

Notice of Rulemaking

Please take notice that the Board of Trustees of the Arkansas Public Employees Retirement System, 124 West Capitol Avenue, Suite 400, Little Rock, AR 72201 has voted to promulgate the following regulation:

“REGULATION 222 2017 - RECOUPMENT OF OVERPAYMENTS

RETIREE RECEIVABLES

When APERS determines that it has overpaid a retiree for whatever reason, the retiree is to be notified by letter as soon as reasonably practicable. The next month's annuity payment shall be for the corrected amount. The retiree shall be given the following options:

- 1) Repayment in one lump sum.
- 2) 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.
- 3) Reduction of future monthly annuity payments in equal pro rata amounts until the overpayment is fully recouped.

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. If the Executive Director's decision is unsatisfactory, the retiree shall have the right to an appeal before the APERS Board of Trustees.

Contributions to the account shall be increased for COLA's and Ad Hoc increases granted to retirees.

DECEASED RETIREE RECEIVABLES

Upon learning of the death of a retiree, APERS shall immediately cancel all future payments. Where possible, APERS shall contact the bank receiving the deceased retiree's direct deposit of benefits and ask for a return of the last payment.

With Surviving Beneficiary – The designated beneficiary shall be notified as soon as reasonably practicable by letter of the overpayment. The Survivor shall be given the following options:

- 1) Return the annuity payment(s) made after the death of the retiree in a lump sum prior to receipt of any Survivor benefits.
- 2) Reduction of the Survivor's monthly benefit by a specific dollar amount over a number of months until the overpayment is fully recouped.

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.

With No Surviving Beneficiary – APERS shall send notice of overpayment to the estate of the deceased retiree. Duplicate notices of overpayment shall be sent every thirty days for a maximum of 90 days until response is received.

In the event that no response is received, APERS shall evaluate the receivable for possible abatement at the next fiscal year-end, following the Department of Finance and Administrations rules for Outlawed Warrants.

If APERS 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.”

REGULATION 222 2017 - RECOUPMENT OF OVERPAYMENTS outlines a procedure for APERS staff to follow when an overpayment of benefits is discovered.

By unanimous vote, the APERS Board of Trustees hereby finds and determines that there exists peril to the public health, safety and welfare of Arkansas citizens who are members of APERS when APERS is not permitted to recover funds paid in error or fraud. This amendment will allow APERS to recoup an overpayment.

Copies of this proposed amendment are available for inspection and copying during normal business hours, 7:30 a.m. to 4:30 p.m., at APERS's principal offices, 124 West Capitol Avenue, Suite 400, Little Rock, AR 72201 and written public comment concerning these regulations may be addressed to: Jessica Middleton, Arkansas Public Employees Retirement System, 124 West Capitol Avenue, Suite 400, Little Rock, AR 72201. The public hearing on these rules will held be Friday, September 8, 2017, at 10:00 a.m. in the fourth floor conference room in APERS's main offices, 124 West Capitol Avenue, Suite 400, Little Rock, AR 72201.