Office Location
124 West Capitol Ave, Suite 400
Little Rock, AR 72201

**When you submit any written correspondence to the system, please include your full name, both printed and signed, your member ID number, and your complete mailing address.*

Mission

To deliver secure retirement benefits and exceptional service to our members.

Core Values

- Accountability
- Professionalism
- Excellence
- Respect
- Service

Social Media

About the System

ASPRS
ARKANSAS STATE POLICE
RETIREMENT SYSTEM

ABOUT THE SYSTEM

Name of Plan: The Arkansas State Police Retirement System (ASPRS)

Type of Plan: ASPRS is a governmental defined benefit plan, qualified under Section 401(a) of the Internal Revenue Code.

Plan Year: The plan year is July 1 through June 30.

Administrator of the Plan: Arkansas Public Employees' Retirement System (APERS) staff

Funding:

Members of ASPRS are non-contributory. The Department of Public Safety contributes 26% of the employee's salary to the system. There is a provision that allows for the transfer of monies from the excess Insurance Premium Tax collected to the system. Monies received are invested by the Arkansas Public Employees' Retirement System (APERS) to pay future benefits to members, beneficiaries, and survivors.

Board of Trustees

The general administration and responsibility for the operation of the retirement system and the making of rules and regulations under which the retirement system is operated is vested in a Board of Trustees (Board) composed of seven members.

The seven board members are:

1. One active member or retiree enrolled in the Tier One benefits program;
2. One active vested member enrolled in the Tier Two benefits program;
3. One state police commissioner who will be appointed by the Governor;
4. The Chief Fiscal Officer of the State or his or her designee;
5. Three citizens at large who are appointed by the Governor and who shall have no interest, direct or indirect, in the Arkansas State Police.

The election of member trustees is governed by rules adopted by the Board of Trustees. The regular term of office for member trustees will be seven years.

Board Powers and Duties

The Board will hold meetings regularly, at least one (1) in each quarter year, and will designate the time and place of the meetings. Special meetings may be held in accordance with rules as adopted by the board.

The Board responsibilities include but are not limited to:

- Adopting rules deemed necessary for the transaction of business and administration of the system.
- Managing and providing oversight to the Executive Director in the performance of his or her duties.
- Providing for independent actuarial valuation of the assets and liabilities of ASPRS at least one time in each four year period.
- Adopting mortality and other tables of experience and rates of regular interest that are required for the proper operation of the system.
- Performing the duties of trustee without additional compensation other than expense reimbursement.
- Doing any and all things necessary for the proper administration of the system and for carrying out and making effective the provisions of applicable law.

Current Board Members

Capt. Kyle Drown, Chair

Capt. Scott Joe, Vice Chair

Mr. John Allison, State Police Commissioner

Ms. Denise Bugos, Citizen at Large

Mr. Donny Underwood, Citizen at Large

Mr. Andy Babbit, Chief Fiscal Officer

Determination Process

The system staff must administer the retirement plan according to the applicable laws and rules that govern the system. Sometimes staff must inform members, survivors, or beneficiaries that they are not eligible to receive benefits or to receive the benefit amount they desire. In these cases, staff will provide members with a written notice that states the reason for that decision.

If you, as a member disagrees with a decision made by staff, you can request an additional review. The system has a three-level determination process for resolution:

1. Reconsideration by Staff/Staff Determination
2. Executive Director Determination
3. Board Administrative Appeal

Reconsideration by Staff

If you, as a member disagree with the staff determination, you can submit a request for reconsideration describing the reason(s) you disagree. Management of the Benefits Administration division will reconsider the initial determination. You must submit a written request no later than 30 days from the date you receive the initial determination.

Executive Director Determination

If the staff upholds the initial determination, you can submit a request to the Executive Director for a determination. You must submit a written request for a determination no later than 30 days from the date you receive the reconsideration determination.

Board Appeal

If the Executive Director upholds the management of Benefits Administration's determination, you can submit an administrative appeal to the Board. You must submit this appeal no later than 30 calendar days from the date you receive written notice of the Executive Director's determination. For an administrative appeal to the Board, you must submit evidence and a list of proposed witnesses no later than 10 business days before the date set for the appeal hearing.

Disclosure of Information

Member information, which is compiled for the purpose of providing retirement benefits, cannot be disclosed to anyone other than you or your authorized representative.

Penalty

In addition to any other felony prosecution and penalties under Arkansas law, a person who knowingly makes a material false statement or who materially falsifies or permits to be materially falsified any records of ASPRS in an attempt to defraud the system as the result of that act upon conviction is guilty of a class D felony.

Disclaimer

This handbook includes general information about ASPRS programs and benefits and does not represent or include every law and/or rule that governs ASPRS. In the event of a conflict or ambiguity with Arkansas law or administrative rules, the law and rules will govern. ASPRS laws and policies affecting members are subject to change from time to time. The Arkansas General Assembly, U. S. Congress, federal agencies, and the ASPRS Board of Trustees may change how benefits are calculated and affect other rights of members. Any benefit projection or information provided by ASPRS is subject to future law or policy, as applicable. Prior versions of the ASPRS handbook cannot be relied upon for the same reasons. It is each member's responsibility to confirm their benefit options directly with APERS, the administrator of ASPRS. **Federal law and policy, state law and policy, ASPRS records and documents, and accurate data always govern the final determination of member's benefits and rights. An error by APERS does not create any common law rights on behalf of the member. Member's rights are solely governed by the rights set forth in law and policy applicable to ASPRS.**

TIER ONE

ASPRS
ARKANSAS STATE POLICE
RETIREMENT SYSTEM

TIER ONE Membership and Service

ASPRS
ARKANSAS STATE POLICE
RETIREMENT SYSTEM

MEMBERSHIP AND SERVICE

Membership

State troopers, the Director of the Arkansas State Police, and in certain circumstances the Secretary of the Department of Public Safety, are members of ASPRS as a condition of employment. Other persons employed by the Arkansas State Police are members of another state retirement system, APERS.

