

ARKANSAS FIRE AND POLICE PENSION REVIEW BOARD

PRB BOARD RULE #5

Adopted: April 17, 1985

Amended: June 9, 2009

BENEFIT LEVELS AND ANNUAL FINANCIAL DISCLOSURE

Pursuant to law, the PRB (the Board) is required to withhold State insurance tax turnback to pension funds found to be in non-compliance with laws governing benefit levels and annual financial disclosures.

Benefit Levels

For Benefit Payments Which Are Too Low

1. PRB staff shall notify the local fund in writing of its non-compliance and shall inform the local board of the proper benefit levels to be paid. Staff will ask the local board to increase payments to underpaid recipients or, if applicable, to file a proper written notice of prorating with the Board.
2. The local board shall submit a copy of the minutes of the board meeting at which the increase was made or the decision to prorate benefits was adopted. The local board shall take this action within six (6) weeks of notification of non-compliance or request, in writing, a review by the Board of staff findings. This notice must be filed within the same six (6) week timeframe.
3. Back payments for underpaid benefits shall be left to the discretion of the local board and its legal counsel.
4. Any local board, which disagrees with the findings of staff regarding the correct level of benefit payments, may request, in writing, a hearing before the Board. The Board shall schedule the hearing during its next regular meeting, but may delay the hearing to a later meeting if requested, in writing, by the local board.
5. State insurance tax turnback to the local fund shall be withheld until staff findings are overturned, compliance is achieved through an increase in benefit payments to their correct level, or, if applicable, filing a proper written notice of prorating.
6. A proper written notice of prorating shall describe the method and amount of proration and shall comply with A.C.A. 24-11-416, for police pension funds or A.C.A. 24-11-807, for fire pension funds.

FILED

JUN 11 2009

CHARLIE DANIELS
SECRETARY OF STATE

BY _____

ARKANSAS FIRE AND POLICE PENSION REVIEW BOARD

PRB Board Rule #5 (continued)

For Benefit Payments Which Are Too High

1. PRB staff shall notify the local fund in writing of its non-compliance and shall inform the local board of the proper benefit levels to be paid. Staff will ask the local board to decrease payments to overpaid recipients to the correct levels or to file a written request with the Board for a review of staff findings.
2. The local board shall submit a copy of the minutes of the board meeting at which the rollback was made or the request for a review by the Board of staff findings was approved. The local board shall take this action within six (6) weeks of notification of non-compliance.
3. Recovery of overpaid benefits shall be left to the discretion of the local board and its legal counsel.
4. Any local board, which disagrees with the findings of staff regarding the correct level of benefit payments, may request, in writing, a hearing before the Board. The Board shall schedule the hearing during its next regular meeting, but may delay the hearing to a later meeting if requested, in writing, by the local board.
5. State insurance tax turnback to the local fund shall be withheld until staff findings are overturned or until compliance is achieved through a rollback in benefit payments to their correct level.

ANNUAL FINANCIAL DISCLOSURE

All local fire and police pension funds that have not consolidated with the Arkansas Local Police and Fire Retirement System are required to file an annual financial disclosure report with the PRB. The requirements for the annual filing are described in PRB Rule #3. A pension fund shall have their state insurance tax turnback withheld, and risk forfeiture, if the fund fails to comply with the reporting requirements.

Certified By: _____
David B. Clark, Executive Director