

"AN ACT TO AMEND SUBSECTION K OF SECTION 1 OF ACT 177 OF 1957, AS AMENDED [ARK. STAT. 12-2501], AND SUBSECTION 8 OF SECTION 2 OF ACT 793 OF 1977, AS AMENDED [ARK. STAT. 12-3302(2.08)], CHANGING THE DEFINITION OF AVERAGE COMPENSATION AND FINAL AVERAGE PAY FOR PURPOSES OF CALCULATING RETIREMENT BENEFITS; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Subsection K of Section 1 of Act 177 of 1957, as amended, the same being Arkansas Statute 12-2501, is hereby amended to read as follows:

"K. 'Average Compensation' means the average of the highest annual compensations paid a member during any period of sixty (60) calendar months of credited service with a public employer. Should a member have less than sixty (60) calendar months of credited service, 'average compensation' means the annual average of compensations to him during his total years of credited service. Any other provision to the contrary notwithstanding, if a member's rate of pay is set by Section 2 of Amendment 56 of the State Constitution, then the member's 'average compensation' shall not be less than his rate of pay at time of separation from covered employment; or if a member's rate of pay is set by Section 3 of Amendment 56 to the State Constitution, then the member's 'average compensation' shall not be less than the member's highest rate of such pay; or if a member served at any time in an office whose rate of pay is set by Section 3 of Amendment 56 to the State Constitution, and that member was a member of the General Assembly on December 31, 1978, then the member's 'average compensation' shall not be less than the rate of pay currently set for the highest legislative office the member held."

SECTION 2. Subsection 8 of Section 2 of Act 793 of 1977, as amended, the same being Arkansas Statute 12-3302(2.08), is hereby amended to read as follows:

"2.08. 'Final average pay' means the average of the highest annual compensations paid a member during any period of sixty (60) calendar months of credited service with a public employer. Should a member have less than sixty (60) calendar months of credited service, 'final average pay' means the monthly average of pays to him during his total years of credited service. Any other provision to the contrary notwithstanding, if a member's rate of pay is set by Section 2 of Amendment 56 of the State Constitution, then the member's 'final average pay' shall not be less than his monthly rate of pay at time of separation from covered employment; or if a member's rate of pay is set by Section 3 of Amendment 56 to the State Constitution, then the member's 'final average pay' shall not be less than the member's highest monthly rate of such pay; or if a member served at any time in an office whose rate of pay is set by Section 3 of Amendment 56 to the State Constitution, and that member was a member of the General Assembly on December 31, 1978, then the member's 'final average pay' shall not be less than the rate of pay currently set for the highest legislative office the member held."

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: 4/1/87