If you leave employment with Arkansas State Police for any reason (including death or retirement), you will stop accruing credit as an active member. If later you return to employment as a state police officer, having not yet retired, you will begin accruing additional service credit as an active member of the system.

Service Credit Under Tier One

- Service credit is earned each month that you work.
- Five years of actual service is required to be eligible for future benefits.
- Working 15 days in a month equals one month of service credit.
- 10 months worked in a calendar year equals an actual full year of service credit.
- Non-contributory Tier One service is credited at 1 ½ the regular rate for the purpose of computing your benefit amount. You must have five years of actual service to be eligible for future benefits, but when you retire, your benefit will be calculated at the enhanced 1 ½ rate.

Military Service Credit

A member may purchase up to five years (60 months) of active-duty service rendered in the United States armed forces. To purchase active-duty service, you must:

- Have already earned five years of service credit with ASPRS or a reciprocal system.
- Have received an honorable discharge.
- Not have purchased the same service with another Arkansas retirement plan.

Interest will begin six months after eligibility. In other words, if you purchase active-duty military credit within six months after obtaining five years of ASPRS actual service, you will not be charged interest on your purchase.

You may also be eligible to purchase up to five years (60 months) of National Guard or armed forces reserve credit.

To purchase active-duty military service, you must submit a copy of your DD-214 or other official documents of service that furnish the beginning and ending dates of active duty, along with the characterization of your service. To purchase reserve or national guard duty service, you must submit a Retirement Points Summary (for reserves) or NGB Form 22 (for National Guard). After ASPRS reviews your paperwork, we will provide you with the cost to purchase your military service.

Reciprocal Service Credit

Reciprocal service is actual service credit in two or more recognized state retirement systems. Reciprocal service is mainly used to reach eligibility to retire, but each system determines how to calculate your monthly benefit under its system.

Your service does not move from one system to another. Service remains in the system in which it is earned. When you retire, you will apply to receive benefits from each retirement system.

Types of Reciprocity

Reciprocity is classified as either "true" or "limited." True reciprocity means that we will recognize the actual service among the reciprocal systems to calculate your benefit. Reciprocal systems may, but are not required to, use the highest Final Average Compensation (FAC) between systems. You will need to contact each system that you have service with to determine benefit calculations for each system. For limited reciprocity, we will recognize the service only.

True Reciprocal Systems

Arkansas Public Employees' Retirement System (APERS), Arkansas Teacher Retirement System (ATRS), Arkansas State Highway Employees Retirement System (ASHERS), Arkansas State Police Retirement System (ASPRS), Arkansas District Judges Retirement System (ADJRS), and Arkansas Local Police and Fire Retirement System (LOPFI) are systems recognized under "true" reciprocity.

Limited Reciprocal Systems

"Limited" reciprocity applies to the Arkansas Judicial Retirement System (AJRS) and Arkansas colleges and universities with plans administered by TIAA, VALIC, and/or Fidelity.

How to Establish Reciprocity

To establish reciprocity, contact APERS, and we will provide you with the necessary form. After you sign the form, you will forward it to the reciprocal system. After all systems have completed their portion of the form, a copy will be returned to you.

TIER ONE Retirement

ASPRS
ARKANSAS STATE POLICE
RETIREMENT SYSTEM

RETIREMENT

Eligibility for Benefits-Vesting

Being vested means that you are eligible to receive a future retirement benefit from ASPRS. To be vested, you must have five years of actual service.

Eligibility for Benefits-Tier One

For a normal retirement annuity, you may voluntarily retire with 28 years of actual service, regardless of age, or at age 52 with five years of actual service with an unreduced benefit. For an early retirement annuity, you may retire once your age is within 10 years of becoming eligible for normal retirement.

If you retire early, your benefit will be reduced by ½ of 1% for each month your retirement precedes the normal retirement age.

Eligibility for Disability Benefits

To be eligible for disability benefits, you must have five years of actual service. However, the service requirement is waived if you receive Workers' Compensation for a disability arising solely and exclusively from an injury sustained in the course of your employment as a state police officer.

A member, who becomes totally and permanently disabled as a result of personal injury or for medical reasons, may be retired by the Board of Trustees. Application for disability benefits may be filed with the Board by you, or the Director of the Arkansas State Police may file on your behalf. Disability benefits will only be awarded after you receive a medical examination by a Board of Trustees approved physician.

The examination must be made by or under the direction of a board of medical professionals as defined in the rules of the Board of Trustees, using the active-duty criteria supplied by Arkansas State Police in determining the extent of the disability.

Disability Benefits-Review and Employment

The Board of Trustees requires periodic medical examinations for those under 50 years of age:

- At least one time each year during the first five years following a member's retirement due to disability.
- At least one time in every three-year period thereafter.
- The examination is to be made by or under the direction of the medical professionals designated by the Board of Trustees.

