

HOUSE  
AMENDMENT

THIS AMENDMENT  
ADOPTED

③

CONE/MELTON  
MARCH 6, 2012

---

CLERK OF THE HOUSE

---

REP. OTT PROPOSES THE FOLLOWING AMENDMENT No. TO  
H. 4898 (COUNCIL\BBM\10572HTC12):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY  
STRIKING SECTION 2B., BEGINNING ON PAGE 5  
AND INSERTING:**

**/ B. SECTION 9-1-10(4) OF THE 1976 CODE, AS  
LAST AMENDED BY ACT 387 OF 2000, IS FURTHER  
AMENDED TO READ:**

**“(4)(A) ‘AVERAGE FINAL COMPENSATION’  
WITH RESPECT TO THOSE MEMBERS RETIRING ON  
OR AFTER JULY 1, 1986, AND MEMBERS RETIRING  
AFTER JUNE 30, 2012, WITH AT LEAST TEN YEARS**

**OF CREDITABLE SERVICE BEFORE JULY 1, 2012,**  
**MEANS THE AVERAGE ANNUAL EARNABLE**  
**COMPENSATION OF A MEMBER DURING THE**  
**TWELVE CONSECUTIVE QUARTERS OF HIS**  
**CREDITABLE SERVICE ON WHICH REGULAR**  
**CONTRIBUTIONS AS A MEMBER WERE MADE TO**  
**THE SYSTEM PRODUCING THE HIGHEST SUCH**  
**AVERAGE; A QUARTER MEANS A PERIOD**  
**JANUARY THROUGH MARCH, APRIL THROUGH**  
**JUNE, JULY THROUGH SEPTEMBER, OR OCTOBER**  
**THROUGH DECEMBER. AN AMOUNT UP TO AND**  
**INCLUDING FORTY-FIVE DAYS' TERMINATION**  
**PAY FOR UNUSED ANNUAL LEAVE AT**  
**RETIREMENT MAY BE ADDED TO THE AVERAGE**  
**FINAL COMPENSATION. AVERAGE FINAL**  
**COMPENSATION FOR AN ELECTED OFFICIAL MAY**  
**BE CALCULATED AS THE AVERAGE ANNUAL**  
**EARNABLE COMPENSATION FOR THE THIRTY-SIX**  
**CONSECUTIVE MONTHS BEFORE THE EXPIRATION**  
**OF THE ELECTED OFFICIAL'S TERM OF OFFICE.**

**(B) 'AVERAGE FINAL COMPENSATION'**  
**WITH RESPECT TO ALL OTHER MEMBERS**

**RETIRING AFTER JUNE 30, 2012, MEANS THE AVERAGE ANNUAL EARNABLE COMPENSATION OF A MEMBER DURING THE TWENTY CONSECUTIVE QUARTERS OF THE MEMBER'S CREDITABLE SERVICE ON WHICH REGULAR CONTRIBUTIONS AS A MEMBER WERE MADE TO THE SYSTEM PRODUCING THE HIGHEST SUCH AVERAGE; A QUARTER MEANS A PERIOD JANUARY THROUGH MARCH, APRIL THROUGH JUNE, JULY THROUGH SEPTEMBER, OR OCTOBER THROUGH DECEMBER. TERMINATION PAY FOR UNUSED ANNUAL LEAVE AT RETIREMENT MAY NOT BE ADDED TO THE AVERAGE FINAL COMPENSATION."/**

**AMEND THE BILL FURTHER, AS AND IF AMENDED, BY STRIKING THE LAST UNDESIGNATED PARAGRAPH OF SECTION 9-1-1020, AS CONTAINED IN SECTION 3, PAGE 8, AND INSERTING:**

**/ PAYMENTS FOR UNUSED SICK LEAVE, SINGLE SPECIAL PAYMENTS AT RETIREMENT, BONUS AND INCENTIVE-TYPE PAYMENTS, OR ANY OTHER**

PAYMENTS NOT CONSIDERED A PART OF THE REGULAR SALARY BASE ARE NOT COMPENSATION FOR WHICH CONTRIBUTIONS ARE DEDUCTIBLE. CONTRIBUTIONS ARE DEDUCTIBLE ON UP TO AND INCLUDING FORTY-FIVE DAYS' TERMINATION PAY FOR UNUSED ANNUAL LEAVE FOR MEMBERS ELIGIBLE TO HAVE THAT PAY INCLUDED IN THE MEMBER'S AVERAGE FINAL COMPENSATION CALCULATION. IF A MEMBER HAS RECEIVED TERMINATION PAY FOR UNUSED ANNUAL LEAVE ON MORE THAN ONE OCCASION, CONTRIBUTIONS ARE DEDUCTIBLE ON UP TO AND INCLUDING FORTY-FIVE DAYS' TERMINATION PAY FOR UNUSED ANNUAL LEAVE FOR EACH TERMINATION PAYMENT FOR UNUSED ANNUAL LEAVE RECEIVED BY THE MEMBER. HOWEVER, ONLY AN AMOUNT UP TO AND INCLUDING FORTY-FIVE DAYS' PAY FOR UNUSED ANNUAL LEAVE FROM THE MEMBER'S LAST TERMINATION PAYMENT ~~SHALL~~ MUST BE INCLUDED IN A MEMBER'S AVERAGE FINAL COMPENSATION CALCULATION, FOR THE MEMBERS ELIGIBLE TO HAVE THAT PAY INCLUDED IN THE MEMBER'S AVERAGE FINAL COMPENSATION CALCULATION. /

