

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.

Act 799 of the Regular Session

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/27/07

A Bill

HOUSE BILL 1236

5 By: Representative Harris
6 By: Senator Faris
7

For An Act To Be Entitled

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9
10 AN ACT TO AMEND ARKANSAS LAW CONCERNING THE
11 DEFINITION OF COMPENSATION UNDER THE ARKANSAS
12 PUBLIC EMPLOYEES' RETIREMENT SYSTEM; AND FOR
13 OTHER PURPOSES.
14

Subtitle

15 AN ACT TO AMEND ARKANSAS LAW CONCERNING
16 THE DEFINITION OF COMPENSATION UNDER THE
17 ARKANSAS PUBLIC EMPLOYEES' RETIREMENT
18 SYSTEM.
19
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21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code § 21-5-106(d), concerning career service
25 recognition payments, is amended to read as follows:

26 (d) Career service recognition payments authorized by this section
27 shall be:

28 (1) subject ~~Subject~~ to withholding of all applicable state and
29 federal taxes; ~~but~~ and

30 (2) shall not be included ~~Included~~ by retirement systems in
31 determining benefits.
32

33 SECTION 2. Arkansas Code § 21-5-1101(d)(2), concerning competency-
34 based promotions and salary adjustments, is amended to read as follows:

35 (2) The lump-sum payments in this section shall ~~not~~ be



1 considered as salary for the purposes of retirement eligibility.

2
3 SECTION 3. Arkansas Code § 24-4-101(11), concerning the definition of
4 "compensation", is amended to read as follows:

5 "(11)(A) "Compensation" means the recurring remuneration paid a
6 member by public employers for personal services rendered by a member in a
7 position covered by an employer participating in the Arkansas Public
8 Employees' Retirement System.

9 (B) The following shall be considered recurring
10 remuneration for personal services for the purposes of determining retirement
11 benefits:

12 (i) Career service recognition payments paid to a
13 member under § 21-5-106;

14 (ii) Payments made to a member under § 21-5-1101,
15 including without limitation, a lump sum payment; and

16 (iii) Lump sum payments made to a member under §§
17 21-5-211 and 21-5-219.

18 ~~(B)~~(C) In case a member's compensation includes either
19 lodging or meals, or both, exclusive of travel expense, the cash value of the
20 lodging and meals shall be fixed by the board, not to exceed the amount the
21 employee is required to report for federal income tax purposes;"

22
23 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
24 General Assembly of the State of Arkansas that this act affects the
25 consideration of retirement benefits in the Arkansas Public Employees'
26 Retirement System and that the ideal and most efficient time to make
27 revisions to the consideration of retirement benefits is at the beginning of
28 the state's fiscal year. Therefore, an emergency is declared to exist and
29 this act being necessary for the preservation of the public peace, health,
30 and safety shall become effective on July 1, 2007.

31
32 /s/ Harris

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34 APPROVED: 4/2/2007