If a member, who is also a disabled retiree becomes employed and has not reached age 50, your disability pension will be reduced. The sum of your disability pension and the compensation received from your employment or occupation cannot exceed your annual rate of salary at the time of your retirement.

When you return to employment as a state trooper, your credited service at the time of retirement will be restored. If disability benefits were received as a result of injury covered by Workers' Compensation, you will be given service credit for the period you were receiving benefits.

Disability Minimum Benefit-Tier One

For Tier One members, the disability benefits will not be less than 20% of your final average compensation.

Termination Required for Retirement

To receive retirement benefits, you must terminate employment by the last day of the month prior to the effective date of your retirement.

For non-disability retirement, you may go to work after retirement for a private or non-ASPRS public sector employer without affecting your benefits.

Death Before Retirement-Tier One

If a member with five or more years of actual service dies in employer service before retirement, your survivors can receive death benefits. Survivors are a spouse, dependent children, and in certain cases, dependent parents.

Surviving Spouse

Your surviving spouse is entitled to receive an annuity (a monthly benefit). Your spouse receives a percentage of the annuity you would have received at retirement or a flat rate, whichever is greater. That percent depends on whether your spouse is caring for your dependent child(ren).

With children, your spouse receives 75% of your annuity or $1,800 annually, whichever is greater. Without children, your spouse receives 50% of your annuity or $1,200 annually, whichever is greater.

Your spouse's annuity ends upon remarriage or death.

Dependent Children

Your dependent children are entitled to receive an annuity. A child is a dependent child until they marry or reach age 23, whichever occurs first. The age 23 maximum can be extended for any child whom an Arkansas court, or the Board of Trustees of the State Police Retirement System has deemed physically or mentally incompetent.

If you have a surviving spouse who is caring for the dependent children, the children's benefits will be paid to the spouse. If no benefits are payable to a spouse, then each child receives an equal share of the greater of:

- $150 monthly, or
- 75% of the annuity the member would have received at retirement.

The annual pension payable to any such child shall not exceed 15% of the final average compensation of the deceased member.

Dependent Parents

If a member does not have a spouse or dependent children, a dependent parent is entitled to receive an annuity. The dependent parent must have been claimed as a dependent on the deceased member's federal tax return for at least one year immediately preceding the member's death. Each dependent parent will receive an equal share of 50% of the annuity you would have received at retirement.

TIER ONE Benefits

ASPRS
ARKANSAS STATE POLICE
RETIREMENT SYSTEM

BENEFITS

Applying for benefits

Benefits always become effective on the first day of the month. Benefits are paid on the fifteenth of the month, unless the fifteenth falls on a holiday or weekend, in which case the benefits will be paid on the next business day. By law, your application must be received by ASPRS at least 30 days but no more than 90 days before you wish your retirement to be effective. Applications may be submitted by postal or courier delivery, in person, or via the myASPRS portal. We do not accept faxed applications.

Benefit Formula

To calculate your benefits, ASPRS uses a benefit formula.

ASPRS Benefit Formula

Final Average Compensation (FAC) x
Plan Multiplier (1.66%) x Years of Credited

Example:

$63,116
x 1.66%
x 28 years
$29,336 annually or
$2,444 monthly

Your benefit may also be reduced by age (if you apply for early retirement) or for the annuity option chosen.

Benefits Under Tier One

Final Average Compensation

For non-contributory members under Tier One, the FAC is the average of the highest five fiscal years of compensation.

Multiplier Under Tier One

The non-contributory Tier One multiplier is 1.66%. Your annual benefit, prior to reduction for early retirement or adjustment for an annuity option, is calculated by multiplying your FAC x 1.66% x Years of Credited Service.

Temporary Annuity

Retirees who have not yet reached age 62 will receive a temporary annuity until the month of your 62nd birthday, when you have reached the minimum age to receive Social Security, calculated annually as the FAC x 0.322% x Years of Credited Service. The temporary annuity is payable only to you. Beneficiary benefits will not include the temporary annuity.

Straight Life (Automatic Survivor)

If you select the straight life annuity, monthly benefits will be paid for your lifetime. Upon your death, the following benefits will be automatic:

1. Your spouse will receive 75% of your benefit amount if he or she has care of your dependent children who were born before you retired.
2. The spousal benefit will reduce to 50% of your benefit when there are no longer any dependent children in his or her care. The benefit will be 50% from the beginning if there are no dependent children. The spousal benefit ceases if the spouse remarries. If the spouse again becomes unmarried, the benefit is reinstated.
3. If you have no eligible spouse at the time of your death, or if an eligible spouse dies or remarries, then your dependent children will each receive an equal share of 75% of your benefit amount. No one child can receive more than 25% of your benefit.

Other Annuity Options

If the survivor provisions of the straight life annuity do not meet your individual needs, you may elect to choose a different annuity option.

Option A60: You receive 96% of the straight life annuity for your lifetime. In the event of your death before you have received 60 monthly payments, your designated beneficiary, will receive the same annuity, excluding the temporary annuity, for the balance of the 60 months.

Example: Your straight life annuity is $1,000 per month, but you elect Option A60 and name a friend as your beneficiary. You will receive $960 per month for your lifetime. If you die after you have received 240 monthly payments, there will be no benefit for a beneficiary because at least 60 payments have been made.

