



Arkansas State Highway & Transportation Department

EMPLOYEE NEWSLETTER

VOLUME 17, NUMBER 1 - JANUARY 19, 1989

ALL UNEMPLOYMENT COMPENSATION NOW TAXED

Individuals who receive a substantial amount of unemployment compensation in 1989 may need to adjust their federal withholding allowances or make estimated tax payments, the Internal Revenue Service reminds taxpayers. If they do not do this, they may not have enough income tax withheld to cover their tax for the year.

All unemployment compensation received after 1986 is fully taxable as income. For more information about withholding or estimated tax, order free Publication 505, "Tax Withholding and Estimated Tax," by using the order form in the tax package or calling 1-800-424-3676.

1989 SOCIAL SECURITY TAX RATE AND WAGE BASE

The Social Security tax rate is 7.51% each for employers and employees on the first \$48,000 on wages paid in 1989.

HIGHWAY COMMISSION AND LETTING DATES

The Arkansas Highway Commission has scheduled the following Commission Meeting and Letting dates. Please see that all work schedules are planned accordingly.

February 15, 1989

March 22, 1989

April 26, 1989

May 31, 1989

July 12, 1989

ARKANSAS HIGHWAYS MAGAZINE DEADLINE

The deadline for articles and pictures to be submitted to the Arkansas Highways Magazine is Tuesday, January 31, 1989. Please submit your pictures or article to your respective District or Division reporter before the deadline date.

ARKANSAS HIGHWAYS MAGAZINE MAILING REQUIREMENTS

Any Arkansas Highways magazines mailed by employees to other individuals must be placed in a large envelope and mailed with the correct amount of First Class postage. The Bulk Mail rate does not apply to single items and can only be used when mailed in volume of 200 or more. Any single items received at the Post Office with a Bulk Mail permit affixed are not delivered.



Arkansas State Highway & Transportation Department

EMPLOYEE NEWSLETTER

VOLUME 17, NUMBER 2 - MARCH 30, 1989

FOUR-DAY WORK WEEK

Effective April 6, 1989, all field maintenance personnel, shop crews and storeroom personnel will work a four-day, ten-hour schedule Monday through Thursday. The four-day week will include Area Foremen, Job Superintendents, Shop Foremen and District Equipment Maintenance Supervisors. Also included will be Traffic Division Striping and Signing Crews, Surveys Division Survey Parties, Heavy Bridge Maintenance Crews, Radio Maintenance Specialists, Central Office Equipment Specialists and Central Office Safety Inspection Officers.

On those weeks containing a holiday, the work schedule will revert to a five-day, eight-hour work week. Vacation or sick leave for a ten-hour day will be charged as 10 hours. Half days will be charged as 5 hours.

The Districts will rotate the service station personnel so that one person will be on a five-day, eight-hour work week to allow the station to be kept open all week. Each crew should have one person report early enough to service all equipment for the day's work so that the crews can go immediately to their assignments. This person's schedule should be such that he is not on overtime for this assignment.

The Equipment Preventive Maintenance Program is to be carried out fully during the four-day work week period.

Work hours will be 7:00 A.M. to 5:30 P.M., with a half hour for lunch. The four-day, ten-hour work week will end on October 18, 1989.

EXERCISE/PHYSICAL FITNESS COMMITTEE ACTIVITY

The Department's Fitness Committee has been appointed the responsibility of coordinating the Department's participation in the annual March of Dimes Walk-a-Thon to be held Saturday, April 29, 1989. All AHTD employees and committee members' supervisors are urged to support the Fitness Committee members in the coming weeks in any way possible to promote this worthwhile activity. For more information on the Walk-a-Thon contact Don Potter, Chairman of the Fitness Committee, at 569-2586.

CENTRAL OFFICE EMPLOYEES' ADVISORY COMMITTEE

In accordance with the Director's memorandum of December 8, 1977, the following employees are hereby appointed to the Central Office Employees' Advisory Committee: Mike Dudoich of Equipment and Procurement; Fernie Speights of Planning, and Lenora Myers of Fiscal Services.

ARKANSAS HIGHWAYS MAGAZINE DEADLINE

The deadline for articles and pictures to be submitted to the Arkansas Highways Magazine is Thursday, April 27, 1989. Please submit your pictures or articles to your respective District or Division reporter before the deadline date. This issue will also contain High School and College Graduates of Department personnel.

