

State



of Arkansas

HIGHWAY DEPARTMENT

P. O. BOX 2261



LITTLE ROCK, 72203

April 12, 1968

The Honorable Kelly Bryant  
Secretary of State  
State Capitol  
Little Rock, Arkansas

Dear Mr. Bryant:

Supplemental to the filing of rules and regulations of the Board of Trustees of the Arkansas State Highway Employees Retirement System in compliance with the Arkansas Administrative Procedure Act, the following action by the Board is transmitted for incorporation in the regulations.

The regular quarterly meetings of the Board will be held in the afternoon of the second Wednesday of the first month in each calendar quarter.

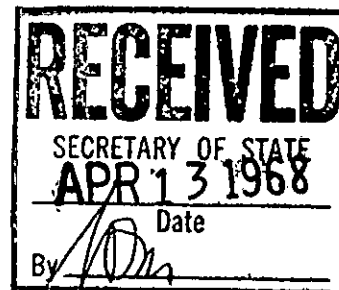
Very truly yours,

A handwritten signature in cursive script, reading "J. T. Beavers".

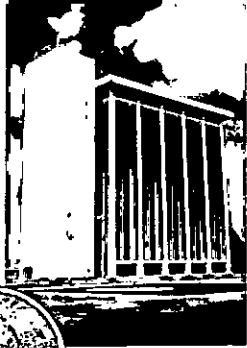
J. T. Beavers, Executive Secretary  
Employees Retirement System

JTB:pk

cc-Mr. J. T. Pendergrass  
Chairman, Board of Trustees



State



of Arkansas

HIGHWAY DEPARTMENT

P. O. BOX 2261

LITTLE ROCK, 72203

October 12, 1967

Honorable Kelly Bryant  
Secretary of State  
State of Arkansas  
State Capitol Building  
Little Rock, Arkansas

Dear Mr. Bryant:

The Arkansas State Highway Employees Retirement System was established by Act 454 of 1949. Under this Act and amendatory Acts 403 of 1953, 126 of 1961, 494 of 1963 and 254 of 1967, the Board of Trustees is charged with the responsibility for administration of the System.

As matters not covered in the statutes are encountered, the Board establishes policies governing how such matters are to be administered. All actions of the Board establishing rules or policy are set forth on the attached pages, in compliance with Act 434 of 1967.

Very truly yours,

A handwritten signature in cursive script, reading "J. T. Beavers".

J. T. Beavers, Executive Secretary  
Board of Trustees

JTB:pk  
Attachment

cc-Members, Board of Trustees

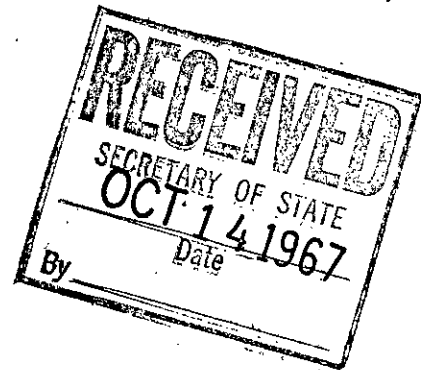
ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

April 18, 1950

POLICY

The following shall be the policy in determining the highest five years compensation in computing a member's annuity:

The five consecutive years are not calendar years nor need they be continuous. The allowable periods of service are joined together in chronological order to secure the indicated total of consecutive years, that is, consecutive as regards the individual in each case. Periods of separation, if any, are eliminated from the computation. For example, if an employee's break in employment totals two years in a seven-year period, the average salary for the five service years remaining would be used.



The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

April 18, 1950

POLICY

The following shall be the Board policy for election of employee members of the Board:

1. A memorandum shall be prepared over the signature of the Board of Trustees and mailed to each member of the System on or about May 15th notifying them of the fact that an employee Trustee is to be elected during the month of June. It is further recommended that a nominating ballot somewhat in the form of a postal card be mailed out with the memorandum and that all members be urged to carefully consider the qualifications of the employees whose names are placed in nomination.
2. It is further my recommendation that the Board authorize the appointment of a committee of employees of the System who shall act as judges of the election. Following the tabulating of the nominating ballots, it is recommended that a ballot be mailed to each member which shall list the names of the two (2) members who received the greatest number of nominating ballots and that they then be asked to vote for one for Trustee. The same committee of judges would then be called upon to canvas these ballots and the person receiving the greatest number of ballots would be elected to a two (2) year term.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

June 24, 1953

POLICY

Reinstatement of contributions withdrawn authorized on the condition that a charge of 4% per annum would be levied on the amount involved with the further proviso that payment of the full amount should be made in a lump sum plus the accrued interest.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

