

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

*As Engrossed: S3/15/99*

## A Bill

Act 863 of 1999  
SENATE BILL 260

5 By: Senator Gwatney  
6  
7

### For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 24-10-102 TO REDUCE THE  
10 TIME PERIOD FOR FINAL AVERAGE PAY UNDER THE LOCAL  
11 POLICE AND FIRE RETIREMENT SYSTEM FROM FIVE (5) YEARS  
12 TO FOUR (4) YEARS; AND FOR OTHER PURPOSES."  
13

### Subtitle

14 "TO REDUCE THE TIME PERIOD FOR FINAL  
15 AVERAGE PAY UNDER THE LOCAL POLICE AND  
16 FIRE RETIREMENT SYSTEM FROM 5 YEARS TO 4  
17 YEARS."  
18  
19  
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
22

23 SECTION 1. Arkansas Code § 24-10-102 (16), regarding the definition for  
24 "final average pay" under the Local Police and Fire Retirement System, is  
25 amended to read as follows:

26 "(16)(A) 'Final average pay' means the monthly average of the  
27 pays to an employee during the period of ~~sixty (60)~~ thirty-six (36)  
28 consecutive months of credited service producing the highest monthly average,  
29 but the period must be contained within the period of one hundred twenty (120)  
30 consecutive months of credited service immediately preceding his separation  
31 from covered employment.

32 (B) Should a member have less than ~~sixty (60)~~ thirty-six  
33 (36) months of credited service, 'final average pay' means the monthly average  
34 of pays to him during his total months of credited service.

35 (C) In any event, pays usable in determining final average  
36 pay shall be limited by the following test, considering the final average pay

1 period in ~~five (5)~~ four (4) contiguous segments: Pays during any one (1)  
 2 annual segment shall be usable only to the extent that the pays do not exceed  
 3 ~~twenty-five percent (25%)~~ thirty-one percent (31%) of the total pays in the  
 4 final average pay period, but if the final average pay period is less than  
 5 ~~five (5)~~ four (4) full years, the maximum usable ~~twenty-five percent (25%)~~  
 6 thirty-one percent (31%) shall be increased proportionately; "

7  
 8 SECTION 2. No benefit enhancement provided for by this act shall be  
 9 implemented if it would cause the publicly supported retirement system's  
 10 unfunded actuarial accrued liabilities to exceed a thirty (30) year  
 11 amortization. No benefit enhancement provided for by this act shall be  
 12 implemented by any publicly supported system which has unfunded actuarial  
 13 accrued liabilities being amortized over a period exceeding thirty (30) years  
 14 until the unfunded actuarial accrued liability is reduced to a level less than  
 15 the standards prescribed by Arkansas Code, Title 24.

16  
 17 SECTION 3. All provisions of this act of general and permanent nature  
 18 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
 19 Revision Commission shall incorporate the same in the Code.

20  
 21 SECTION 4. If any provisions of this act or the application thereof to  
 22 any person or circumstance is held invalid, the invalidity shall not affect  
 23 other provisions or applications of the act which can be given effect without  
 24 the invalid provisions or application, and to this end the provisions of this  
 25 act are declared to be severable.

26  
 27 SECTION 5. All laws and parts of laws in conflict with this act are  
 28 hereby repealed.

29 */s/ Gwatney*

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 32 APPROVED: 3/25/1999