

ARKANSAS FIRE AND POLICE PENSION REVIEW BOARD

PRB BOARD RULE #2

Adopted: April 17, 1985
Amended: May 21, 1987
Amended: December 9, 1994
Amended: December 3, 1997
Amended: September 10, 2004

PROCEDURE FOR INCREASING BENEFITS FROM LOCAL PENSION FUNDS

There are two methods by which a local pension fund may increase benefits to its members. The first is by legislation which mandates an increase. The second is by securing an actuarial valuation which demonstrates that a pension fund can support the cost of the increased benefit over a defined period of years.

Police and fire pension funds are required by law to process all benefit increase requests through the Pension Review Board.

If a local Board of Trustees wishes to process a benefit increase through the Pension Review Board, the following procedure must be used:

1. The local Board of Trustees must adopt a resolution to raise benefits to the new amount. The resolution must be signed by $\frac{3}{4}$'s of the membership of the Board (at least 6 of 7 members must sign.)

A certified copy of the minutes of the Board meeting at which the resolution was adopted must accompany the resolution. The minutes must reflect who voted for the benefit increase resolution and who voted against it. The certification shall be by the Board's director.

2. The resolution must state how much the increase would be and to whom it would apply – current retirants only; future retirants only; current and future retirants; current surviving spouses and/or children; future surviving spouses and/or children; current and future surviving spouses (Police pension funds may include dependent parents.)
3. The completed resolution should be mailed to:

Arkansas Fire and Police Pension Review Board
P.O. Box 34164
Little Rock, AR 72203

4. A determination will be made by the Review Board staff that, based on all available financial information on the fund, the benefit increase request should be processed. The pension fund will be sent a bill for the actuarial valuation and the pension fund should return a check promptly for that amount to the above address. No actuarial work will be processed until payment is received.
5. Once the check and any additional information on the fund has been received, it will be submitted to the actuary.
6. When the valuation results are received, the Executive Director shall certify to the local Board whether or not the increased benefit can be given. If denied, the local Board may

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appeal the findings of the staff to the Pension Review Board, upon a written request to do so. Benefit increases, which are approved, must also be accepted by the Review Board.

The Executive Director may make benefit increases retroactive to the date of the local Board resolution requesting the increase, or to a later date, depending on the circumstances of the increase.

7. When an increase is granted, a copy of the resolution, the actuarial valuation, and the Executive Director's certification must be filed by the local Board of Trustees with the circuit and city clerks of the county and city in which the pension fund is located.

Certified By: _____
David B. Clark, Interim Executive Director