



PensionNews

www.lopfi-prb.com

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SPRING 2025

Attention Benefit Recipients - Life Verification

As a reminder, LOPFI will send out the annual *Life Verification* form on July 1st to certain benefit recipients. For those who have registered access to their Member Portal account, the form will be posted to your *Inbox*. All others will be mailed a hardcopy form. Because delays with mail delivery are common, we encourage all benefit recipients to register for access to their Member Portal. Doing so now will ensure the form is sent electronically to your *Inbox* and helps you avoid delays with your timely response. With the addition of the *Submit Documents* feature in the Member Portal, the properly completed document can be uploaded and submitted directly to LOPFI in seconds. Please be sure that you sign the form and have it notarized before submitting it to LOPFI.

So, why does LOPFI use a *Life Verification* process? It is used to help ensure benefits are paid only during the time allowed by law, and only to those who are legally entitled to the benefits. Protecting the retirement system from errant payments or theft of benefits involves a collective effort by LOPFI and all benefit recipients. Even if you are not included in the *Life Verification* process, you can still help by promptly notifying LOPFI of the death of a benefit recipient. This ensures LOPFI ceases the benefit payment on time and begins a monthly survivor benefit, if one is due, without protracted delays.

Thank you all in advance for your cooperation!

Windfall Elimination Provision (WEP) & Government Pension Offset (GPO)

In January 2025, President Biden signed the Social Security Fairness Act, which repealed the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). The importance of this act is that it eliminates the longtime reduction of Social Security benefits for public employees who receive a public pension from employment that was not covered by Social Security. For LOPFI and Local Plan Members whose police officer or firefighter employment was not covered by Social Security, you will not see a reduction to your Social Security benefits when you enter retirement because the WEP and GPO are no longer in effect.

Because this is a change to the Social Security benefit program, all questions will need to be directed to the Social Security Administration (SSA) at www.ssa.gov. The SSA website will allow you to setup an online account with Social Security that will help streamline communications with their agency. Their online platform provides access to view and update your personal information and obtain an estimate of your future Social Security benefits.

LOPFI covered Members who ARE covered by Social Security through their LOPFI employer will not see any changes. Such members have a 1% temporary annuity benefit from LOPFI that will cease once the retired Member, or DROP participant, reaches eligibility for an unreduced Social Security benefit.

2025 Legislative Session Summary

This is a summary of acts from the 2025 Legislative Session that may interest Members and Employers. If an act's effective date was known at the time of this edition of PensioNews, it is listed in the description. Acts without a stated date are generally effective 90 days after adjournment of the session. Acts may be viewed on the General Assembly's website accessible from the Links tab on the LOPFI website.

Act 152 (House Bill 1119, Warren/Hammer)

Delinquency for Reporting Locations

This act, requested by the LOPFI Board of Trustees and effective July 1, 2025, revised the delinquency section of LOPFI code for political subdivisions. Changes include reducing the grace period for reporting and payments from 10 to five calendar days and improving the certification of delinquencies to the state treasurer's office.

Act 178 (House Bill 1362, Multiple)

Technical Changes

This act was brought forward at the request of Code Revision to correct/update various sections of retirement code. For LOPFI, language that focused on rule promulgation dated in 2004 was removed. For Local Police Plan code, language for vacation pay was removed since that topic is codified in ACA 14-52-106.

Act 390 (House Bill 1316, Multiple)

Coverage for Lung Cancer Screenings

This act addresses lung cancer which is the leading cause of cancer deaths in Arkansas. The act states the lung cancer death rate in Arkansas is higher than the lung cancer death rate for the United States. Per this act, on or after January 1, 2026, health benefit plans shall provide coverage for lung cancer screenings and follow-up healthcare services according to American Cancer Society guidelines. Questions about this act should be directed to your health plan provider.

Act 398 (House Bill 1505, Wing)

Traumatic Event Counseling

This act, effective March 25, 2025, updates the licensed counseling sessions provisions first enacted in 2023 for paid, full-time firefighters, police officers, fire academy instructors, and other public safety officials who have experienced an on-duty traumatic event. The public employer is required to pay for up to 12 licensed counseling sessions in a calendar year for eligible employees. Previously, statistics were required to be compiled and there was a sunset provision, both of which were removed by this current act.