Option A120: You receive 90% of the straight life annuity for your lifetime. Upon your death before you have received 120 monthly payments, your designated beneficiary, will receive the same annuity, excluding the temporary annuity, for the balance of the 120 months.

Example: Your straight life annuity is $1,000 per month, but you elect Option A120 and name your adult son as beneficiary. You will receive $900 per month for your lifetime. If you die after you have received only 20 monthly payments, your son will receive the same amount you were being paid for the remaining 100 payments.

Option B50: You receive 83% (adjusted up or down by ½ of 1% for each year difference in age between you and your beneficiary, but no higher than 95%) of your straight life annuity, payable for your lifetime. Upon your death, your designated beneficiary will receive 50%, excluding the temporary annuity, of the amount you were receiving at the time of death for his or her lifetime.

> **Example:** Your straight life annuity is $1,000 per month. You elect Option B50 and name your spouse, who is two years younger, as your beneficiary. You are entitled to 82% (83% minus 1% for two years' difference in age) of your straight life amount. You will receive $820 per month for your lifetime, and upon your death, your spouse will receive 50% of that amount for his or her lifetime.

Under this option, your beneficiary must be either your spouse to whom you were married for at least six months prior to retirement, or a dependent child 40 years of age or older who is claimed as a dependent on the retiree's federal tax return for at least one (1) year immediately preceding the first payment due date.

Option B75: You receive 78% (adjusted up or down by ¾ of 1% for each year difference in age between you and your beneficiary, but no higher than 90%) of the straight life annuity, payable for your lifetime. Upon your death, your designated beneficiary will receive 75%, excluding the temporary annuity, of the amount you were receiving at the time of death for his or her lifetime.

> **Example:** Your straight life annuity is $1,000 per month. You elect Option B75 and name your spouse, who is four years older, as your beneficiary. You are entitled to 81% (78% plus 3% for the four years' difference in age) of your straight life amount. You will receive $810 per month for your lifetime, and upon your death, your spouse will receive 75% of that amount for his or her lifetime.

Under this option, your beneficiary must be either your spouse to whom you were married for at least six months prior to retirement, or a dependent child 40 years of age or older who is claimed as a dependent on the retiree's federal tax return for at least one (1) year immediately preceding the first payment due date.

Changing Annuity Options

After retirement, you may be able to change your annuity option under certain conditions:

1. If you elect straight life, Option A60, or Option A120 and marry after retirement or within the six months immediately preceding retirement, you may cancel the original election and choose Option B50 or Option B75. This change must be made within 12 months following the date of marriage but not earlier than six months after that date.
2. If you elect Option B50 or Option B75, then your marital status changes due to death, divorce, or other marriage dissolution, you may change to straight life, Option A60, or Option A120, effective the month following the system's receipt of your election to change.

Proof of Age

As part of the retirement application process, you must submit proof of age for yourself (and for any Option B50 or Option B75 beneficiaries). ASPRS can accept the documents below as proof of age.

One of the following documents:

- Birth certificate issued at date of birth
- Birth certificate issued at any date before age five
- Baptismal or other church records issued before age five
- Social Security Administration (SSA) document, other than an application for a Social Security number, that states age or date of birth recognized by SSA
- A valid United States passport
- A valid Arkansas Enhanced Security Driver's License

OR

Any combination of two of the following documents, showing the date of birth, that agree:

- Marriage license which shows age or date of birth
- Insurance policy issued at least 10 years prior to the current date
- Records from family Bible
- Military discharge
- Child's birth certificate
- Application for Social Security number
- Birth certificate issued at date when the person was older than age five, when certified by the appropriate agency

Maximum Benefit Limitations

ASPRS cannot pay you an amount which would cause you to receive more than 100% of your final average compensation. However, this restriction only applies at the time of retirement, and future increases in retirement benefits may cause you to exceed the 100% limit.

Cancellation of Retirement

You may cancel your retirement by notifying us in writing before your effective date. If you do not cancel your retirement within these guidelines, your retirement is irrevocable.

Redetermination of Benefits or Cost of Living Adjustment (COLA)

Every July 1, ASPRS retirees who have been retired for at least 12 months receive a 3% Cost of Living Adjustment (COLA). This COLA also applies to those who have been participating in the Deferred Retirement Option Plan (DROP) for at least 12 months. The COLA percentage is established by law and is not set by the Board or Executive Director.

TIER ONE
Deferred Retirement Option Plan (DROP)

ASPRS
ARKANSAS STATE POLICE
RETIREMENT SYSTEM

DEFERRED RETIREMENT OPTION PLAN (DROP)

Tier One DROP

In lieu of terminating employment and accepting a service retirement pension, a Tier One member with 28 years of credited service and who is eligible to receive a service retirement pension, full or reduced, may elect to participate in the DROP.

In the DROP, you receive 100% of the monthly retirement benefit that would have been payable if you elected to cease employment and receive a service retirement pension. The funds shall be paid into your DROP account.

Interest

Interest accrual on the DROP account balance shall be at a rate set by the Board of Trustees that shall not be greater than the actuarially assumed investment rate of return for that time. Interest will be credited to the account on an annual basis.

Maximum Participation

A member may participate in the DROP for up to seven years. At the conclusion of a state trooper's participation in the plan, you will terminate employment and start receiving your monthly annuity from ASPRS. The balance of the DROP account will be paid out according to your election.