Arkansas Highways Magazine Employee Survey Form

Arkansas Highways Magazine has been published in some form or fashion for over 35 years. It serves as a medium of information for Department employees, retirees, and other interested readers. The costs and time involved in putting this publication together have steadily increased over the years. The AHTD Public Affairs Office has been asked to explore other avenues which would lead to a reduction in costs, while at the same time, continue providing an interesting publication which Department employees can be proud of.

Please take a few minutes to **complete the survey form and return to the Public Affairs Office by Friday, April 21**. Your thoughts on this subject are very important, so feel free to add any additional comments.

1. Indicate which of the following types of articles you read in Arkansas Highways magazine:

	Often	Sometimes	Never
Director's Page	☐	☐	☐
Highway dedications	☐	☐	☐
Public hearings	☐	☐	☐
Interviews with Commissioners/Employees	☐	☐	☐
Personnel changes/promotions	☐	☐	☐
Features about employees	☐	☐	☐
Division/Section profiles	☐	☐	☐
Special events	☐	☐	☐
Status reports on projects	☐	☐	☐
Conferences/seminars	☐	☐	☐
High School/College graduates	☐	☐	☐
Retiree Association news	☐	☐	☐
Letters to Editor	☐	☐	☐
Service Awards/Retirees	☐	☐	☐
Around the Department	☐	☐	☐

2. Would you like to see more, less, or about the same of the following types of articles:

	More	Less	About the Same
Director's Page	☐	☐	☐
Highway dedications	☐	☐	☐
Public hearings	☐	☐	☐
Interviews with Commissioners/Employees	☐	☐	☐
Personnel changes/promotions	☐	☐	☐
Features about employees	☐	☐	☐
Division/Section profiles	☐	☐	☐
Special events	☐	☐	☐
Status reports on projects	☐	☐	☐
Conferences/seminars	☐	☐	☐
High School/College graduates	☐	☐	☐
Retiree Association news	☐	☐	☐
Letters to Editor	☐	☐	☐
Service Awards/Retirees	☐	☐	☐
Around the Department	☐	☐	☐

3. What other types of articles would you like to see?

4. Do you keep copies of Arkansas Highways? Yes ☐ No ☐

5. What type of format do you prefer? Magazine ☐ Newspaper ☐ Tabloid ☐

8. Please rate your overall impression of Arkansas Highways.

Above Average ☐

Average ☐

Below Average ☐

9. Additional Comments: _____

Thank you for your time.

Please fold and return to your District/Division for return to the Public Affairs Office.

RETURN TO:



Arkansas State Highway & Transportation Department

EMPLOYEE NEWSLETTER

VOLUME 17, NUMBER 3 - APRIL 13, 1989

LEGISLATIVE UPDATE

During the recently completed Legislative Session there were several items approved that affect Highway and Transportation Department employees.

- Act 547 provides for a minimum benefit of \$150 per month for persons vested under the Public Employees Retirement System and the State Highway Retirement System.

- Act 586 increases to 15 the number of days per calendar year for military leave to state employees.

- Act 711 authorizes agencies to continue contributions to State Employees Health Insurance Program when an employee is off work and receiving Worker's Compensation payments.

- Act 959 is the appropriations act for AHTD operations. This Act also transferred the duties and responsibilities of the Transportation Safety Agency to the Highway and Transportation Department. The employees of that agency will become employees of AHTD on July 1.

"ARKANSAS HIGHWAYS" MAGAZINE SURVEY

Enclosed with this newsletter is a survey on the "Arkansas Highways" magazine. Please take a few minutes of your time to complete the survey and return to the Public Affairs Office by April 21.

MILEAGE REIMBURSEMENT CHANGE

Effective April 17, Highway and Transportation Department employees will be reimbursed at the rate of 23¢ per mile for use of their personal vehicles for authorized state-related travel. The old rate was 21¢ per mile.

CAPITOL CREDIT UNION ANNUAL MEETING

The Capitol Credit Union will hold their annual meeting at 5:30 p.m. on April 13, 1989 in the Arkansas Game and Fish Auditorium at #2 Natural Resource Drive in Little Rock. All members are invited to attend.

CAPITOL CREDIT UNION SERVICE CHARGE CHANGES

Effective April 15, 1989 the service charge on savings withdrawals will be changed to: First three (3) in a quarter FREE. Each withdrawal after is a \$5.00 charge. This does not effect ATM (Express) withdrawals.



