

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

SENATE BILL

70

By: Senator Walters

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE 11-10-215 TO PROVIDE THAT FEES PAID TO CORPORATE DIRECTORS WHEN ATTENDING OFFICIAL MEETINGS OF THE BOARD SHALL NOT BE CONSIDERED WAGES UNDER ARKANSAS' EMPLOYMENT SECURITY LAW; AND FOR OTHER PURPOSES."

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

SECTION 1. Subsection (a) of Arkansas Code 11-10-215 is hereby amended to read as follows:

"(a) As used in this chapter, unless the context clearly requires otherwise, "wages" means all remuneration paid for personal services including, but not limited to, commissions and bonuses and cash value of all remuneration paid, in any medium other than cash, the value of which shall be estimated and determined in accordance with regulations prescribed by the director, tips received while performing services which constitute employment and which are included in a written statement furnished to the employer pursuant to 26 U.S.C. § 6053(a), and all remuneration paid as "back pay" in settlement of a claim or grievance involving a discharge, provided that the term "wages" shall not include:

(1) For purposes of §§ 11-10-701 - 11-10-715, that part of remuneration paid to an individual by an employer with respect to employment during any calendar year which exceeds seven thousand five hundred dollars (\$7,500) during any calendar year. For the purposes of this subsection, wages paid within a calendar year by a predecessor employer may be counted as though paid by a successor as defined in §§ 11-10-701 - 11-10-715, and the term "employment" includes services constituting employment under any unemployment insurance law of another state;

(2) The amount of any payment with respect to services made to, or on behalf of, an individual in its employ under a plan or system established by an employing unit which makes provision for its employees or for its employees and their dependents, including any amount paid by an employing unit for insurance or annuities, or into a fund, to provide for any payment, on account of:

(A) Retirement;

(B) (i) Sickness or accident disability, except payments made directly to the employee or his dependents;

(ii) However, payments made directly to an employee or his dependents under a workers' compensation law shall not be considered to be wages;

(C) Medical and hospitalization expenses in connection with sickness or accident disability; or

(D) Death, provided the individual in its employ does not have the:

(i) Option to receive, instead of provision for the death benefit, any part of the payment, or if the death benefit is insured, any part of the premiums or contributions to premiums paid by his employing unit; and

(ii) Right, under the provisions of the plan or system or policy of insurance providing for the death benefit, to assign the benefit, or to receive cash consideration in lieu of the benefit either upon his withdrawal from the plan or system providing for the benefit or upon termination of the plan or system or policy of insurance or of his services with the employing unit;

(3) The payment by an employing unit, without deduction from the remuneration of the individual in its employ, of the tax imposed by the Federal Insurance Contributions Act upon an individual in its employ with respect to services performed;

(4) Dismissal payments which the employing unit is not legally required to make; or

(5) Fees paid to corporate directors when attending official meetings of directors."

SECTION 2. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.