

APERSpect^{ive}

RETIRED MEMBERS

SPRING 2022

Annual Payee Statement Coming Soon

APERS wishes all our members a happy spring! We are all looking forward to a safe and enjoyable season in the great state of Arkansas. One of the things that you can anticipate is the Annual Payee Statement for everyone who receives a monthly benefit from us.

You made important decisions when you applied for benefits, whether last year or 10 years ago. As time passes, many payees forget or lose track of those decisions over the years and even decades of their retirement. With the Annual Payee Statement, you have that important information and much more to make it easy to keep you and your family informed about your APERS benefits.

While this does not replace the Explanation of Benefits (EOB) statement you get from us every month, this is an important document.

This statement does not replace the Explanation of Benefits (EOB) statement which provides a monthly snapshot of your payment information, but it provides more historical and comprehensive information about your annuity. Some of the information you will find includes

- Basic demographic information (contact, spouse, contribution beneficiary)
- The retirement start date, type, and annuity option
- The amount of your annuity, payment, and deduction information

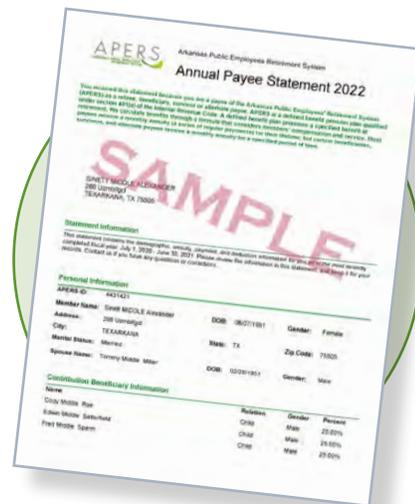
All the information we provide comes from our records. With the Annual Payee Statement, you can review it and retain it in your records. We recommend you keep it with your other important personal documents so you or your family will know where to find it.

Also getting an annual statement is a good way to ensure the information we have about you is up to date in our records. If you see something you don't agree with or know to be incorrect, please contact us so we can make the necessary corrections.

You should expect the Annual Payee Statement in June of each year, and it will provide you with your upcoming July 1 payment amount including the COLA.

If you do not receive a statement or need a replacement copy you can go to our Member Self-Service portal (MSS) to download and print one. Note that using the Member Self-Service portal requires setting up an account.

If you need help getting a new copy, please give us a call and we will be happy to help.



Keep Your Contact Information Up To Date

Occasionally, we must contact you to request information, give important benefit updates, and provide tax forms. Often times the postal service returns the mail because retirees are no longer at that address in our files or the forwarding order has expired. We need to have current contact information for you, which includes your address and telephone number. The next time you move or change your telephone number, please remember to inform us.

You can update your contact information at any time in the Member Self-Service (MSS) portal, or you can contact a Call Center representative at (800) 682-7377 to provide your updated contact information.

Benefits of staying socially connected

As we age, it is normal for our social network to shrink, especially once entering retirement. However, staying connected socially has been found to not only significantly boost life satisfaction, but studies show avoiding social isolation has many significant health benefits as well.

A Gallup survey shows that 69% of those over age 65 report enjoyment and happiness without a lot of stress when they had 4 hours of social activity the previous day. That time could come from visiting with family, participating in hobbies or activities with friends, volunteering, or simply calling a friend or loved one.



Engineering and Medicine states social isolation is associated with a 50% increased risk of Dementia, a 29% increased risk of heart disease, and a 32% increase in risk of stroke. It also reports that loneliness is associated with higher rates of depression, anxiety, and suicide.

Here is something else to think about, not only do you get the benefits of social engagement but so do all of those with whom you are interacting.

Remember what keeps you healthy and provides meaning to your life is the quality of your social ties. Making an effort to nurture and strengthen your relationships will have the most impact on your life and the biggest return in happiness.

Remember what keeps us healthy and provides meaning to your life is the quality of your social ties.

The picture is not nearly as rosy for those who find themselves socially isolated or suffering from loneliness. A report from the National Academies of Science,

When to contact APERS

Here at APERS, we want you to always feel welcome to contact us for assistance. We are here to serve you throughout your retirement years. That said, listed below are some of the post-retirement circumstances which could arise when you should contact our office.

Change in Marital Status: A change in your marital status (i.e., marriage, divorce, or death) could affect your retirement benefits and/or beneficiary designations. You should contact APERS as soon as possible after the event in writing or by sending a secure message through the Member Self-Service portal.

Death of a Beneficiary:

- A Options: If your beneficiary passes prior to you being retired 60 or 120 months (depending on the option chosen), you would need to update your account with new beneficiary designations. Otherwise, no change would be required.
- B Options: If your beneficiary pre-deceases you, you would have the option to elect the straight life annuity which would increase your monthly benefit.

Tax Withholding: You should contact APERS any time you need to start, stop, or adjust the withholding elections on your retirement income. The Call Center will send withholding change forms on request, or you may also make withholding changes through the Member Self-Service portal.

