

**A Comparison of Significant Retirement Plan Provisions
Retirement Plan for Employees of City of Jonesboro, Arkansas vs.
Arkansas Public Employee Retirement System (Contributory Plan)**

	Retirement Plan for Employees of City of Jonesboro	Arkansas Public Employee Retirement System (APERS) Contributory Plan Provisions
Eligibility	Any Full Time Employee of the City (other than an elected official, a uniformed police officer, or a firefighter) who is customarily employed with the Employer for more than 20 20 hours per week and more than 5 months per year shall become eligible as soon as the above conditions are deemed to have been met.	Membership in APERS is mandatory for all Employees of Employers that are members of APERS. APERS does exclude, however, Employees that are expected to work less than 90 consecutive calendar days, at least 80 hours per month and earn at least minimum wage. While Membership in APERS is mandatory for many employers, membership is optional for municipalities and certain other Non-State employers. Numerous exceptions are made for certain employees that are covered under other retirement programs such as teachers, uniformed public service officers (police & firefighters), judges and members of the General Assembly.
Covered Compensation	Total earnings paid or made available to an Employer by the Employer. Earnings means actual gross annual compensation without reduction for flexible spending accounts. Earnings is measured on a calendar year basis.	The recurring remuneration paid a member by public employers for personal services rendered by a member in a position covered by an employer participating in APERS.
Final Average Compensation Average Annual Compensation	The average of an Employee's Monthly Compensation for the 5 latest Compensation Years (all Compensation Years, if less than 5.	The average of the highest annual compensation paid a member during any period of 3 years of credited service with a public employer
Normal Retirement Date (earliest date as of which unreduced benefits are made available to a participant)	First day of month on or after the date the Participant reaches his 65th birthday with 5 Years of Accrual Service.	Earliest of: Age 65 with 5 actual Years of Service in APERS Age 55 with 35 credited Years of Service in APERS as an elected official or public safety member Any age with 28 actual Years of Service in APERS

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Early Retirement Date	First day of any month before a Participant's Normal Retirement Date which the Participant selects for the start of his retirement benefit. This date shall be on or after the date the Participant ceases to be an Employee and the date on which he attains age 55 and has completed 5 Years of Accrual Service.	Any time not more than 10 years prior to the Participant's Normal Retirement Age. However, a Participant may not retire prior to age 55 with less than 28 Years of actual service.
Late Retirement Date	First day of any month after a Participant's Normal Retirement Date and after a Participant ceases to be an Employee. A later retirement date may apply if the Participant so elects.	First day of any month following a Participant's Normal Retirement Date.
Normal Retirement Benefit	A monthly equal to 1.50% of Average Annual Compensation multiplied by the Participant's Accrual Service divided by 12.	Sum of (a) + (b) where: (a) is equal to 2.03% of Final Average Compensation multiplied by his Accrual Service prior to 06/30/2007; and (b) is equal to 2.00% of his Average Annual Compensation multiplied by his Accrual Service after 06/30/2007.
Early Retirement Benefit	Normal Retirement Benefit reduced by 1/15th for each of the first 5 years by which the Participant's Early Retirement Date precedes the Participant's Normal Retirement Date and further reduced by 1/30th for each of the next 5 Years by which the Participant's Early Retirement Date precedes the Participant's Normal Retirement Date. Vesting is 5 Years.	Reduction calculated from either age 65 or from 25 Years of actual service - whichever is less. If 28 Years of actual service is used, the reduction is 1% for each month away from 28 Years of actual service. If age 65 is used, the reduction is ½% for each month away from 65. If you have less than 25 Years of actual service, benefits are reduced by ½ of 1% for each month that you retire prior to age 65 with less than 28 Years of actual service. Vesting is 5 Years.

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Late Retirement Benefit	Continued Accruals after Normal Retirement age	Continued Accruals after Normal Retirement Age
Disability Benefits	Participants that become disabled are treated the same as any other Participant that terminates employment.	Available after 5 Years of actual service under APERS and at least 18 of the 24 months immediately preceding occurrence of disability. Benefits equal to Participant's Accrued Benefit commencing as of the Participant's date of disability.
Pre-Retirement Death Benefits	Death benefit equal to Participant's Employee Account. If death occurs after the Participant's Normal Retirement Date and before benefit commencement, death benefits may be payable depending on the election made no more than 90 days prior to the first day of the Plan Year in which the Participant reaches his Normal Retirement Date. If the Participant fails to make such election, the Participant's Beneficiary may elect. It is important to note that a death benefit (other than a return of Employee Contributions plus earnings) is only payable if the Participant works past his Normal Retirement Age.	After 5 Years of service, the beneficiary of a Participant that dies while still employed may be due a death benefit. The surviving spouse of the Participant (married > 1 year) will be due the greater of 10% of the Participant's covered compensation at the time of death or the remainder benefit that would have been applicable to a B-75 Joint & Survivor benefit. Each dependent child would also be eligible for an equal share of a monthly survivor benefit that is equal to the greater of 10% of the Participant's covered compensation or an equal share of a \$150 monthly minimum benefit. If there are three or more dependent children, the minimum survivor benefit is equal to an equal share of a monthly benefit of 25% of the Participant's covered compensation or an equal share of the the \$150 minimum. Spousal death benefits are payable until the earlier of the surviving spouse's death or remarriage. Death benefits are payable to dependent children until age 18 (23 if full-time student).

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Other APERS Benefits		
Cost of Living Adjustments	None	APERS monthly benefits are increased by 3% each July.
PAW	None	Partial Annuity Withdrawal (PAW) is available to Participants that elects to work beyond Normal Retirement Age and has not participated in DROP. PAW allows Participants to take a lump sum distribution of up to 60 months of his/her retirement benefit when the Participant actually retires.
DROP	None	Deferred Retirement Option Plan (DROP) is available to Participants with > 28 Years of actual service. DROP Allows Participants to accumulate a % of retirement benefits for up to 84 months without terminating employment. When the DROP period ends, the Participant must terminate employment. The Participant receives a lump sum equal to the accumulated DROP account and then commence with monthly benefits. Benefit accruals stop during DROP period. A more complete description of DROP is found in our Study.