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: S3/23/07		
2	86th General Assembly	A Bill		
3	Regular Session, 2007		SENATE BILL 117	
4				
5	By: Senator Faris			
6				
7				
8	For An Act To Be Entitled			
9	AN ACT TO AMEND THE DEFINITION OF COMPENSATION			
10	UNDER THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT			
11	SYSTEM; AND FOR OTHER PURPOSES.			
12				
13	Subtitle			
14	AN ACT TO AMEND THE DEFINITION OF			
15	COMPENSATION UNDER THE ARKANSAS PUBLIC			
16	EMPL	OYEES' RETIREMENT SYSTEM.		
17				
18				
19	BE IT ENACTED BY THE (GENERAL ASSEMBLY OF THE STATE OF ARKA	NSAS:	
20				
21	SECTION 1. Arkansas Code § 21-5-106(d), concerning career service			
22	recognition payments, is amended to read as follows:			
23	(d) Career service recognition payments authorized by this section			
24	shall be <u>:</u>			
25	<u>(1)</u> subjec	et <u>Subject</u> to withholding of all appl	licable state and	
26	federal taxes <u>;</u> but <u>and</u>			
27	(2) shall not be included Included by retirement systems in			
28	determining benefits.			
29				
30	SECTION 2. Arka	ansas Code § 21-5-1101(d)(2), concerr	ning competency-	
31	based promotions and salary adjustments, is amended to read as follows:			
32	(2) The lump-sum payments in this section shall not be			
33	considered as salary i	considered as salary for the purposes of retirement eligibility.		
34				
35	SECTION 3. Arka	ansas Code § 24-4-101(11), concerning	g the definition of	
36	"compensation" is ame	ended to read as follows:		

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1	"(11)(A) "Compensation" means the recurring remuneration paid a
2	member by public employers for personal services rendered by a member in a
3	position covered by an employer participating in the Arkansas Public
4	Employees' Retirement System.
5	(B) The following shall be considered recurring
6	remuneration for personal services for the purposes of determining retirement
7	benefits:
8	(i) Career service recognition payments paid to a
9	member under § 21-5-106;
10	(ii) Payments made to a member under § 21-5-1101,
11	including without limitation a lump sum payment; and
12	(iii) Lump sum payments made to a member under §§
13	21-5-211 and 21-5-219.
14	$\frac{(B)}{(C)}$ In case a member's compensation includes either
15	lodging or meals, or both, exclusive of travel expense, the cash value of the
16	lodging and meals shall be fixed by the board, not to exceed the amount the
17	employee is required to report for federal income tax purposes;
18	
19	SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
20	General Assembly of the State of Arkansas that this act affects the
21	consideration of retirement benefits in the Arkansas Public Employees'
22	Retirement System; and that for better retirement planning by employees
23	wishing to retire at the end of the state's fiscal year and to allow state
24	agencies to better plan for the upcoming fiscal year this act should become
25	effective before the start of the next fiscal year. Therefore, an emergency
26	is declared to exist and this act being necessary for the preservation of the
27	public peace, health, and safety shall become effective on:
28	(1) The date of its approval by the Governor;
29	(2) If the bill is neither approved nor vetoed by the Governor,
30	the expiration of the period of time during which the Governor may veto the
31	bill; or
32	(3) If the bill is vetoed by the Governor and the veto is
33	overridden, the date the last house overrides the veto.
34	
35	/s/ Faris
36	