Arkansas State Highway & Transportation Department

EMPLOYEE NEWSLETTER

VOLUME 17, NUMBER 5 - JUNE 22, 1989

BARNETT RE-ELECTED TO RETIREMENT BOARD

Jim Barnett, Traffic Engineer, was recently re-elected as employee-member of the Board of Trustees of the Arkansas Highway Employees Retirement System. Barnett will serve until June 30, 1991. Other members of the Retirement Board are Charles Venable, AHTD Chief Engineer; Jimmie Lou Fisher, State Treasurer; Jim Pledger, Director of the Department of Finance and Administration; and Larry Dickerson, AHTD Fiscal Officer, is the Executive Secretary.

JULY 4th HOLIDAY

Tuesday, July 4, will be a holiday for Highway and Transportation Department personnel in observance of Independence Day. All work will be suspended except in cases of emergency.

NEW STAFF PROGRAM MANAGEMENT ADMINISTRATOR

Mike Sebren has been appointed to the position of Staff Program Management Administrator in the Programs and Contracts Division, replacing Mark Bradley who resigned to pursue other opportunities.

Sebren is a graduate of Memphis State University and is a Registered Professional Engineer. He began his career with AHTD in May 1978 and has served in various positions of responsibility, most recently as Resident Engineer in North Little Rock.

IS YOUR ADDRESS CORRECT ON YOUR PAYCHECK?

Please check your address as shown on your paycheck. If it is not correct, contact the Fiscal Services Division at 569-2415.

SPEEDING KILLS!

Never exceed the posted speed limit. . .
and remember to always buckle your seat belt.



Arkansas State Highway & Transportation Department

EMPLOYEE NEWSLETTER

VOLUME 17, NUMBER 6 - JULY 6, 1989

WELCOME TRANSPORTATION SAFETY EMPLOYEES

Effective July 1, the 66 employees of the former Transportation Safety Agency became employees of the Highway and Transportation Department.

Act 153 of the First Extraordinary Legislative Session of 1989 transferred all duties and responsibilities of the TSA to the AHTD. The work performed by the employees of that agency will continue to be carried out through the various divisions of the Department.

The largest group, 37 employees, have become part of the Highway Police Division and will continue to be responsible for the administration of the Motor Carrier Safety Assistance Program.

The Traffic Division has 15 new employees who work on projects associated with the Highway Safety Program.

Nine employees have joined Fiscal Services as part of the Highway Truck Tax Section. The regulatory functions will be handled by four employees as part of the Legal Division, and one employee has joined the Human Resources Division.

PERSONNEL CHANGES

Effective June 15 the Fiscal Services Division originated a Finance Section. This section is headed by Skipper Bosley. Included in this section are Carl Harrell, Statistician, and Gary Martin, Senior Accountant.

Mr. Bosley graduated from UALR with a degree in Business Administration. He obtained his Master's degree from UCA, and has studied law at the University of Arkansas. He began his career with the Department in 1970. He has served as Section Head of Finance and Economics in the Planning Division for the past 10 years.

Larry Johnson has replaced Bosley as Section Head of Finance and Economics. Johnson began his career in 1964 in the Finance and Economics Section. For the past six years he has worked in the Highway Truck Tax Section. He is a graduate of UCA at Conway and has a degree in Business with a minor in Economics and Accounting.

'ARKANSAS HIGHWAYS' MAGAZINE COPY DEADLINE

The copy and picture deadline for submission to the "Arkansas Highways" Fall 1989 issue is Thursday, July 27, 1989. Please send your submissions to your District or Division reporter.