Act 406 (Senate Bill 409, Multiple)

Investments and ESG Factors

This act amends a provision for the divestment of certain public investments with financial services providers that discriminate against ammunition, firearms, and energy companies based on environmental, social justice, and other governance-related factors (ESG). This act adds "agricultural producer" to the list of goods or services that are protected from discrimination by financial service providers. An ESG Oversight Committee, created by Act 411 of 2023, is charged with maintaining a list of financial services providers that have discriminated against the above companies. The committee's list is published on the Treasurer of State's website at <https://artreasury.gov>

Act 414 (House Bill 1293, Andrews/K. Hammer)

Public Employees Line of Duty Death

This act increases the amount paid by the state to designated beneficiaries or survivors of a specified public employee killed in the line of duty. Benefits under this act are not administered by LOPFI, so questions about eligibility and the application process should be directed to the Arkansas State Claims Commission at <https://arclaimscommission.arkansas.gov> or 501.682.1619

Act 415 (House Bill 1313, C. Cooper)

Health Insurance for Retired Firefighters

This act expands the availability of health insurance coverage for certain retired firefighters of municipalities and counties. The retired firefighter is required to pay applicable premiums and may remain covered until he/she

Continued on next page

2025 Legislative Session Summary Continued

is Medicare-eligible. LOPFI does not administer these benefits, so interested persons should contact their fire department or applicable municipal/county agency for assistance. Note: Act 535 of 2023 provides the same health insurance availability for retired police officers.

Act 416 (House Bill 1322, Clowney/C. Tucker)

Duty Death Presumptive Cancer

This act, effective July 1, 2025, is for LOPFI paid service duty deaths and allows payment of a monthly duty death benefit that resulted from a specified cancer that include Leukemia, lymphoma, mesothelioma, multiple myeloma, brain, urinary tract, liver, skin, breast, cervix, thyroid, prostate, testicle, colon, or digestive tract. The duty death benefit application will require the collection and submission of medical evidence to show the cancer was diagnosed while the person was an active LOPFI member and that the cause was not from factors other than retirement system covered employment.

Act 505 (Senate Bill 227, C. Tucker/Multiple)

Freedom of Information Act

This act provides clarity to provisions of the Arkansas Freedom of Information Act (FOIA). All public entities should immediately consult their legal counsel to ensure full compliance with the FOIA. Changes in this act include, but not limited to:

- Definitions for “Deliberation,” “Governing body,” “Informal meeting,” “Public entity,” “Public meeting,” etc.
- Provisions to conduct remote meetings, including making sure Arkansas residents have reasonable access to the meetings. Remote meetings must, at all times, ensure the remote member of the governing body is easily identifiable and can be heard when speaking or voting.
- Provisions for a circuit court that determines there was a violation of the FOIA, to invalidate action of the governing body at an unlawful meeting or resulting from prohibited communication.

Act 522 (House Bill 1341, Warren)

Workers’ Compensation-LOPFI Service Credit

This act ensures a LOPFI member who is away from their department due to a Workers’ Compensation covered event does not lose LOPFI service credit. For eligibility, the active member must provide the Workers’ Compensation payment to his/her employer. Once that occurs, the employer shall report the earnings to LOPFI. The reported earnings, though, can neither be inflated nor too low as compared to “normal” earnings. LOPFI will charge the applicable member and employer contributions against the reported pay and award LOPFI service credit for the month being reported. Note that this change is meant to ensure action by both the LOPFI-covered employee and their employer. If the employee chooses to hand over their Workers’ Compensation payment to their employer, the employer shall report the total pays to LOPFI. (Many employers already handle Workers’ Compensation cases in this manner.)

Act 686 (House Bill 1808, A. Collins/C. Tucker)

Firefighter Bill of Rights

This act provides a framework for negotiating personnel matters for municipalities that choose to adopt an ordinance establishing a Bill of Rights for their firefighters. Arkansas code already contains this provision for police officers (ACA 14-52-301 et. seq.), so this act brings parity to the municipal firefighter community.

Act 937 (House Bill 1352, Multiple)

Prohibit Investments in Chinese Companies

This act prohibits a public investment entity from investing in a Chinese company. The act provides the requirements for the mandatory divestment of any prohibited investment. Each public investment entity is required to publish a report within six (6) months of the effective date of this act, and then at least annually each year before July 1, that lists all Chinese companies or restricted investment products in which it currently has investments. If the public investment entity determines it does not have any prohibited investments, the report shall indicate that fact.

—2025 Legislative Session Summary Concluded—

Updating your Tax Withholding Elections

When you filed your 2024 tax return did your tax professional recommend making changes to your tax withholding elections? Are you withholding too much or not enough?

You can quickly and securely update your state and/or federal tax withholding elections any time in your Member Portal. As an update is made, you can see the impact it will have on your next monthly retirement benefit before you save the change.

LOPFI staff does not give any tax advice to Members; therefore, you will need to contact your tax professional with any questions regarding your tax elections.



Change to Employer Delinquent Deadline

Act 152 of 2025, effective July 1, 2025, reduces the grace period for employer reporting and payments from ten (10) to five (5) calendar days. Most employers already submit their monthly reports and payments by the 10th calendar day of the month, which is greatly appreciated. Therefore, only the employers who are late with their reporting or payment functions will need to take notice of this change. Again, the deadline for LOPFI to receive employer reports and payments remains the 10th calendar day of the month.

