

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003  
4

*As Engrossed: H2/28/03 H3/11/03*

# A Bill

Act 507 of 2003  
HOUSE BILL 1124

5 By: Representative R. Smith  
6 By: Senator J. Jeffress  
7

## For An Act To Be Entitled

10 AN ACT TO AMEND THE ARKANSAS LOCAL POLICE AND  
11 FIRE RETIREMENT SYSTEM TO INCLUDE WORKERS'  
12 COMPENSATION BENEFITS IN FINAL AVERAGE PAY FOR  
13 THE PURPOSE OF CALCULATING THE AMOUNT OF AN  
14 ANNUITY FOR DISABILITY RETIREMENT; AND FOR OTHER  
15 PURPOSES.

## Subtitle

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18 AN ACT TO AMEND THE ARKANSAS LOCAL  
19 POLICE AND FIRE RETIREMENT SYSTEM TO  
20 INCLUDE WORKERS' COMPENSATION BENEFITS  
21 IN FINAL AVERAGE PAY FOR THE PURPOSE OF  
22 CALCULATING THE AMOUNT OF AN ANNUITY FOR  
23 DISABILITY RETIREMENT.  
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25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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28 SECTION 1. Arkansas Code § 24-10-102(15), concerning the definitions  
29 used in the Arkansas Local Police and Fire Retirement System, is amended to  
30 read as follows:

31 (15)(A) "Final average pay" means the monthly average of the pays to  
32 an employee during the period of thirty-six (36) consecutive months of  
33 credited service producing the highest monthly average, but the period must  
34 be contained within the period of one hundred twenty (120) consecutive months  
35 of credited service immediately preceding his or her separation from covered  
36 employment.



01202003KAS1004.VJF183

1 (B) Should a member have fewer than thirty-six (36) months  
2 of credited service, "final average pay" means the monthly average of pays to  
3 him or her during his or her total months of credited service.

4 (C) In any event, pays usable in determining final average  
5 pay shall be limited by the following test, considering the final average pay  
6 period in four (4) contiguous segments: Pays during any one (1) annual  
7 segment shall be usable only to the extent that the pays do not exceed  
8 thirty-one percent (31%) of the total pays in the final average pay period,  
9 but if the final average pay period is less than four (4) full years, the  
10 maximum usable thirty-one percent (31%) shall be increased proportionately.

11 (D)(i) For the limited purposes of calculating final  
12 average pay for disability retirement benefits under § 24-10-607, pay shall  
13 include workers' compensation benefits received by the member.

14 (ii) However, the pay that is increased for any month  
15 for the limited purposes of calculating this final average pay shall not be  
16 greater than the current pay attached to the rank of the member.

17 SECTION 2. Arkansas Code § 24-10-607(b)(1), concerning disability  
18 retirement benefits for members of the Arkansas Local Police and Fire  
19 Retirement System, is amended to read as follows:

20 (b)(1)(A) Upon disability retirement as provided in subsection (a) of  
21 this section, a member shall receive an annuity provided for in § 24-10-602.

22 (B)(i) For purposes of calculating the amount of an  
23 annuity for disability retirement, a member's final average pay shall include  
24 workers' compensation benefits received by the member as set forth under  
25 § 24-10-102(15)(D).

26 (ii) Disability benefits awarded to members, prior  
27 to the effective date of this subdivision (b)(1)(B), shall be adjusted to  
28 include workers' compensation benefits in calculating final average pay upon  
29 application to the system by the affected member.

30 (iii) No adjustment shall be made in monthly  
31 benefits paid before January 1, 2003.

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33 /s/ R. Smith  
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APPROVED: 3/18/2003