

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.

1 State of Arkansas *As Engrossed: H3/27/07*  
2 86th General Assembly AN ACT TO AMEND ARKANSAS LAW CONCERNING  
3 THE DEFINITION OF COMPENSATION UNDER THE  
4 ARKANSAS PUBLIC EMPLOYEES' RETIREMENT  
5 SYSTEM.

HOUSE BILL 1236

6  
7 By: Representative Harris  
8 By: *Senator Faris*

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11 **For An Act To Be Entitled**

12 *AN ACT TO AMEND ARKANSAS LAW CONCERNING THE*  
13 *DEFINITION OF COMPENSATION UNDER THE ARKANSAS*  
14 *PUBLIC EMPLOYEES' RETIREMENT SYSTEM; AND FOR*  
15 *OTHER PURPOSES.*

16  
17 **Subtitle**

18 *AN ACT TO AMEND ARKANSAS LAW CONCERNING*  
19 *THE DEFINITION OF COMPENSATION UNDER THE*  
20 *ARKANSAS PUBLIC EMPLOYEES' RETIREMENT*  
21 *SYSTEM.*

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

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26 *SECTION 1. Arkansas Code § 21-5-106(d), concerning career service*  
27 *recognition payments, is amended to read as follows:*

28 *(d) Career service recognition payments authorized by this section*  
29 *shall be:*

30 *(1) ~~subject~~ Subject to withholding of all applicable state and*  
31 *federal taxes; ~~but~~ and*

32 *(2) ~~shall not be included~~ Included by retirement systems in*  
33 *determining benefits.*

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35 *SECTION 2. Arkansas Code § 21-5-1101(d)(2), concerning competency-*  
36 *based promotions and salary adjustments, is amended to read as follows:*



1           (2) The lump-sum payments in this section shall ~~not~~ be  
2 considered as salary for the purposes of retirement eligibility.

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4           SECTION 3. Arkansas Code § 24-4-101(11), concerning the definition of  
5 “compensation”, is amended to read as follows:

6           “(11)(A) “Compensation” means the recurring remuneration paid a  
7 member by public employers for personal services rendered by a member in a  
8 position covered by an employer participating in the Arkansas Public  
9 Employees’ Retirement System.

10           (B) The following shall be considered recurring  
11 remuneration for personal services for the purposes of determining retirement  
12 benefits:

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

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

17                   (iii) Lump sum payments made to a member under §§  
18 21-5-211 and 21-5-219.

19           ~~(B)~~(C) In case a member’s compensation includes either  
20 lodging or meals, or both, exclusive of travel expense, the cash value of the  
21 lodging and meals shall be fixed by the board, not to exceed the amount the  
22 employee is required to report for federal income tax purposes;”

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24           SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
25 General Assembly of the State of Arkansas that this act affects the  
26 consideration of retirement benefits in the Arkansas Public Employees’  
27 Retirement System and that the ideal and most efficient time to make  
28 revisions to the consideration of retirement benefits is at the beginning of  
29 the state’s fiscal year. Therefore, an emergency is declared to exist and  
30 this act being necessary for the preservation of the public peace, health,  
31 and safety shall become effective on July 1, 2007.

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33   /s/ Harris  
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