December 18, 1951

RESOLUTION

WHEREAS, the Board of Trustees of the Arkansas State Highway Employees Retirement System has heretofore orally authorized the Chairman to process applications for retirement with the proviso that all cases handled under this authorization were subsequently to be ratified by the Board, and

WHEREAS, the minutes of the Board's proceedings are silent as regards the granting of this authority,

NOW, THEREFORE, BE IT RESOLVED, that this Board ratify and affirm its previous action in the oral granting of authority to the Chairman to process to completion all applications for retirement which are in compliance with the governing statute.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

January 12, 1954

RESOLUTION

WHEREAS, Act 454 of the 1949 session of the General Assembly contemplated the crediting of members' accounts with interest earnings after five (5) years of membership in the System and

WHEREAS, the System will have been in operation five (5) years on July 1, 1954, and

WHEREAS, Actuary W. E. Groves, at the time of the System was subjected to an actuarial evaluation, recommended that such interest earnings be distributed at the rate of 2% and prorated in proportion to each members' contributions,

NOW, THEREFORE, BE IT RESOLVED, that the Executive Secretary be and he is hereby authorized and directed to determine the amount of simple interest on each member's account as of July 1, 1954, irrespective of the length of time of membership, and currently thereafter on July 1st of each year. Such interest calculations shall be at the rate of 2% per annum.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

May 16, 1956

RESOLUTION

WHEREAS, attention has been called to the fact that on occasion long term or career employees have exhausted their leave and been placed on "Leave Without Pay" because of illness or injury resulting in a corresponding loss of creditable service, and

WHEREAS, in the interest of fairness to employees who may be placed in this unfortunate status,

NOW THEREFORE BE IT RESOLVED that all employees who have been on "Leave Without Pay" due to injury or illness, for a period not to exceed one year, may secure credit for such lost time by paying 4% of the average of the last month's compensation prior to taking leave and the first month's compensation following the resumption of their regular duties, multiplied by the number of months involved.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.



ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

January 10, 1957

RESOLUTION

WHEREAS the State Highway Employees Retirement Act is silent as regards responsibility for the payment of medical examination fees incident to disability retirement cases, and

WHEREAS the Board since the System was established has accepted and paid bills for these expenses as a proper charge against the Retirement System Fund,

NOW THEREFORE BE IT RESOLVED that the payment of all previous charges of this nature be ratified and that all future charges for such services be authorized for payment from the Retirement System Fund.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

January 10, 1957

RESOLUTION

WHEREAS the Retirement Board has not previously adopted a policy governing the effective dates for the commencement of the payment of annuities, and

WHEREAS an audit of the System's affairs has pointed out a number of differences in this particular,

NOW THEREFORE BE IT RESOLVED that from and after the date of the adoption of this resolution the following policy will be observed: Annuity payments shall begin effective as of the date of the application for retirement, or the last date of employment whichever is the latter. In the event retirement age is attained subsequent to the application date, the date on which retirement age is attained will be substituted for the application date.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

July 29, 1957

POLICY

After a lengthy discussion it was decided that interest be credited to the members' accounts on June 30, and that withdrawals will include interest to the last recording date.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

July 29, 1957

POLICY

After considerable discussion it was decided to obtain a bond for the Executive Secretary in the sum of \$5,000.00 and that the premium be paid out of Highway funds.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

October 17, 1957

POLICY

Established a Medical Examination Board consisting of three members (physicians) employed on a fee basis to examine and evaluate medical reports for determination of eligibility for disability retirement.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

October 17, 1957

RESOLUTION

WHEREAS, attention has been called to the fact that on occasion long term or career employees have exhausted their leave and been placed on "Leave Without Pay" because of illness or injury resulting in a corresponding loss of creditable service, and

WHEREAS, in the interest of fairness to employees who may be placed in this unfortunate status,

NOW THEREFORE be it resolved that all employees who have been on "Leave Without Pay" due to injury or illness, or for the convenience of the Department, for a period not to exceed one year, may secure credit for such lost time by paying 4% of the average of the last month's compensation prior to taking leave and the first month's compensation following the resumption of their regular duties, multiplied by the number of months involved.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

February 11, 1960

POLICY

It shall be the policy of the Board that a person on Leave Without Pay due to illness or convenience of the Department, must return to employment status at least one (1) day to qualify for the intervening time.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

September 12, 1960

POLICY

The opinion from the Attorney General's office relating to claiming credit for military time when contributions had been withdrawn up to the time of entry into the military service was accepted as Board policy. This opinion states that when an employee has terminated his employment with the Highway Department to enter the Armed Service and withdrawn his current service contributions, he may upon being re-employed by the Department pay contributions on and claim credit for military time without re-paying current service contributions withdrawn.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.



ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

June 10, 1963

RESOLUTION

Be it resolved by the Board of Trustees that the Chairman and the Executive Secretary be authorized to invest Retirement Funds in Savings and Loan Associations as authorized by Act 227 of 1963, at such rates and in such amounts as is deemed by them to be in the best interest of the System.


The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

BOARD OF TRUSTEES  
ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

R E S O L U T I O N

Be it resolved by the Board of Trustees that the Chairman and the Executive Secretary be authorized to invest Retirement Funds in Savings & Loan Associations as authorized by Act 227 of 1963, at such rates and in such amounts as is deemed by them to be in the best interest of the System, not to exceed \$10,000.00 each.

  
C. Don Hayes, Chairman

  
L. A. Mashburn, Vice-Chairman

  
Ward Goodman, Member

  
C. A. Shumaker, Member

  
Nancy J. Hall, Member

BOARD MEETING  
June 10, 1963

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

October 15, 1963

RESOLUTION

WHEREAS employees leaving the Highway Department frequently request a refund of Retirement Contributions and insist on payment at the earliest possible date, and,

WHEREAS it is necessary to delay making refund until the last payroll is processed to determine the final retirement deduction which may be subject to change because of warrant cancellations, and,

WHEREAS it has been determined that a period of at least two weeks after last date of employment is required to assure that no overpayment of refund is made, and,

WHEREAS cancellation of payroll deduction warrants subsequent to date of refund has resulted in minor overpayments which could have been prevented by a reasonable delay in making refund,

NOW, THEREFORE, be it resolved by the Board of Trustees that the Executive Secretary be, and he is hereby directed not to issue vouchers for withdrawals before the lapse of two full weeks after the end of the pay period in which the employee received his last pay.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

June 10, 1963

POLICY

For guidance for the Board in properly administration of provision permitting substitution of prior service for current service an opinion was obtained from the Chief Attorney of the Highway Department as follows:

"In my opinion the interpretation adopted by the Board does not correctly reflect the intent of the Legislature. The emphasis is on 'a member with thirty-five years service' which implies that a member at any time after accruing thirty-five years of creditable service may elect to have his contributions continued. The election does not have to be made upon the attainment of thirty-five years creditable service, and ipso facto, the the contributions do not have to be made from that date."

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

June 10, 1963

POLICY


The following policy is adopted in the administration of Act 494 of 1963:

1. At least an initial payment of the amount credited to the individual in the State Employees Retirement System must be made at the time claim for other-agency service is made.
2. Maximum length of time for payment of the balance after applying amount in Item 1, shall not exceed ten (10) years and those who owe a balance of \$1,200.00, or less shall make a minimum payment of not less than five dollars (\$5.00) for each pay period.
3. The position of the Board shall be that no credit for such other-agency service may be used in computing retirement annuities until such time as the total contributions on such service have been paid in full. A member who has claimed other-agency service, and who has elected to pay for it on the installment basis, may thereafter elect to forfeit any part of the service for which payment has not been made. Collection for such forfeited service will thereafter cease and he will be given service credit equal to the amount that has been paid, starting with the most recent service in point of time. Service thus forfeited shall not be subject to reclaim.
4. Application for other-agency service will not be accepted after June 30, 1964.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

February 4, 1966

TO: District Engineers and Division Heads  
FROM: J. T. Beavers, Executive Secretary, Retirement System   
SUBJECT: Procedure for Applying for Disability Retirement

Past experience has shown that in many cases insufficient information is available to the Medical Board when reviewing Medical Reports and applications for disability retirement.

As a means of alleviating this obstacle, the Retirement Board recently adopted the following procedure:

1. When a member wishes to apply for disability retirement, he shall complete an application form and submit it to his District Engineer or Division Chief who will transmit it with a letter explaining fully the job requirements with reasons why the applicant is unable to perform and nature of ailment, if known.
2. The Executive Secretary will mail Medical Report forms to physician named by the applicant with a letter explaining that the report must be complete and conclusive.
3. Medical information will be relayed to a member of the Medical Board for review as to its adequacy before it is formally presented to the Medical Board.
4. If the information is determined to be inconclusive and further examination is warranted, the District Engineer will be requested to provide transportation for the applicant to come to Little Rock for such examination as may be required by a doctor recommended by the Medical Board.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

5. Fees to attending physicians for original report will be paid by the System not to exceed fifteen dollars (\$15.00) for each applicant and fees for additional examination at Little Rock, will be paid up to a limit of twenty-five dollars (\$25.00), for each applicant but in no event will fees be paid for one member for more than one application regardless of whether or not the member qualifies for benefits on his first application. Any fees in excess of above amounts must be paid by the applicant. Also, any cost incurred in coming to Little Rock except transportation and above stated fees shall be borne by the applicant.

