

1 State of Arkansas  
2 88th General Assembly  
3 Regular Session, 2011  
4  
5 By: Senator G. Jeffress

# A Bill

SENATE BILL 74

## For An Act To Be Entitled

8 AN ACT TO AMEND THE DEFINITIONS REGARDING THE  
9 ARKANSAS STATE HIGHWAY EMPLOYEES' RETIREMENT SYSTEM;  
10 AND FOR OTHER PURPOSES.

## Subtitle

14 TO AMEND THE DEFINITIONS REGARDING THE  
15 ARKANSAS STATE HIGHWAY EMPLOYEES'  
16 RETIREMENT SYSTEM.

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

21 SECTION 1. Arkansas Code § 24-5-101 is amended to read as follows:  
22 24-5-101. Definitions.

23 As used in this chapter, ~~unless the context otherwise requires:~~

24 (1) "Accumulated contribution" means the sum of all amounts  
25 deducted from the salary or wages of a member, or paid by a member, and  
26 credited to his or her individual account, together with any interest the  
27 ~~board~~ Board of Trustees of the Arkansas State Highway Employees' Retirement  
28 System may have authorized to be credited to the member's account;

29 (2) "Average compensation" means the average of the highest  
30 annual compensation paid a member during any period of thirty-six (36)  
31 consecutive months of creditable service with a ~~"state employer"~~ state  
32 employer, as the term "state employer" is defined in § 24-2-401;

33 (3) "Board" means the Board of Trustees of the ~~Arkansa~~ Arkansas  
34 State Highway Employees' Retirement System ~~as created by this chapter~~;

35 (4)(A) "Creditable service" means the current service of the  
36 member plus the portion of prior service time for which contributions have



1 been made or elected to be made by the member.

2 (B) Retirement benefits shall be computed upon the  
3 creditable service of the member.

4 (C) The board shall determine by appropriate rules ~~and~~  
5 ~~regulations~~ how much service in any fiscal year is the equivalent of a year  
6 of creditable service;

7 (5) "Current service" means service as an employee of the  
8 Arkansas State Highway and Transportation Department after the date of  
9 establishment of the system and may include the period of time during which  
10 the employee's service may have been interrupted by service in the armed  
11 forces of the United States. The annual earnings for a military service  
12 period shall be computed in the manner set forth for prior service in  
13 subdivision (11) of this section;

14 (6)(A) "Employee" means any employee of the Arkansas State  
15 Highway and Transportation Department whose compensation is, or was, payable  
16 on an hourly, biweekly, monthly, annual, or other basis by the department,  
17 including any employee of the department whose salary is paid or reimbursed,  
18 in whole or in part, from federal or other funds.

19 (B) ~~The term "employee" specifically shall~~ "Employee" does  
20 not include persons who are employees of the Arkansas State Highway and  
21 Transportation Department on or after July 1, 1997, and who are eligible for  
22 benefits under, or who are earning a retirement benefit from, another state-  
23 supported retirement system;

24 (7) "Employer" means the Arkansas State Highway and  
25 Transportation Department;

26 (8) "Lump-sum service" means that, upon termination of  
27 employment with the Arkansas State Highway and Transportation Department for  
28 whatever reason, all lump-sum payments of leave, salary, or other  
29 compensation shall be earnings for retirement purposes. Both the time and  
30 amount paid shall be considered for purposes of computing average earnings  
31 and service in the Arkansas State Highway Employees' Retirement System, and  
32 both the member's and the employer's contribution rates shall apply to the  
33 lump-sum payments;

34 (9) "Member" means any person who has, by due process, had  
35 issued to him a certificate of membership in the Arkansas State Highway  
36 Employees' Retirement System;

1           (10) "Prior service" means all service as an employee of the  
2 Arkansas State Highway and Transportation Department ~~prior to~~ before the date  
3 of establishment of the system;

4           (11)(A) "Prior service earnings" means the authenticated record  
5 filed with and approved by the board setting forth the salary received by the  
6 member for each fiscal year, or portion thereof, of his or her prior service  
7 as an employee, beginning with his or her last year of prior service and  
8 continuing in reverse chronological order.

9           (B) Prior service earnings records may include the period  
10 of time during which the employee's service may have been interrupted for  
11 service in the armed forces of the United States, in which case the annual  
12 earnings for the military service period of the member shall be computed upon  
13 the average of his or her last twelve (12) months' compensation from the  
14 Arkansas State Highway and Transportation Department ~~prior to~~ before his or  
15 her entry into the armed forces and the first twelve (12) months'  
16 compensation after reemployment by the department;

17           (12) "Prorate" means the amount obligated in § 24-5-125 less any  
18 amount paid for similar benefits by other reciprocal systems, as such systems  
19 are enumerated in § 24-4-401;

20           ~~(12)~~(13) "Salary" or "compensation" means the total remuneration  
21 earned by an employee for services rendered during any consecutive twelve  
22 (12) months or fraction thereof; and

23           ~~(13)~~(14) "System" means the Arkansas State Highway Employees'  
24 Retirement System.

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