

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 616 of the Regular Session**

*As Engrossed: H3/3/09 H3/16/09*

**A Bill**

1 State of Arkansas  
2 87th General Assembly  
3 Regular Session, 2009  
4

HOUSE BILL 1110

5 By: Representative Kerr  
6  
7

**For An Act To Be Entitled**

9 AN ACT TO AMEND THE DEFINITION OF COMPENSATION  
10 UNDER THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT  
11 SYSTEM TO INCLUDE A BONUS PAID TO A COUNTY OR  
12 MUNICIPAL EMPLOYEE; AND FOR OTHER PURPOSES.  
13

**Subtitle**

14 TO AMEND THE DEFINITION OF COMPENSATION  
15 UNDER THE ARKANSAS PUBLIC EMPLOYEES'  
16 RETIREMENT SYSTEM TO INCLUDE A BONUS  
17 PAID TO A COUNTY OR MUNICIPAL EMPLOYEE.  
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19  
20

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

23 SECTION 1. Arkansas Code § 14-14-1206(a), concerning compensation of  
24 county employees, is amended to read as follows:

25 (a) Compensation. The quorum court of each county shall, by  
26 ordinance, fix the number and compensation of all county employees, including  
27 a bonus or lump sum payment.  
28

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

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

35 (B) The following shall be considered recurring



1 remuneration for personal services for the purposes of determining retirement  
2 benefits:

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

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

7 (iii)(a) Except as provided in subdivision  
8 (11)(B)(iii)(b) of this section, payments made to a member under § 14-14-  
9 1206(a), including without limitation a bonus or lump-sum payment.

10 (b) The maximum amount of the bonus or lump-sum  
11 payment that will be considered to be compensation during the last year of a  
12 member's employment is the lesser of five percent (5%) of the current year's  
13 salary or the amount of the bonus or lump-sum payment that was received by  
14 the member during the previous year of employment;

15 (iv)(a) Except as provided in subdivision  
16 (11)(B)(iv)(b) of this section, a bonus or lump-sum payment made to a  
17 municipal employee as provided in the municipality's annual budget under §  
18 14-42-308.

19 (b) The maximum amount of the bonus or lump-sum  
20 payment that will be considered to be compensation during the member's last  
21 year of employment is the lesser of five percent (5%) of the current year's  
22 salary or the amount of the bonus or lump-sum payment that was received by  
23 the member during the previous year of employment; and

24 ~~(iii)(v)~~ Lump-sum Lump-sum payments made to a member  
25 under §§ 21-5-211 and 21-5-219.

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

30  
31 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
32 General Assembly that the provisions of this act change the calculation of  
33 compensation for retirement purposes and should become effective on July 1,  
34 2009, for consistent application and to avoid confusion; and that unless this  
35 emergency clause is adopted, this act will not go into effect until after the  
36 beginning of the next fiscal year. Therefore, an emergency is hereby

1 declared to exist and this act being necessary for the preservation of the  
2 public peace, health, and safety shall be in full force and effect from and  
3 after July 1, 2009.

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*/s/ Kerr*

**APPROVED: 3/27/2009**