**AHTD SALARY SCHEDULE EFFECTIVE 7-1-89
ON BACK OF NEWSLETTER**

AHTD SALARY SCHEDULE

EFFECTIVE 7-1-89

Salary Level	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
I	276.00 7176.00	316.00 8216.00	339.00 8814.00	365.00 9490.00	393.00 10218.00	421.00 10946.00	454.00 11804.00	487.00 12662.00	514.00 13364.00
II	324.00 8424.00	362.00 9412.00	380.00 9880.00	408.00 10608.00	437.00 11362.00	466.00 12116.00	503.00 13078.00	535.00 13910.00	556.00 14456.00
III	358.00 9308.00	401.00 10426.00	423.00 10998.00	454.00 11804.00	484.00 12584.00	520.00 13520.00	555.00 14430.00	589.00 15314.00	611.00 15886.00
IV	395.00 10270.00	444.00 11544.00	470.00 12220.00	502.00 13052.00	535.00 13910.00	574.00 14924.00	612.00 15912.00	650.00 16900.00	670.00 17420.00
V	434.00 11284.00	491.00 12766.00	521.00 13546.00	554.00 14404.00	590.00 15340.00	631.00 16406.00	674.00 17524.00	712.00 18512.00	734.00 19084.00
VI	481.00 12506.00	540.00 14040.00	574.00 14924.00	609.00 15834.00	650.00 16900.00	691.00 17966.00	736.00 19136.00	777.00 20202.00	800.00 20800.00
VII	529.00 13754.00	594.00 15444.00	631.00 16406.00	670.00 17420.00	713.00 18538.00	758.00 19708.00	804.00 20904.00	848.00 22048.00	872.00 22672.00
VIII	582.00 15132.00	655.00 17030.00	694.00 18044.00	736.00 19136.00	781.00 20306.00	827.00 21502.00	877.00 22802.00	923.00 23998.00	947.00 24622.00
IX		718.00 18668.00	761.00 19786.00	806.00 20956.00	852.00 22152.00	901.00 23426.00	953.00 24778.00	1000.00 26000.00	1024.00 26624.00
X		781.00 20306.00	829.00 21554.00	876.00 22776.00	924.00 24024.00	977.00 25402.00	1032.00 26832.00	1081.00 28106.00	1107.00 28782.00
XI		854.00 22204.00	907.00 23582.00	955.00 24830.00	1006.00 26156.00	1060.00 27560.00	1119.00 29094.00	1170.00 30420.00	1192.00 30992.00
XII		927.00 24102.00	983.00 25558.00	1034.00 26884.00	1086.00 28236.00	1145.00 29770.00	1204.00 31304.00	1257.00 32682.00	1281.00 33306.00
XIII		1005.00 26130.00	1068.00 27768.00	1121.00 29146.00	1176.00 30576.00	1234.00 32084.00	1296.00 33696.00	1350.00 35100.00	1371.00 35646.00
XIV		1086.00 28236.00	1153.00 29978.00	1209.00 31434.00	1266.00 32916.00	1327.00 34502.00	1390.00 36140.00	1445.00 37570.00	1466.00 38116.00
XV		1171.00 30446.00	1242.00 32292.00	1298.00 33748.00	1359.00 35334.00	1422.00 36972.00	1488.00 38688.00	1545.00 40170.00	1564.00 40664.00
XVI		1258.00 32708.00	1336.00 34736.00	1394.00 36244.00	1456.00 37856.00	1519.00 39494.00	1588.00 41288.00	1644.00 42744.00	1660.00 43160.00
XVII		1350.00 35100.00	1431.00 37206.00	1492.00 38792.00	1554.00 40404.00	1621.00 42146.00	1688.00 43888.00	1744.00 45344.00	1760.00 45760.00
XVIII		1445.00 37570.00	1531.00 39806.00	1594.00 41444.00	1655.00 43030.00	1724.00 44824.00	1794.00 46644.00	1850.00 48100.00	1861.00 48386.00
XIX		1601.00 41626.00	1664.00 43264.00	1727.00 44902.00	1792.00 46592.00	1860.00 48360.00	1915.00 49790.00	1925.00 50050.00	
XX		1719.00 44694.00	1780.00 46280.00	1846.00 47996.00	1912.00 49712.00	1966.00 51116.00	1968.00 51168.00		



Arkansas State Highway & Transportation Department **EMPLOYEE NEWSLETTER**

VOLUME 17, NUMBER 8 - AUGUST 3, 1989

CHANGES IN INSURANCE PREMIUMS

Department employees and retirees enrolled in the State Employees Health Insurance Plan are participating in a self-insured program. The following is a summary of changes which will become effective for regular employees August 1, 1989 and will become effective for retirees September 1, 1989.

STATE EMPLOYEES HEALTH INSURANCE PLAN

In Fiscal Year 1988-89 the total amount of claims paid under Plan I exceeded the amount of premiums collected. It is therefore necessary to increase the Plan I premiums in order to maintain the financial integrity of the insurance program. The increase applies only to those covered under Plan I. The chart below reflects the ratio of claims versus premiums from July 1988 through June 1989 for Plan I.