DROP Payout

When a member exits the DROP, you may elect to receive the accrued DROP account balance as a lump sum payment, a rollover to another retirement plan, a monthly annuity, or a combination of these payment methods.

If you die prior to exiting the DROP, the DROP balance will be paid to your designated beneficiary.

The funds from the DROP account are taxable when paid directly to the member. If funds are rolled over into another pre-tax retirement account, tax can be deferred until the funds are withdrawn.

TIER TWO

ASPRS
ARKANSAS STATE POLICE
RETIREMENT SYSTEM

TIER TWO Membership and Service

ASPRS
ARKANSAS STATE POLICE
RETIREMENT SYSTEM

MEMBERSHIP AND SERVICE

Membership

State troopers, the Director of the Arkansas State Police, and in certain circumstances the Secretary of the Department of Public Safety, are members of ASPRS as a condition of employment. Other persons employed by the Arkansas State Police are members of another state retirement system, APERS.

If you leave employment with Arkansas State Police for any reason (including death or retirement), you will stop accruing credit as an active member. If later you return to employment as a state trooper, having not yet retired, you will begin accruing additional service credit as an active member of the system.

Service Credit Under Tier Two

- Service credit is earned each month that you work.
- Five years of actual service is required to be eligible for future benefits.
- Working 15 days in a month equals one month of service credit.
- Service is not earned at an enhanced rate. You receive regular one year for one year service credit.

Military Service Credit

A member may purchase up to five years (60 months) of active-duty service rendered in the United States armed forces. To purchase active-duty service, you must:

- Have already earned five years of service credit with ASPRS or a reciprocal system.
- Have received an honorable discharge.
- Not have purchased the same service with another Arkansas retirement plan.

Interest will begin six months after eligibility. In other words, if you purchase active-duty military credit within six months after obtaining five years of ASPRS actual service, you will not be charged interest on your purchase.

You may also be eligible to purchase up to five years (60 months) of National Guard or armed forces reserve credit.

To purchase active-duty military service, you must submit a copy of your DD-214 or other official documents of service that furnish the beginning and ending dates of active duty, along with the characterization of your service. To purchase reserve or national guard duty service, you must submit a Retirement Points Summary (for reserves) or NGB Form 22 (for National Guard). After ASPRS reviews your paperwork, we will provide you with the cost to purchase your military service.

Reciprocal Service Credit

Reciprocal service is actual service credit in two or more recognized state retirement systems. Reciprocal service is mainly used to reach eligibility to retire, but each system determines how to calculate your monthly benefit under its system.

Your service does not move from one system to another. Service remains in the system in which it is earned. When you retire, you will apply to receive benefits from each retirement system.

Types of Reciprocity

Reciprocity is classified as either “true” or “limited.” True reciprocity means that we will recognize the actual service among the reciprocal systems to calculate your benefit. Reciprocal systems may, but are not required to, use the highest Final Average Compensation (FAC) between systems. You will need to contact each system that you have service with to determine benefit calculations for each system. For limited reciprocity, we will recognize the service only.

True Reciprocal Systems

Arkansas Public Employees’ Retirement System (APERS), Arkansas Teacher Retirement System (ATRS), Arkansas State Highway Employees Retirement System (ASHERS), Arkansas State Police Retirement System (ASPRS), Arkansas District Judges Retirement System (ADJRS), and Arkansas Local Police and Fire Retirement System (LOPFI) are systems recognized under “true” reciprocity.

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How to Establish Reciprocity

To establish reciprocity, contact APERS, and we will provide you with the necessary form. After you sign the form, you will forward it to the reciprocal system. After all systems have completed their portion of the form, a copy will be returned to you.

TIER TWO Retirement

ASPRS
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RETIREMENT SYSTEM

RETIREMENT

Eligibility for Benefits-Vesting

Being vested means that you are eligible to receive a future retirement benefit from ASPRS. To be vested, you must have five years of actual service.

Eligibility for Benefits-Tier Two

A member who has acquired five years but less than 28 years of actual service and has attained the required age may retire upon application. For a member with less than 28 years of actual service, the required age is 65 reduced by 0.75 of a month for each month of actual service, but in no event younger than 55.

For example, due to the service-based reduction in normal retirement age, a member who is 55 years of age and has 13 years and four months of actual service may retire without an age-based reduction.

A member with 28 or more years of actual service may retire at any age upon application. A member or former member who is vested for a benefit may retire early within 10 years of full benefit age.

If you retire early, your benefit will be reduced by ½ of 1% for each month your retirement precedes the normal retirement age.

Eligibility for Disability Benefits

To be eligible for disability benefits, you must have five years of actual service. However, the service requirement is waived if you receive Workers' Compensation for a disability arising solely and exclusively out of an injury in the course of your employment as a state trooper.

A member, who becomes totally and permanently disabled as a result of personal injury or for medical reasons, may be retired by the Board of Trustees. Application for disability benefits may be filed with the Board by you, or the Director of the Arkansas State Police may file on your behalf. Disability benefits will only be awarded after you receive a medical examination by a Board of Trustees approved physician.

The examination must be made by or under the direction of a board of medical professionals as defined in the rules of the Board of Trustees, using the active-duty criteria supplied by Arkansas State Police in determining the extent of the disability.

