

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

SENATE BILL 104

By: Senator B. Sample
By: Representative Warren

For An Act To Be Entitled

AN ACT TO AMEND THE DEFINITION OF "AVERAGE
COMPENSATION" AS THE TERM APPLIES TO THE ARKANSAS
STATE HIGHWAY EMPLOYEES' RETIREMENT SYSTEM; TO
DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE DEFINITION OF "AVERAGE
COMPENSATION" AS THE TERM APPLIES TO THE
ARKANSAS STATE HIGHWAY EMPLOYEES'
RETIREMENT SYSTEM; AND TO DECLARE AN
EMERGENCY.

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

SECTION 1. Arkansas Code § 24-5-101(3), concerning the definition of "average compensation" as the term applies to the Arkansas State Highway Employees' Retirement System, is amended to read as follows:

(3)(A) "Average compensation" means the average of the highest annual compensation paid to a the member during any period of ~~thirty-six (36)~~ sixty (60) consecutive months of creditable service with ~~a state employer, as the term "state employer" is defined in § 24-2-401~~ the Arkansas Department of Transportation or its predecessor, the Arkansas State Highway and Transportation Department.

(B) For an active member on June 30, 2021, "average compensation" shall not be less than the average of the highest annual compensation paid to the member during any period of the thirty-six (36)



consecutive months of creditable service calculated as of June 30, 2021;

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that certain provisions of the law applicable to the Arkansas State Highway Employees' Retirement System are in urgent need of revision to bring the operations of the system into conformance with sound public pension policy; that amendments to the law in this act are of great importance to the citizens of this state; that a July 1, 2021 effective date is necessary to allow the provisions within this act to begin on the first day of the fiscal year to provide for the proper administration of the procedures referenced in this act; and that this act is necessary to maintain an orderly system of benefits for the members of the system. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2021.

APPROVED: 2/24/21