	<u>Number of Insureds</u>	<u>Claims Paid</u>	<u>Percent</u>	<u>Premiums Collected</u>
Plan I	21,606	\$39,995,141.27	102.0	\$39,203,688.17

The State matching contribution will increase \$12.50 to a total of \$102.50 per month per employee. However, this will not produce enough income to offset the deficit. Therefore, effective August 1, 1989, the following rates have been approved for bi-weekly deduction:

STATE EMPLOYEES HEALTH INSURANCE PLAN I

<u>Health Class</u>	<u>New Rate</u>	<u>Amount of Increase</u>
Employee Only	\$20.10	\$4.00
Employee & Spouse	\$62.31	\$13.00
Employee & Children	\$36.50	\$6.00
Employee, Spouse & Children	\$62.48	\$13.00

STATE EMPLOYEES HEALTH INSURANCE PLAN II

Plan II covers in-hospital charges only and sufficient premiums have been collected in this plan to cover claims. Therefore, no changes in premiums will be necessary for Plan II members.

RETIREES INSURED ON MEDICARE

Effective September 1, 1989 a 15% increase in rates have been approved.

See reverse side of this newsletter for
COST CARE, INC.: A Pre-Hospital Admission Review Program

COST CARE A Pre-Hospital Admission Review Program

The following information is provided to advise Department employees and retirees insured through the State Employees Health Insurance Plan of the necessity for a pre-hospital admission review program.

The State Employees Insurance Advisory Committee was mandated in 1986, by Legislative action, to implement cost containment measures. The implementation of these measures was required in order for the State to continue its contribution to each employees' group health insurance premium. Therefore, a pre-hospital admission program was initiated to control unnecessary hospital stays, thereby reducing costs while maintaining a quality health care program.

The State Employees Insurance Advisory Committee contracted January 1, 1987 with Cost Care, Inc., a nationwide corporation specializing in health insurance cost containment, to administer this aspect of our program. Cost Care is credited with the primary reason there was no premium increase during 1988. Without this program, our current premium increases would be considerably more.

All non-emergency hospital admissions for group members and their dependents must be approved in advance by Cost Care before any hospital expenses are incurred. Cost Care will inform you of how many hospital days will be authorized for your confinement that are eligible for maximum insurance benefits.

In the event of an emergency, Cost Care should be contacted the next working day to determine the days of eligibility.

Cost Care's toll free telephone number is 1-800-762-3029.

Listed below are the number of hospital days requested by group members during Fiscal Year 1988-89, the number of days authorized by Cost Care, and the percent of hospital days saved as a result of the Cost Care Program. The difference between the number of days requested and days approved substantially decreased claim payments.

Month/ Year	Employee Inquiries	Total Insureds	Requested Hospital Admissions	Requested Hospital Days	Authorized Hospital Days	Percent Days Saved
Jul 88	18,099	43,076	319	2,179	1,844	15.4%
Aug 88	18,262	43,076	374	2,106	1,906	9.5%
Sept 88	18,262	43,076	362	2,363	2,114	10.5%
Oct 88	18,392	43,405	341	2,046	1,899	7.2%
Nov 88	18,345	43,294	332	1,996	1,763	11.7%
Dec 88	18,461	43,568	315	1,878	1,763	12.2%
Jan 89	18,536	43,745	394	2,490	2,178	12.5%
Feb 89	18,461	43,568	340	2,239	1,885	15.8%
Mar 89	18,536	43,745	355	2,249	1,995	11.3%
Apr 89	18,750	44,250	310	2,244	1,734	22.7%
May 89	18,864	44,519	395	2,094	1,838	12.2%
Jun 89	<u>18,750</u>	<u>44,250</u>	<u>371</u>	<u>2,196</u>	<u>1,926</u>	<u>12.3%</u>
TOTAL	221,718		3,208	26,080	22,730	12.8%

The savings resulting from the above activity is estimated by the State Employees Insurance Office at \$2.5 million annually. The expense of Cost Care, Inc. to administer the Pre-Hospital Admission Review Program is approximately \$221,000 annually. It can be seen that this program of hospital cost containment is effectively saving our program unnecessary expense over and above the cost to underwrite the program while continuing to provide a quality health care plan.

Each employee can be assured that Cost Care physicians will consult with the employees personal physician, as necessary, when making the determination of the number of authorized hospital days. A retrospective review of the authorized days will be made upon request of the employee if the employee is unsatisfied. If the employee is still unsatisfied, an appeal for relief may be made to the State Employees Insurance Advisory Committee. Should any employee have problems with the Cost Care process, please contact the Department's Insurance Representative, Diann Gwatney, at 569-2420 for assistance.



