

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

HOUSE BILL 1327

4
5 By: Representatives Dawson and Broadway

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE SECTION § 24-5-101 TO RE-
10 DEFINE THE TERM 'AVERAGE COMPENSATION' BY REDUCING THE
11 NUMBER OF MONTHS WITHIN THAT DEFINITION FROM FORTY-EIGHT
12 (48) TO THIRTY-SIX (36) IN ORDER FOR THE ARKANSAS STATE
13 HIGHWAY AND TRANSPORTATION DEPARTMENT TO CONTINUE TO
14 RETAIN AND RECRUIT EFFICIENT AND SKILLED EMPLOYEES; TO
15 INCREASE THE ANNUITIES OF THE BENEFICIARIES AND RETIRANTS
16 OF THE ARKANSAS STATE HIGHWAY EMPLOYEES' RETIREMENT
17 SYSTEM; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

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20 "RE-DEFINES 'AVERAGE COMPENSATION' FOR
21 STATE HIGHWAY EMPLOYEES' RETIREMENT
22 SYSTEM PURPOSES AND INCREASES THE
23 ANNUITIES OF THE RETIRANTS OF THAT
24 SYSTEM."

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

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28 SECTION 1. Arkansas Code Section 24-5-101(6) is hereby amended to read
29 as follows:

30 "(6) 'Average compensation' means the average of the highest annual
31 compensation paid a member during any period of ~~forty-eight (48)~~ thirty six
32 (36) consecutive months of creditable service with a state employer, as the
33 term state employer is defined in § 24-2-401;"

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35 SECTION 2. (a) Effective July 1, 1997, the monthly retirement benefit
36 payable to the retirees and beneficiaries of the Arkansas State Highway

1 Employees' Retirement System who are entitled to receive an annuity for July
 2 1997, shall be increased by two and two-tenths percent (2.2%) above the
 3 annuity such retiree or beneficiary received for June 1997.

4 (b) The increase in benefits as provided in this section shall be added
 5 to the annuity for the purpose of computing the annual post-retirement
 6 increase as provided in § 24-5-119 (a) for the benefit re-determination July
 7 1, 1997.

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 9 SECTION 3. All provisions of this act of a general and permanent nature
 10 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 11 Revision Commission shall incorporate the same in the Code.

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 13 SECTION 4. If any provision of this act or the application thereof to
 14 any person or circumstance is held invalid, such invalidity shall not affect
 15 other provisions or applications of the act which can be given effect without
 16 the invalid provision or application, and to this end the provisions of this
 17 act are declared to be severable.

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 19 SECTION 5. All laws or parts of laws in conflict with this act are
 20 hereby repealed, provided, none of the amendments contained in this Act are
 21 intended to nor shall they be construed to amend or affect any of the state-
 22 supported retirement system laws of this State, with the exception of the laws
 23 pertaining to the Arkansas State Highway Employees' Retirement System.

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 25 SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the
 26 Eighty-First General Assembly that the amendments contained in this Act are
 27 necessary in order for the Arkansas State Highway and Transportation
 28 Department to continue to retain and recruit efficient and skilled employees;
 29 that immediately decreasing the number of months from forty-eight to thirty-
 30 six for the purposes of ascertaining "average compensation" for retirement
 31 benefit purposes will greatly assist such retention and recruitment efforts;
 32 that benefits provided to retirants and beneficiaries under the Arkansas State
 33 Highway Employees' Retirement System are inadequate; and that an increase
 34 should be provided as soon as practicable in order to avoid an undue hardship
 35 to many such retirants and beneficiaries. Therefore, an emergency is hereby
 36 declared to exist and this act being necessary for the immediate preservation

1 of the public peace, health and safety shall be in full force and effect on
2 and after July 1, 1997.

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