Disability Benefits-Review and Employment

The Board of Trustees requires periodic medical examinations for those under 50 years of age:

- At least one time each year during the first five years following a member's retirement due to disability.
- At least one time in every three-year period thereafter.
- The examination is to be made by or under the direction of the medical professionals designated by the Board of Trustees.

If a member, who is also a disabled retiree becomes employed and has not reached age 55, your disability pension will be reduced. The sum of your disability pension and the compensation received from your employment or occupation will not exceed your annual rate of salary at the time of your retirement.

When you return to employment as a state trooper, your credited service at the time of retirement will be restored. If disability benefits were received as a result of injury covered by Workers' Compensation, you will be given service credit for the period you were receiving benefits.

Termination Required for Retirement

To receive retirement benefits, you must terminate employment by the last day of the month prior to the effective date of your retirement annuity.

For non-disability retirement, you may go to work after retirement for a private or non-ASPRS public sector employer without affecting your benefit.

Death Before Retirement-Tier Two

If a member with five or more years of actual service dies in employer service before retirement, your survivors can receive death benefits. Survivors are a spouse, dependent children, and in certain cases, dependent parents.

Surviving Spouse

Your surviving spouse, who was married to you for at least six months immediately preceding your death, is entitled to receive an annuity (a monthly benefit). Your spouse's annuity is the greater of 10% of your covered compensation or the amount provided for a beneficiary under Option B75 (explained in the discussion of annuity options in the Benefits section of Tier Two on page 34). This annuity will be paid to your spouse so long as they have care of your dependent children.

If there are no dependent children or after such children no longer meet the dependency requirement, then your spouse will be eligible for the benefit according to the following:

- If you had 20 years of actual service or were eligible for a normal (unreduced) age and service benefit, your surviving spouse will begin receiving a lifetime benefit immediately upon your death.
- If you had 15 years of actual service but had not reached age 65, your spouse's annuity will begin at age 50 and will continue until either remarriage or death.
- If you had 5 years, but less than 15 years of actual service, your spouse is eligible for a benefit at age 62. The annuity will be paid until either remarriage or death.

Dependent Children

Your dependent children are entitled to receive an annuity. A child is a dependent child until they marry or reach age 23, whichever occurs first. The age-23 maximum can be extended for any child whom an Arkansas court, or the Board of Trustees of the State Police Retirement System has deemed physically or mentally incompetent.

If you had one or two dependent children, each child receives the greater of:

- An equal share of $150 monthly, or
- 10% of your covered compensation

If you had three or more dependent children, each child receives the greater of:

- An equal share of $150 monthly, or
- An equal share of 25% of your covered compensation

Dependent Parent

If you left neither a surviving spouse nor any dependent children, then each parent claimed as a dependent on your federal tax return for at least one year immediately preceding your death will receive 10% of your covered compensation.

TIER TWO
Benefits

ASPRS
ARKANSAS STATE POLICE
RETIREMENT SYSTEM

BENEFITS

Applying for benefits

Benefits always become effective on the first day of the month. Benefits are paid on the fifteenth of the month, unless the fifteenth falls on a holiday or weekend, in which case the benefits will be paid on the next business day. By law, your application must be received by ASPRS at least 30 days but no more than 90 days before you wish your retirement to be effective. Applications may be submitted by postal or courier delivery, in person, or via the myASPRS portal. We do not accept faxed applications.

Benefit Formula

To calculate your benefits, ASPRS uses a benefit formula.

ASPRS Benefit Formula

Final Average Compensation (FAC) x
Plan Multiplier (2.65%) x Years of Credited

	$63,116
	x 2.65%
Example:	x 12 years
	$20,070 annually or
	$1,672 monthly

Your benefit may also be reduced by age (if you apply for early retirement) or for the annuity option chosen.

Benefits Under Tier Two

Final Average Compensation

For members under Tier Two, the FAC is the average of the highest four fiscal years of compensation.

Multiplier Under Tier Two

The Tier Two multiplier is 2.65%. Your annual benefit, prior to reduction for early retirement or adjustment for an annuity option, is calculated by multiplying your FAC x Years of Credited Service x 2.65%.

Temporary Annuity

Retirees who have not yet reached age 62 will receive a temporary annuity until the month of your 62^{nd} birthday, when you have reached the minimum age to receive Social Security, calculated annually as the FAC x Years of Credited Service x 0.513%. The temporary annuity is payable only to you. Beneficiary benefits will not include the temporary annuity.

Annuity Options

Straight Life: If you choose the straight life annuity, you will receive a monthly annuity for your lifetime only. No benefits will be paid to a survivor or beneficiary.

Option A60: You receive 96% of the straight life annuity for your lifetime. In the event of our death before you have received 60 monthly payments, your designated beneficiary, will receive the same annuity, excluding the temporary annuity, for the balance of the 60 months.
Option A120: You receive 90% of the straight life annuity for your lifetime. In the event of your death before you

Example: Your straight life annuity is $1,000 per month, but you elect Option A60 and name a friend as your beneficiary. You will receive $960 per month for your lifetime. If you die after you have received 240 monthly payments, there will be no benefit for a beneficiary because at least 60 payments have been made.

have received 120 monthly payments, your designated beneficiary, will receive the same annuity, excluding the temporary annuity, for the balance of the 120 months.