Arkansas State Highway & Transportation Department **EMPLOYEE NEWSLETTER**

VOLUME 17, NUMBER 9 - SEPTEMBER 28, 1989

STATE EMPLOYEES LITERACY TUTORING PROGRAM

Governor Bill Clinton has announced the establishment of a Literacy Tutoring Program for State employees. An agreement between the Department of Education and the Department of Finance and Administration's Inter-Agency Training Program has been established to administer the program. This program is designed to teach State employees to tutor other State employees who need literacy training and is a cost-effective approach to increased productivity. Our employees will also find this service to be beneficial on the job as well as in private life.

The first phase of this joint effort is a survey of all Highway and Transportation Department employees to determine need and interest. The Literacy Tutoring Program Survey is included with this paycheck.

The tutor training workshop will be conducted during working hours. However, actual tutoring time will be voluntary and shall be conducted after work.

If you are interested in tutor training or have a personal interest in improving your reading ability, complete the attached survey form and return to:

Ms. Emma Rhodes, Coordinator
Arkansas Department of Education
Adult Education Section
Three Capitol Mall
Luther S. Hardin Building
Little Rock, Arkansas 72201-1083

PERSONNEL CHANGES

Effective September 21, 1989, Robert E. Tyler, Senior Environmental Scientist, was promoted to Chief of the Utilities Section of the Right of Way Division. Tyler, a 17-year employee of the Department, has a Bachelor of Science Degree from UALR and a Master of Science Degree from the University of Arkansas at Fayetteville.

Effective September 25, 1989, Paul Simms assumed the duties of Staff Planning Administrator and is in charge of the Planning Division's Statewide Planning Section. Simms is a Registered Professional Engineer and a civil engineering graduate of Memphis State University. He also has a Master of Business Administration Degree from UALR.

ARKANSAS STATE FAIR

The Highway and Transportation Department will be sponsoring a booth in the Hall of Industry Building during the Arkansas State Fair and Livestock Show, October 6-15. All employees are invited to stop by and support your Highway and Transportation Department.

**RETIREMENT FINANCIAL STATEMENT
ON BACK OF THIS NEWSLETTER**

ARKANSAS STATE HIGHWAY
EMPLOYEES RETIREMENT SYSTEM
JUNE 30, 1989

TO: ALL MEMBERS OF THE ARKANSAS STATE HIGHWAY
EMPLOYEES RETIREMENT SYSTEM

THE COMPARATIVE INFORMATION BELOW WILL GIVE YOU AN IDEA OF THE GROWTH AND FINANCIAL POSITION OF YOUR RETIREMENT SYSTEM.

	<u>1988</u>	<u>1989</u>	<u>INCREASE</u>
NUMBER OF ACTIVE MEMBERS	4,155	4,091	(64)
NUMBER OF RETIRED MEMBERS	1,760	1,758	(2)
ANNUITIES	11,380,406	12,704,695	1,324,289
INVESTMENTS	241,626,618	261,756,936	20,130,318
INTEREST & DIVIDENDS FROM INVESTMENTS	16,666,428	18,112,334	1,445,906
GAIN ON SALE OF SECURITIES	6,118,067	4,600,040	(1,518,027)
YIELD TO COST:			
FIXED INCOME	9.05%	9.02%	(0.03%)
*COMMON STOCK	2.36%	2.49%	0.13%
YIELD TO MARKET:			
FIXED INCOME	9.21%	9.06%	(0.15%)
*COMMON STOCK	2.65%	2.47%	(0.18%)

*EXCLUDES CAPITAL GAINS ON SALES AND OPTION INCOME FOR 1988 AND 1989, \$6.9 MILLION AND \$5.3 MILLION, RESPECTIVELY.