If an employer becomes delinquent, LOPFI will notify the Treasurer of the State of the delinquency and request all money due to the political subdivision by the state be withheld. There will also be an eight percent (8%) interest penalty applied on the 16th calendar day of the month and the amount will compound on the 16th calendar day of each subsequent month, until the delinquency is resolved.

In summary, all enrollment items, payroll reports, and payments are to be properly and timely filed with LOPFI. This includes *Membership Applications*, copies of identification documents when requested by staff, and verification of service dates and/or wages. Any employer that does not provide these items in the required timeframe will be subject to the delinquency process described above.

Financial Update

Have you heard about LOPFI's GREAT investment performance for the 2024 calendar year? The LOPFI portfolio earned a *net* return of 15.13%!! Compare this to the retirement system's policy benchmark of 11.30% and it is even more impressive. This phenomenal performance ranked LOPFI in the top 2% in the country for retirement systems. This solid performance also helped increase the market value of assets from \$3.157 billion at the end of 2023 to \$3.605 billion at the end of 2024!



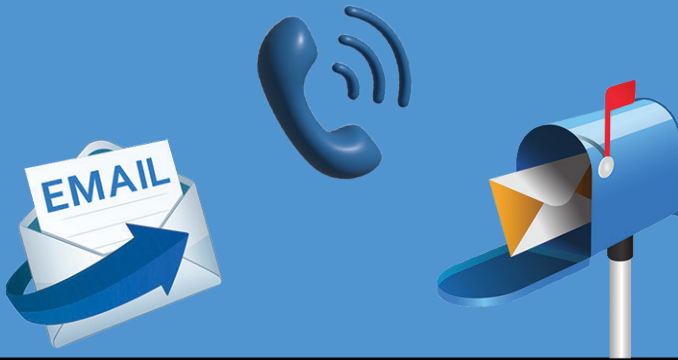
Also, are you aware of the economic impact your monthly pension benefit has right here in Arkansas? According to the National Institute of Retirement Security, each \$1 paid to the LOPFI benefit recipients who make Arkansas home provided \$1.20 in economic activity in the state. For calendar year 2024, LOPFI paid just over \$210 million to the retirement system's benefit recipients. Of that amount, roughly 92% went to benefit recipients who reside here in Arkansas. The multiplier effect of these dollars means \$232.4 million in economic activity was added to the Arkansas economy!

Contact Information

It is important to keep your contact information up to date with LOPFI. Doing so ensures that you receive valuable information in a timely manner whether by mail or email. Members can update their mailing address, telephone number, and email address easily on the Member Portal. The Member Portal is accessible 24/7 so updates can be made at your convenience.

As a reminder, when updating your address be sure to provide your mailing address, not your physical address.

*If you need assistance navigating the Member Portal, please contact LOPFI staff for assistance.
We will be happy to help you!*



Membership Snapshot as of May 2025

Data for LOPFI

- 558 Reporting Locations
- 777 Departments
- 13,832 Active and DROP Members
- 3,883 Paid Police Officers
- 2,690 Paid Firefighters
- 6,485 Volunteer Members
- 766 Paid & Volunteer Members (simultaneous service credit)
- 6,584 Benefit Recipients

Data for Local Plans Administered by LOPFI

- 255 Local Plans
- 9 Active and DROP Members
- 2,787 Benefit Recipients

BOARD OF TRUSTEES

John Neal

Chairman / Retired Fire Trustee

J. Scott Baxter

Vice-Chairman / Police Employee Trustee

Tim Hill

Retired Police Trustee

Mayor Gary Baxter

Employer Trustee

Jared Zeiser

Public Trustee

Brad Moore

Fire Employee Trustee

Vacant

Employer Trustee

Board Meeting Dates:

June 12, 2025 - ASC Meeting 9:30 am

June 12, 2025 - LOPFI Meeting 10:00 am

September 11, 2025 - LOPFI Meeting 9:30 am

December 4, 2025 - LOPFI Meeting 9:30 am

All meetings are open to the public.

Members are encouraged to attend meetings.

All meeting information is provided on the system's website. For anyone unable to attend meetings, the website also provides approved minutes from previous meetings, which can help keep you current on activities of the retirement system.

Stay tuned to the LOPFI website
& the Member Portal for Member
Seminar dates and locations.

LOPFI

LOCAL POLICE & FIRE RETIREMENT SYSTEM

620 W. 3RD STREET, SUITE 200
LITTLE ROCK, AR 72201-2223

LOPFI's Direct Deposit Schedule

Month	Deposit Date
June 2025	May 30, 2025
July 2025	July 1, 2025
August 2025	August 1, 2025
September 2025	August 29, 2025
October 2025	October 1, 2025

LOPFI Closed for the Holidays:

May 26, 2025	Memorial Day
June 19, 2025	Juneteenth
July 4, 2025	Independence Day
September 1, 2025	Labor Day
October 13, 2025	Columbus Day

LOPFI PensioNews is published by the
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Monday - Friday 8:30 am to 4:30 pm

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