Example: Your straight life annuity is $1,000 per month, but you elect Option A120 and name your adult son as beneficiary. You will receive $900 per month for your lifetime. If you die after you have received only 20 monthly payments, your son will receive the same amount you were being paid for the remaining 100 payments.

Option B50: You receive 83% (adjusted up or down by ½ of 1% for each year difference in age between you and your beneficiary, but no higher than 95%) of your straight life annuity, payable for your lifetime. Upon your death, your designated beneficiary will receive 50%, excluding the temporary annuity, of the amount you were receiving at the time of death for his or her lifetime.

Example: Your straight life annuity is $1,000 per month. You elect Option B50 and name your spouse, who is two years younger, as your beneficiary. You are entitled to 82% (83% minus 1% for two years' difference in age) of your straight life amount. You will receive $820 per month for your lifetime, and upon your death, your spouse will receive 50% of that amount for his or her lifetime.

Under this option, your beneficiary must be either your spouse to whom you were married for at least six months prior to retirement, or a dependent child 40 years of age or older who is claimed as a dependent on the retiree's federal tax return for at least one (1) year immediately preceding the first payment due date.

Option B75: You receive 75% (adjusted up or down by ¾ of 1% for each year difference in age between you and your beneficiary, but no higher than 90%) of the straight life annuity, payable for your lifetime. Upon your death, your designated beneficiary will receive 75%, excluding the temporary annuity, of the amount you were receiving at the time of death for his or her lifetime.

> **Example:** Your straight life annuity is $1,000 per month. You elect Option B75 and name your spouse, who is four years older, as your beneficiary. You are entitled to 78% (75% plus 3% for the four years' difference in age) of your straight life amount. You will receive $780 per month for your lifetime, and upon your death, your spouse will receive 75% of that amount for his or her lifetime.

Under this option, your beneficiary must be either your spouse to whom you were married for at least six months prior to retirement, or a dependent child 40 years of age or older who is claimed as a dependent on the retiree's federal tax return for at least one (1) year immediately preceding the first payment due date.

Changing Annuity Options

After retirement, you may be able to change your annuity option under certain conditions:

1. If you elect straight life, Option A60, or Option A120 and marry after retirement or within the six months immediately preceding retirement, you may cancel the original election and choose Option B50 or Option B75. This change must be made within 12 months following the date of marriage but not earlier than six months after that date.
2. If you elect Option B50 or Option B75, then your marital status changes due to death, divorce, or other marriage dissolution, you may change to straight life, Option A60, or Option A120, effective the month following the system's receipt of your election to change.

Proof of Age

As part of the retirement application process, you must submit proof of age for yourself (and for any Option B50 or Option B75 beneficiaries). ASPRS can accept the documents below as proof of age.

One of the following documents:

- Birth certificate issued at date of birth
- Birth certificate issued at any date before age five
- Baptismal or other church records issued before age five
- Social Security Administration (SSA) document, other than an application for a Social Security number, that states age or date of birth recognized by SSA
- A valid United States passport
- A valid Arkansas Enhanced Security Driver's License

OR

Any combination of two of the following documents, showing the date of birth, that agree:

- Marriage license which shows age or date of birth
- Insurance policy issued at least 10 years prior to the current date

- Records from family Bible
- Military discharge
- Child's birth certificate
- Application for Social Security number
- Birth certificate issued at date when the person was older than age five, when certified by the appropriate agency

Maximum Benefit Limitations

ASPRS cannot pay you an amount which would cause you to receive more than 100% of your final average compensation. However, this restriction only applies at the time of retirement, and future increases in retirement benefits may cause you to exceed the 100% limit.

Cancellation of Retirement

You may cancel your retirement by notifying us in writing before your effective date. If you do not cancel your retirement within these guidelines, your retirement is irrevocable.

Redetermination of Benefits or Cost of Living Adjustment (COLA)

Every July 1, ASPRS retirees who have been retired for at least 12 months receive a 3% Cost of Living Adjustment (COLA). This COLA also applies to those who have been participating in the Deferred Retirement Option Plan (DROP) for at least 12 months. The COLA percentage is established by law and is not set by the Board or Executive Director.

TIER TWO
Deferred Retirement Option Plan (DROP)

ASPRS
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RETIREMENT SYSTEM

DEFERRED RETIREMENT OPTION PLAN (DROP)

Tier Two DROP

In lieu of terminating employment and accepting a service retirement pension, a Tier Two member with 28 years of actual service and who is eligible to receive a service retirement pension may elect to participate in the DROP.

In the DROP, effective July 1, 2025, you receive 100% of the monthly retirement benefit that would have been payable had you elected to cease employment and receive a service retirement pension. The funds shall be paid into your DROP account.

Interest

Interest accrual on the DROP account balance shall be at a rate set by the Board of Trustees that shall not be greater than 5% nor less than 1% per annum as determined by the Board from time to time as promulgated by rule. Interest will be credited to the account on an annual basis.

Maximum Participation

A member may participate in the DROP for up to seven years. At the conclusion of a state trooper's participation in the plan, you will terminate employment and start receiving your monthly annuity from ASPRS. The balance of the DROP account will be paid out according to your election.

DROP Payout

When a member exits the DROP, you may elect to receive the accrued DROP account balance as a lump sum payment, a rollover to another retirement plan, a monthly annuity, or a combination of these payment methods.

If you die prior to exiting the DROP, the DROP balance will be paid to your designated beneficiary.