AS SHOWN ABOVE, YOUR RETIREMENT SYSTEM HAS INVESTMENTS IN STOCK AND FIXED INCOME SECURITIES OF \$261,756,936.00 FROM WHICH WE RECEIVED EARNINGS OF \$18,112,334.00. THESE INVESTMENTS ARE COMPOSED OF THE FOLLOWING SECURITIES AT COST:

	<u>AVERAGE RATE EARNED ON COST</u>	<u>COST</u>	<u>PORTFOLIO</u>
CORPORATE BONDS:			
UTILITIES	7.86%	45,737,342	38.37%
TRANSPORTATION	9.26%	3,441,691	
EDUCATIONAL SERVICES	9.20%	1,000,000	
PETROLEUM PRODUCTS & EQUIPMENT	8.47%	195,359	
BANKS AND FINANCIAL	9.26%	17,036,582	
DRUGS, MEDICAL AND CHEMICAL	8.47%	11,011,795	
RETAIL & RESTAURANTS	9.46%	11,975,028	
AUTOMOTIVE & MACHINERY	9.59%	10,051,631	
CAPITAL NOTES-BANKS	10.92%	900,815	0.34%
U.S. GOVERNMENT AGENCIES	9.56%	77,728,988	29.69%
COMMON STOCK-GROWTH:			
BANKS AND FINANCIAL		7,027,384	31.60%
DRUGS, MEDICAL AND CHEMICAL		27,301,271	
ELECTRICAL EQUIPMENT		8,583,314	
FOOD AND BEVERAGES		4,802,894	
INSURANCE		6,093,818	
MACHINERY AND BUILDING MATERIALS		3,404,340	
PETROLEUM PRODUCTS & EQUIPMENT		4,904,728	
OFFICE EQUIPMENT		3,570,528	
PUBLIC UTILITIES AND RETAIL TRADE		11,915,129	
TRANSPORTATION		5,079,638	

OVERALL, THE ASSETS OF THE RETIREMENT SYSTEM INCREASED FROM \$248,518,364.00 TO \$273,315,795.00, A GAIN OF \$24,797,431.00.



Arkansas State Highway & Transportation Department

EMPLOYEE NEWSLETTER

VOLUME 17, NUMBER 10 - NOVEMBER 22, 1989

TAX TREATMENT OF RETIREES INCOME EQUALIZED

A Bill, signed into law on November 6, 1989, will equalize income tax treatment of retired employees. Act 27 of the Third Extraordinary Session of 1989 exempts the first \$6,000 of retirement or disability benefits received after December 31, 1988 from the state income tax.

This exemption applies to income received from public or private employment-related retirement systems, plans, or programs, regardless of the method of funding for such systems.

Any resident of Arkansas who prior to January 1, 1989 received both military retirement or disability pay and other retirement or disability benefits is entitled to claim only one \$6,000 exemption.

Prior to the passage of this Bill, retired state employees were exempt from paying state income tax on all retirement income, but retired federal employees got only a \$6,000 exemption, paying state income taxes on all income over that amount.

The law equalizing the treatment of retirement income was changed because of a lawsuit filed by retired federal employees challenging the constitutionality of the exemption for one class of retirees.

A Pulaski County chancellor ruled in favor of the federal retirees and has ordered the state to pay refunds to them.

CHILD CARE CREDIT CLAIMANTS NEED SERVICE PROVIDER'S ID NUMBER

As a result of welfare reform legislation enacted last year, taxpayers who claim the child care credit on their 1989 returns will be required to identify the person providing the care. The identification (name, address, and taxpayer ID number) must be shown on the tax return (Form 2441 if Form 1040 is filed, or Schedule 1 if Form 1040A is filed). If the provider is a tax exempt organization (charity, etc.) its ID number need not be shown. Form W-10, Dependent Care Provider's Identification and Certification can be used to obtain the ID number.

If the correct identification is not shown on the taxpayer's return, the credit will be denied unless the taxpayer can show that he exercised due diligence in attempting to obtain the information.

Taxpayers who are paying for services which qualify for the child care credit should act now to obtain the necessary information from the child care provider. If the provider later departs or if for some other reason the information cannot be obtained when the return is being prepared, the credit may be lost.

FELLOWSHIP AVAILABLE FOR ENGINEERS

The National Society of Professional Engineers (NSPE) Education Foundation has announced the 6th year of the Professional Engineers in Government (PEG) Fellowship for engineers pursuing graduate study in management, engineering management, or public administration. PEG is funding the \$2,000 Fellowship to promote and encourage Professional Engineers (PE) and Engineers-in-Training (EIT) in any field of practice to pursue continuing professional development in the area of management.

Any PE or EIT employed in government, education, industry, construction, or private practice may apply for the \$2,000 award. Members of PEG and those employed in government are given special consideration. Other qualifications include a desire to earn an MBA in Management, Masters of Engineering Management, or Masters of Public Administration; and enrollment in, or acceptance to, a program accredited by the American Assembly of Collegiate Scholars of Business or the Accreditation Board for Engineering Technology.

