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: H3/3/09 H3/16/09*
2 87th General Assembly	A Bill
3 Regular Session, 2009	HOUSE BILL 1110

4

5 By: Representative Kerr

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For An Act To Be Entitled

9 AN ACT TO AMEND THE DEFINITION OF COMPENSATION
10 UNDER THE ARKANSAS PUBLIC EMPLOYEES' RETIREMENT
11 SYSTEM TO INCLUDE A BONUS PAID TO A COUNTY OR
12 MUNICIPAL EMPLOYEE; AND FOR OTHER PURPOSES.

13

Subtitle

15 TO AMEND THE DEFINITION OF COMPENSATION
16 UNDER THE ARKANSAS PUBLIC EMPLOYEES'
17 RETIREMENT SYSTEM TO INCLUDE A BONUS
18 PAID TO A COUNTY OR MUNICIPAL EMPLOYEE.

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

22

23   SECTION 1. Arkansas Code § 14-14-1206(a), concerning compensation of
24 county employees, is amended to read as follows:
25   (a) Compensation. The quorum court of each county shall, by
26 ordinance, fix the number and compensation of all county employees, including
27 a bonus or lump sum payment.

28

29   SECTION 2. Arkansas Code § 24-4-101(11), concerning the definition of
30 "compensation", is amended to read as follows:
31   (11)(A) "Compensation" means the recurring remuneration paid a member
32 by public employers for personal services rendered by a member in a position
33 covered by an employer participating in the Arkansas Public Employees'
34 Retirement System.
35   (B) The following shall be considered recurring
36 remuneration for personal services for the purposes of determining retirement

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 1    benefits:
 2                        (i)   Career service recognition payments paid to a
 3    member under § 21-5-106;
 4                        (ii)  Payments made to a member under § 21-5-1101,
 5    including without limitation, a lump sum payment; and
 6                        (iii)(a)  Except as provided in subdivision
 7    (11)(B)(iii)(b) of this section, payments made to a member under § 14-14-
 8    1206(a), including without limitation a bonus or lump-sum payment.
 9                              (b)  The maximum amount of the bonus or lump-sum
10    payment that will be considered to be compensation during the last year of a
11    member's employment is the lesser of five percent (5%) of the current year's
12    salary or the amount of the bonus or lump-sum payment that was received by
13    the member during the previous year of employment;
14                        (iv)(a)  Except as provided in subdivision
15    (11)(B)(iv)(b) of this section, a bonus or lump-sum payment made to a
16    municipal employee as provided in the municipality's annual budget under §
17    14-42-308.
18                              (b)  The maximum amount of the bonus or lump-sum
19    payment that will be considered to be compensation during the member's last
20    year of employment is the lesser of five percent (5%) of the current year's
21    salary or the amount of the bonus or lump-sum payment that was received by
22    the member during the previous year of employment; and
23                        (iii)(v)  Lump sum Lump-sum payments made to a member
24    under §§ 21-5-211 and 21-5-219.
25                  (C)  In case a member's compensation includes either
26    lodging or meals, or both, exclusive of travel expense, the cash value of the
27    lodging and meals shall be fixed by the board, not to exceed the amount the
28    employee is required to report for federal income tax purposes;
29
30        SECTION 3.   EMERGENCY CLAUSE.  It is found and determined by the
31    General Assembly that the provisions of this act change the calculation of
32    compensation for retirement purposes and should become effective on July 1,
33    2009, for consistent application and to avoid confusion; and that unless this
34    emergency clause is adopted, this act will not go into effect until after the
35    beginning of the next fiscal year.  Therefore, an emergency is hereby
36    declared to exist and this act being necessary for the preservation of the
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1   public peace, health, and safety shall be in full force and effect from and
2   after July 1, 2009.
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4   /s/ Kerr
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