

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  
2 86th General Assembly  
3 Regular Session, 2007  
4

As Engrossed: H3/27/07

# A Bill

HOUSE BILL 1236

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

## For An Act To Be Entitled

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9  
10 AN ACT TO AMEND ARKANSAS LAW CONCERNING THE  
11 DEFINITION OF COMPENSATION UNDER THE ARKANSAS  
12 PUBLIC EMPLOYEES' RETIREMENT SYSTEM; AND FOR  
13 OTHER PURPOSES.  
14

## Subtitle

15 AN ACT TO AMEND ARKANSAS LAW CONCERNING  
16 THE DEFINITION OF COMPENSATION UNDER THE  
17 ARKANSAS PUBLIC EMPLOYEES' RETIREMENT  
18 SYSTEM.  
19  
20  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

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

26 (d) Career service recognition payments authorized by this section  
27 shall be:

28 ~~(1) subject~~ Subject to withholding of all applicable state and  
29 federal taxes; ~~but~~ and

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

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

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



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

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

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

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

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

15                                 (iii) Lump sum payments made to a member under §§  
16 21-5-211 and 21-5-219.

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

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

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31   /s/ Harris  
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