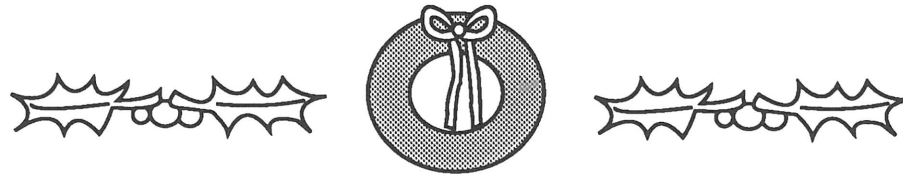
Applicants are requested to submit an official transcript of all undergraduate work as well as GRE or GMAT scores. The deadline for receipt of application is February 1, 1990.

Further information can be obtained by contacting the Personnel Office of the AHTD Human Resources Division at 569-2452.



Arkansas State Highway & Transportation Department
EMPLOYEE NEWSLETTER

VOLUME 17, NUMBER 11 - DECEMBER 7, 1989



CHRISTMAS AND NEW YEAR HOLIDAYS

In accordance with Minute Order 75-156, Christmas and New Year holidays will include Monday, December 25 for Christmas Eve; Tuesday, December 26 for Christmas Day; and Monday, January 1 for New Year's Day. The Highway Commissioners wish you a happy and safe holiday.

PERSONAL AUTOMOBILE INSURANCE

As of December 1, 1989 Liberty Mutual Insurance Company began underwriting personal automobile insurance for Arkansas State Highway and Transportation Department employees.

Liberty Mutual may be contacted between 8:15 a.m. and 4:30 p.m. each weekday at the following numbers: Little Rock number 661-0330 or Toll Free 1-800-482-5786 (speak to Bob or Tammie at either number).

Liberty Mutual will need the following information at the time of your call:

1. Each motor vehicle description and I.D. number.
2. Exact mileage of each vehicle to be insured.
3. Name of Lienholders and lienholder's address.
4. Name, Date of Birth, Social Security Number and Driver's License Number of each driver to be insured.

A copy of your current Principal Casualty Declaration page should be mailed to Liberty Mutual after your telephone contact.

HIGHWAY COMMISSION MEETING AND LETTING DATES

The Arkansas State Highway Commission Meeting and Letting Dates for the first half of 1990 are as follow.

January 24, 1990

March 14

April 18

May 23

June 27

Please see that all work schedules are planned accordingly. Minutes Orders to be considered by the Commission must be in the Director's office no later than the Wednesday afternoon of the week prior to the Commission Meeting.



Arkansas State Highway & Transportation Department
EMPLOYEE NEWSLETTER

VOLUME 17, NUMBER 12 - DECEMBER 21, 1989

INSURANCE CHANGE

Because of the continual increase in the number of health insurance claims and the increases in health care costs, the State Employees Insurance Advisory Committee has found it necessary to initiate further cost containment measures to maintain the financial integrity of the health insurance program for State employees.

Therefore, effective January 1, 1990, the calendar year deductible allowed under Plan I of the State Employees Health Insurance Plan will increase from \$100 to \$200.

The stop loss provision of the plan will also change. Currently, covered charges are paid at a rate of 80% up to \$4,000 and at 100% thereafter. Beginning January 1, 1990, the \$4,000 stop loss provision will increase to \$5,000. The policy lifetime maximum of \$500,000 remains in effect.

CAPITOL CREDIT UNION

The Capitol Credit Union will be closed from 12:00 noon on Friday, December 22, 1989 through Monday, January 1, 1990 for year-end processing. The CCU will re-open for business at 9:00 a.m. January 2, 1990.

1990 SOCIAL SECURITY TAX RATE AND WAGE BASE CHANGE

The Social Security tax rate, effective on the paycheck received January 4, 1990, will increase to 7.65% for employers and employees on the first \$51,300 wages paid in 1990.

CHRISTMAS AND NEW YEAR HOLIDAYS

In accordance with Minute Order 75-156, Christmas and New Year holidays will include Monday, December 25 for Christmas Eve; Tuesday, December 26 for Christmas Day; and Monday, January 1 for New Year's Day. The Highway Commissioners and Director wish you a happy and safe holiday season.