The funds from the DROP account are taxable when paid directly to the member. If funds are rolled over into another pre-tax retirement account, tax can be deferred until the funds are withdrawn.

Claims Against Benefits

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CLAIMS AGAINST BENEFITS

This section identifies the circumstances that may result in the loss of benefits for you or beneficiaries including denial, ineligibility, forfeiture, suspension, offset, reduction, or recovery and how to request a reconsideration of the loss.

Normally, retirement benefits that you accrue cannot be taken away from you through legal processes such as garnishment and bankruptcy. These benefits include your right to an annuity, a refund of contributions, a monthly annuity, an annuity option, or any other right or benefit.

Under certain circumstances, the system may reduce or take away benefits from you or your beneficiaries. These circumstances include:

- Erroneous payments
- Failure to terminate
- Embezzlement or fraud
- Unlawful killing of a member
- Court-ordered child support payments
- Qualified Domestic Relations Orders

Erroneous Payments

A change or error in the system's records or an audit of benefit calculations may result in members receiving more or less than they were entitled to receive. If the system identifies an error, it must correct the error and adjust future payments to the correct amount. The error could result in an overpayment or an underpayment.

Overpayments

The system has the right to recover any overpayment that it makes. To recover the overpayment, the system must determine the overpayment and will notify you of the overpayment.

When the system decreases the annuity amount, it will notify you in writing about the decrease and of the right to appeal the determination.

Underpayments

When the system determines that you have received an underpayment, it will pay the total of the underpayments to you in a lump sum.

Failure to Terminate

The "Eligibility for Benefits" section describes the termination required to be eligible for retirement benefits. When retirees fail to meet termination requirements, they lose their benefits. They cannot begin receiving annuity payments again until they satisfy all requirements for terminating.

The failure to meet termination requirements does not cancel your retirement election.

Employer Embezzlement or Fraud

Employers have the right to take away benefits when members, retirees, or beneficiaries have embezzled from or defrauded their employer.

Unlawful Killing of a Member

When a court determines that a beneficiary unlawfully killed a member or retiree, that beneficiary loses the right to benefit payments. The system may also suspend benefit payments when a beneficiary is charged with the unlawful killing, pending the outcome. In either case, the system must notify the beneficiary that it will not pay benefits. This notice must also inform the beneficiary of the right to request a waiver and the applicable deadlines.

If a court reverses a conviction on appeal, the system can then pay benefits. Otherwise, the system must refund the member contributions to the member's estate if a backup beneficiary does not exist.

Court Ordered Child Support Payments

If a court determines that you are willfully refusing or failing to support your minor dependent child(ren) in violation of a court order providing for their support, the court may order that your benefit be reduced to meet your child support obligations.

Qualified Domestic Relations Orders

A Qualified Domestic Relations Order (QDRO) is a court order that creates or recognizes the existence of an alternate payee's right to receive, or assigns to an alternate payee the right to receive, all or a part of the benefits payable to a participant under a retirement plan.

An alternate payee cannot be anyone other than a spouse, former spouse, child, or other dependent of a participant. A vested member's benefit can be subject to a QDRO in the event of divorce. A model form of the QDRO in the acceptable format for ASPRS is available on our website www.apers.org/asprs.

A QDRO does not require ASPRS to provide any type or form of benefit, or pay options not otherwise available under the Plan, does not require the Plan 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.

Glossary of Terms

ASPRS
ARKANSAS STATE POLICE
RETIREMENT SYSTEM

GLOSSARY OF TERMS

Actual Service- The calendar time of employment which is credited in state retirement systems as determined by law. This can include purchased military service credit.

Annuity- An amount payable from funds of the system throughout the life of a person. Otherwise known as a pension or retirement benefit.

Annuity Options- Alternatives enabling a member to name a beneficiary to receive a monthly benefit upon the member's death.

Beneficiary- Any person who is designated by a member to receive a monthly benefit or a lump sum refund upon the member's death.

Covered Compensation- The member's salary reportable to the system on an annual basis.

Credited Service- The amount of service credit earned by a member in state retirement systems through employment or by the purchase of military service and used to compute a retirement annuity.

Disability- An illness or injury which mentally or physically renders a person unable to perform his or her duties with the Arkansas State Police.

Early Retirement- An annuity decreased in amount due to retiring prior to normal retirement age.

Final Average Compensation (FAC)- Under the non-contributory provisions of Tier One, an average of the highest five fiscal years of earnings. Under Tier Two, an average of the highest four fiscal years of earnings.

Fiscal Year- The uniform period between one annual balancing of financial accounts and the next. For Arkansas and ASPRS, the fiscal year begins July 1 and ends June 30.

Member- An employee whose employment automatically makes him or her a member of ASPRS. Upon a member's retirement or death, he or she ceases to be a member.

Normal Retirement Age- The age at which you are eligible for retirement with full (unreduced) benefits.

Retiree- A former member who is receiving an annuity by reason of having been a member.

Survivor- A spouse, child, or parent who, as a result of a member's death, is designated by law to receive a benefit.

System- Arkansas State Police Retirement System.

Tier One- The retirement provisions in effect for all members employed prior to April 3, 1997.

Tier Two- The retirement provisions for all members hired on or after April 3, 1997, and for those members of Tier One who elected to transfer to Tier Two.

Vested- Entitled to receive a monthly annuity upon attaining a specified age, with five years of actual service.

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