

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: S3/15/99

A Bill

SENATE BILL 260

5 By: Senator Gwatney
6
7

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 24-10-102 TO REDUCE THE
10 TIME PERIOD FOR FINAL AVERAGE PAY UNDER THE LOCAL
11 POLICE AND FIRE RETIREMENT SYSTEM FROM FIVE (5) YEARS
12 TO FOUR (4) YEARS; AND FOR OTHER PURPOSES."
13

Subtitle

14 "TO REDUCE THE TIME PERIOD FOR FINAL
15 AVERAGE PAY UNDER THE LOCAL POLICE AND
16 FIRE RETIREMENT SYSTEM FROM 5 YEARS TO 4
17 YEARS."
18
19
20

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

23 SECTION 1. Arkansas Code § 24-10-102 (16), regarding the definition for
24 "final average pay" under the Local Police and Fire Retirement System, is
25 amended to read as follows:

26 "(16)(A) 'Final average pay' means the monthly average of the
27 pays to an employee during the period of ~~sixty (60)~~ thirty-six (36)
28 consecutive months of credited service producing the highest monthly average,
29 but the period must be contained within the period of one hundred twenty (120)
30 consecutive months of credited service immediately preceding his separation
31 from covered employment.

32 (B) Should a member have less than ~~sixty (60)~~ thirty-six
33 (36) months of credited service, 'final average pay' means the monthly average
34 of pays to him during his total months of credited service.

35 (C) In any event, pays usable in determining final average
36 pay shall be limited by the following test, considering the final average pay

1 period in ~~five (5)~~ four (4) contiguous segments: Pays during any one (1)
2 annual segment shall be usable only to the extent that the pays do not exceed
3 ~~twenty-five percent (25%)~~ thirty-one percent (31%) of the total pays in the
4 final average pay period, but if the final average pay period is less than
5 ~~five (5)~~ four (4) full years, the maximum usable ~~twenty-five percent (25%)~~
6 thirty-one percent (31%) shall be increased proportionately; "

7
8 SECTION 2. No benefit enhancement provided for by this act shall be
9 implemented if it would cause the publicly supported retirement system's
10 unfunded actuarial accrued liabilities to exceed a thirty (30) year
11 amortization. No benefit enhancement provided for by this act shall be
12 implemented by any publicly supported system which has unfunded actuarial
13 accrued liabilities being amortized over a period exceeding thirty (30) years
14 until the unfunded actuarial accrued liability is reduced to a level less than
15 the standards prescribed by Arkansas Code, Title 24.

16
17 SECTION 3. All provisions of this act of general and permanent nature
18 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
19 Revision Commission shall incorporate the same in the Code.

20
21 SECTION 4. If any provisions of this act or the application thereof to
22 any person or circumstance is held invalid, the invalidity shall not affect
23 other provisions or applications of the act which can be given effect without
24 the invalid provisions or application, and to this end the provisions of this
25 act are declared to be severable.

26
27 SECTION 5. All laws and parts of laws in conflict with this act are
28 hereby repealed.

29 /s/ Gwatney