

LOPFI

ARKANSAS LOCAL POLICE & FIRE RETIREMENT SYSTEM

620 W. 3rd, Suite 200
 Little Rock, Arkansas 72201-2223
 Telephone: 501.682.1745
 Toll-Free: 866.859.1745
 email: info@lopfi-prb.com
 website: www.lopfi-prb.com

To: LOPFI Membership

From: LOPFI Staff

Re: Proposed Changes for the 2021 Legislative Session

Date: December 10, 2020

Following is an overview of the proposed changes for the 2021 Legislative Session. The LOPFI Board of Trustees developed these items with a focus on protecting the retirement benefits of the career members of LOPFI. The amendments applicable to disabilities were framed out after nearly a year of collaboration with representatives of the member organizations, employers, and Trustees.

For disabilities and their associated costs, the proposed changes include:

- Apply an additional charge to an employer with excess disability experience. This ‘load’ would not be funded by Premium Tax.
- Create the following three designations for duty disability retirements:

Catastrophic Duty	Hazardous Duty	Ordinary Duty
Total and permanent loss of: <ul style="list-style-type: none"> • All mobility • Hearing in both ears • Sight in both eyes • Use of both hands, both arms, both feet, both legs, or at least two different limbs • Injuries that require physician-directed fulltime care of another party 	Sudden/traumatic injury (shall have a verified date of injury) that requires constant/continuous course of medical treatment beginning on date of injury such as: <ul style="list-style-type: none"> • Total loss of a limb • Majority loss of sight in one eye • Majority loss of hearing in one ear • Crippling burn(s) • Presumptive disability cancer cases 	All other injuries or illnesses to include, but not limited to: <ul style="list-style-type: none"> • Injury while exercising or performing physical fitness testing/training • Psychological matters • Slip/fall incurred during a non-emergency event • Cumulative injuries/illnesses over a multi-month/year timeframe
<i>Benefit calculated as greater of 28 years of paid service or actual service credit.</i>	<i>Benefit calculated as greater of 65% of final average pay or actual service credit.</i>	<i>Benefit calculated as greater of 15% of final average pay or actual service credit.</i>

- Expressly stipulate that any disabilitant (duty or non-duty) shall not assume employment (governmental or private sector) that matches or closely aligns with their previous LOPFI-covered duties and continue receipt of the LOPFI disability benefit.

The remaining changes proposed by the Board are:

- Reciprocal service:
 - ✓ Have LOPFI be reciprocal with statewide defined benefit retirement systems; not defined contribution plans.
 - ✓ Clearly state the types of retirement available for a reciprocal participant are voluntary retirement, early retirement, and duty death.
 - ✓ The calculation of the LOPFI benefit because of reciprocity will use the final average pay reported to LOPFI during the participant's time he/she was covered by LOPFI.
- LOPFI will not accept and administer the division of benefits in a divorce resulting from a qualified domestic relations order i.e. no new QDROs. An existing QDRO on file and deemed acceptable for LOPFI-purposes will continue to be administered by the retirement system.
- An appeal of a decision by the LOPFI Board will be required to be filed in Pulaski County Circuit Court.
- Update the age for required distributions. As a result of the federal Setting Every Community up for Retirement Enhancement (SECURE) Act, the age was extended out to 72.