Your cooperation in this matter is very much appreciated and will greatly assist us and the Medical Board in making a determination of eligibility for disability retirement.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

July 12, 1966

RESOLUTION

WHEREAS, Act 454 of 1949, provides that Members withdrawing after five years membership in the System shall receive interest as determined by the Board, and,

WHEREAS, the policy of the Board permits returning employees to reinstate creditable service by payment in lump-sum of contributions withdrawn plus interest at 4% per annum from date of withdrawal to date of repayment, and,

WHEREAS, a clarification of the Board's intent relating to reinstatement is needed in the day to day administration of the affairs of the System,

NOW, THEREFORE, be it resolved by the Board of Trustees that the following procedure is considered to be equitable to all Members concerned and shall henceforth be the official policy:

1. Since the System is deprived of investment earnings on the total amount withdrawn, interest payable by the Member on reinstatement will be computed on the total amount paid to him, including any interest therein.
2. Repayment of contributions plus interest must be made in lump-sum.
3. When reinstatement is paid thereby restoring the Member's account to its previous status, credit will be given the Member to record interest which would have accumulated to his account had he not withdrawn his contributions.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.



ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

July 12, 1966

RESOLUTION

WHEREAS, the Board, in a meeting on October 17, 1957, adopted a resolution providing that employees who were placed on "Leave Without Pay" due to injury or illness or for the convenience of the Department for a period not to exceed one year may secure credit for such lost time by payment of contributions at the rate of 4% of the average salary of the month before and the month after such period multiplied by the number of months involved, and

WHEREAS, this policy has been applied retroactively covering periods for which no Highway Department records are available to support these claims, and

WHEREAS, employees eligible to claim credit for such periods have had ample time to submit claims for service credit,

NOW THEREFORE, be it resolved that this policy shall be continued except that no claims will be accepted for service prior to October 17, 1957.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

July 12, 1966

POLICY

The policy of the Board shall be that investments of Retirement funds  
be limited to bonds rated AAA.

The above recommendation, statement of policy, or resolution was  
adopted as a regulation by the State Highway Employees Retirement  
System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

July 12, 1966

POLICY

It is the policy of the Board that once application for prior service has been approved by the Board and payments commenced the member cannot amend his claim to delete years of service for which he has contributed. Prior service can only be withdrawn upon termination of employment.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

"The next item of business was consideration of increasing deposits of Retirement Funds in Savings and Loan Associations. After discussion of this matter, a motion was made by Mr. Moore, seconded by Mr. Mashburn and passed, to increase these deposits only on request of such associations a maximum of \$5,000.00 each, at the discretion of the Chairman and Executive Secretary."

This is to certify that the above is a true and correct copy of an excerpt from the Minutes of the Meeting of the Board of Trustees of the Arkansas State Highway Employees Retirement System held March 10, 1967.

  
J. T. Beavers  
Executive Secretary

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

May 5, 1967

POLICY

It shall be the policy of the Board that an employee may partially reinstate time withdrawn providing that time reinstated is contiguous to time for which member has credit.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

May 5, 1967

POLICY

It shall be the policy of the Board that in order to claim military service an employee must have entered the service from employment with the Department and returned directly to the Department after separation.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

May 5, 1967

POLICY

The following policy was adopted for administering Act 254 of 1967:

1. Members who claimed prior service and then withdrew may reinstate by repayment of amounts withdrawn with interest from date of withdrawal and full payment of balance with interest from end of scheduled completion of payment and must be lump sum.
2. Members who have not withdrawn but who are in arrears in prior service payment must eliminate arrearage and, if completion date has expired, pay interest from end of such completion date.
3. Prior service which has not been claimed and must be subject to Act 254 of 1967, will have interest computed from last date that credit could have been obtained without interest.
4. Service credit for employment with public employers other than the Highway Department must be paid in lump sum with interest computed from date at which such service could first have been claimed.
5. Payments subject to installments will be made on level-payment plan.
6. Reinstatement of withdrawals are not covered by Act 254 of 1967, and will still require lump sum payment with interest.
7. Interest shall be at the rate of 4%.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.

ARKANSAS STATE HIGHWAY  
EMPLOYEES RETIREMENT SYSTEM

July 31, 1967

POLICY

It is the policy of the Board that regular meetings shall be held on the last Monday of the first month of each calendar quarter.

The above recommendation, statement of policy, or resolution was adopted as a regulation by the State Highway Employees Retirement System Board of Directors on the above date.