

Tier II

Retirement Benefits

Key Facts

- Retirement benefits are payable to members for their lifetime.
- The more service you earn, the higher your benefit will be.

Eligibility for Normal Retirement

A member who has a minimum of five (5) years of credited service and has attained age 65 or any member with 28 years of actual service is eligible to apply for normal retirement.

Eligibility for Early Retirement

For a member who has a minimum of five (5) years of credited service but less than 28 years of credited service, the age 65 requirement is reduced by 0.75 of a month for each credited month of service, but in no event to an age younger than 55. For early retirement, your benefit is reduced by 0.5% per month you are away from normal retirement age.

Benefit Calculation

Your straight life annuity benefit is calculated by multiplying your Final Average Compensation (FAC) by 2.65% and your years of credited service. It is then adjusted downward if you choose an annuity option other than straight life or if you are retiring early.

Your FAC is calculated by the average of your compensation for the four (4) highest-earning fiscal years of your employment.

If you have not yet attained age 62, an additional temporary annuity is payable, calculated by multiplying your FAC by 0.513% and your years of credited service.

Example:

Below is a sample benefit calculation:

<i>Straight Life Annuity</i>	<i>Temporary Annuity</i>
\$63,116	\$63,116
X 2.65%	X 0.513%
X <u>12 years</u>	X <u>12 years</u>
\$20,070 annually or	\$3,885 annually or
\$1,672 monthly	\$323 monthly

Beneficiaries

Whenever you die after retirement, benefits may be payable to a beneficiary. See the Post-Retirement Death Benefits fact sheet for information about the annuity options available to you.

COLA

Under current law, once you have been retired 12 months, your annual benefit will increase by 3% every July 1st.



Additional Information

If you have any questions about retirement benefits, please contact our Education Services section at ASPRS@arkansas.gov.

Reference: A.C.A. § 24-6-404,
24-6-406, 24-6-409