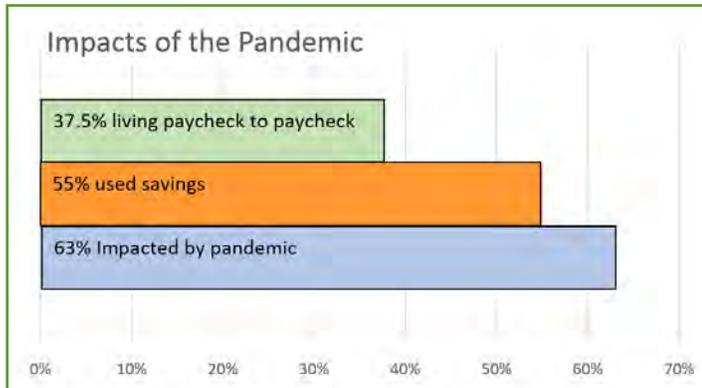
Verification of Benefits: If you need verification of your retirement income, please contact the Call Center to request a Verification of Benefits letter.

Returning to Work: Once you begin receiving APERS retirement benefits, you are subject to restrictions on when or if you may return to work in an APERS covered position. If you are considering returning to work with an APERS covered employer, please contact our office to verify your benefits will not be impacted.

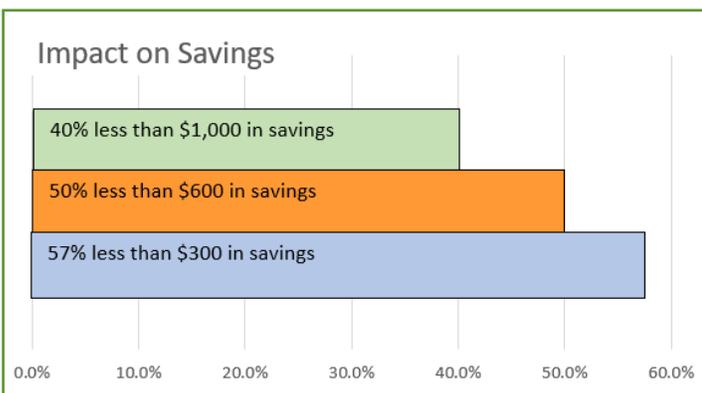
These are just a few of the reasons why you should contact us. If we may be of assistance, please don't hesitate to notify us either through the Member Self-Service portal or by phone at 501-682-7800.

Recovering from the financial impacts of the pandemic

During the course of the pandemic, many Americans either lost their jobs or saw their hours reduced. This can obviously put financial stress on a household, especially for those who were already struggling to make ends meet. BOBankingRates initiated a survey to assess the financial impacts the pandemic had on Americans' savings. While the results are not all that surprising, they highlight the importance of emergency savings. The statistics paint a grim picture of how many Americans are unprepared for even insignificant unexpected expenses.



According to the study 63% reported being impacted by the pandemic. 55% of those surveyed had to use personal savings and nearly 40% are now living paycheck to paycheck. What are the hurdles to financial recovery?



Besides unemployment, the two most common obstacles to saving were debt and the cost of living. The cost of living certainly impedes many people's ability to save. However, it may be important to re-frame that statement to "essential" versus "non-essential" cost of living.

Ladder Life Insurance commissioned a survey to examine the "essential" vs. "non-essential" spending habits of Americans in 2019. The results showed the average American spends \$1,497 per month on non-essential

items. Included in the list of non-essential spending were eating out, impulse purchases, cable TV, streaming for movies and/or music, miscellaneous paid apps, coffee, bottled water, etc. Essential monthly expenses would include things like rent/mortgage, utilities, groceries, transportation cost, insurance, etc.

For some, essential cost of living expenses may be an obstacle to saving, but for many the obstacle is the cost of how we want to live. If your emergency savings are not where you would like for them to be, start looking at the areas where you can reduce non-essential spending. Based on the findings in the Ladder survey, food cost may be one of the best places to start. The average monthly non-essential spending related to food is shown in the table below and does not include grocery store purchases.

Dinner out at a restaurant	\$209.38
Drinks with friends/co-workers	\$188.68
Takeout or delivery	\$177.88
Purchasing lunch	\$173.62
Total	\$749.56

The other significant hurdle mentioned in the BOBankingRates survey was having too much debt. According to LendingTree's 2022 Credit Card Debt Statistics article, that sentiment would be correct. It states that as of the fourth quarter of 2021, Americans have \$856 billion in credit card debt. Overall, the national average credit card debt was \$6,569. However, Arkansas ranks 49th on the list, having the third lowest average debt balance at \$5,601.

As society and the economy continues to move back towards normalcy, now would be a great time for retirees to evaluate "essential" vs. "non-essential" spending in comparison to their fixed sources of monthly income such as social security and APERS retirement benefits. Limiting "non-essential" spending until those goals are met may be important in recovering from the financial impacts of the pandemic. Understanding the amount of income required to meet "essential" costs will help guide decisions on the best course to reduce debt and/or increase emergency savings.



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DIRECT DEPOSIT DATES 2022

Monday, May 2
Wednesday, June 1
Friday, July 1
Monday, August 1
Thursday, September 1
Monday, October 3