AMEND FURTHER, AS AND IF AMENDED, BY STRIKING SECTION 9-1-1140(M) AS CONTAINED IN SECTION 4, PAGE 12, AND INSERTING:

/ (M) AT RETIREMENT, AFTER MARCH 31, 1991, AND AT RETIREMENT AFTER JUNE 30, 2012, FOR MEMBERS HAVING AT LEAST TEN YEARS OF CREDITABLE SERVICE BEFORE JULY 1, 2012, A MEMBER SHALL RECEIVE CREDIT FOR NOT MORE THAN NINETY DAYS OF HIS UNUSED SICK LEAVE FROM THE MEMBER'S LAST EMPLOYER AT NO COST TO THE MEMBER. THE LEAVE MUST BE CREDITED AT A RATE WHERE TWENTY DAYS OF UNUSED SICK LEAVE EQUALS ONE MONTH OF SERVICE. THIS ADDITIONAL SERVICE CREDIT MAY NOT BE USED TO QUALIFY FOR RETIREMENT. /

**AMEND FURTHER, BEGINNING ON PAGE 14, BY STRIKING SECTION 7 AND INSERTING:**

**/ SECTION 7. SECTION 9-1-1550 OF THE 1976 CODE, AS LAST AMENDED BY ACT 1 OF 2001, IS FURTHER AMENDED BY ADDING A NEW SUBSECTION AT THE END TO READ:**

**“(C) UPON RETIREMENT FROM SERVICE AFTER JUNE 30, 2012, A CLASS THREE MEMBER SHALL RECEIVE A SERVICE RETIREMENT ALLOWANCE COMPUTED AS FOLLOWS:**

**(1) IF THE MEMBER’S SERVICE RETIREMENT DATE OCCURS ON OR AFTER HIS SIXTY-FIFTH BIRTHDAY OR AFTER HE HAS COMPLETED THIRTY OR MORE YEARS OF CREDITABLE SERVICE, THE ALLOWANCE MUST BE EQUAL TO ONE AND EIGHTY-TWO HUNDREDTHS PERCENT OF HIS AVERAGE FINAL COMPENSATION, MULTIPLIED BY THE NUMBER OF YEARS OF HIS CREDITABLE SERVICE.**

**(2) IF THE MEMBER’S SERVICE RETIREMENT DATE OCCURS BEFORE HIS SIXTY-FIFTH BIRTHDAY AND BEFORE HE COMPLETES THIRTY YEARS OF CREDITABLE SERVICE, HIS SERVICE RETIREMENT ALLOWANCE IS COMPUTED AS IN ITEM (1) OF THIS SUBSECTION BUT IS REDUCED BY FIVE-TWELFTHS OF ONE PERCENT THEREOF FOR EACH MONTH, PRORATED FOR PERIODS LESS THAN A MONTH, BY WHICH HIS RETIREMENT DATE PRECEDES THE FIRST DAY OF THE MONTH COINCIDENT WITH OR NEXT FOLLOWING HIS SIXTY-FIFTH BIRTHDAY.” /**

**AMEND THE BILL FURTHER, AS AND IF AMENDED, BY STRIKING SECTION 9-1-2210, AS CONTAINED IN SECTION 9, BEGINNING ON PAGE 16, AND INSERTING:**

**/ “SECTION 9-1-2210. (A) AN ACTIVE CLASS ONE OR CLASS TWO CONTRIBUTING MEMBER WHO IS ELIGIBLE FOR SERVICE RETIREMENT UNDER THIS CHAPTER AND COMPLIES WITH THE REQUIREMENTS OF**

THIS ARTICLE MAY ELECT TO PARTICIPATE IN THE TEACHER AND EMPLOYEE RETENTION INCENTIVE PROGRAM (PROGRAM). A MEMBER ELECTING TO PARTICIPATE IN THE PROGRAM RETIRES FOR PURPOSES OF THE SYSTEM. THE PROGRAM PARTICIPANT SHALL AGREE TO CONTINUE EMPLOYMENT WITH AN EMPLOYER PARTICIPATING IN THE SYSTEM FOR A PROGRAM PERIOD, NOT TO EXCEED FIVE YEARS. THE MEMBER SHALL NOTIFY THE SYSTEM BEFORE THE BEGINNING OF THE PROGRAM PERIOD. PARTICIPATION IN THE PROGRAM DOES NOT GUARANTEE EMPLOYMENT FOR THE SPECIFIED PROGRAM PERIOD. CLASS THREE MEMBERS ARE NOT ELIGIBLE TO PARTICIPATE IN THE PROGRAM.

(B) ~~AFTER JUNE 30, 2005,~~ AND (1) FOR A MEMBER WHO ELECTS TO PARTICIPATE IN THE PROGRAM BEFORE JULY 1, 2012, OR A MEMBER WHO ELECTS TO PARTICIPATE IN THE PROGRAM AFTER JUNE 30, 2012, AND WHO IS ENTITLED TO THE INCLUSION OF ANY TERMINATION PAY FOR UNUSED ANNUAL LEAVE IN THE CALCULATION OF AVERAGE FINAL COMPENSATION, NOTWITHSTANDING THE PROVISIONS OF SECTION 9-1-10(4), A PAYMENT FOR UNUSED ANNUAL LEAVE IS NOT INCLUDED IN CALCULATING A MEMBER'S DEFERRED PROGRAM BENEFIT DURING THE PROGRAM PERIOD. THE MEMBER'S AVERAGE FINAL COMPENSATION FOR THE PURPOSE OF CALCULATING THE DEFERRED PROGRAM RETIREMENT BENEFIT MUST BE SOLELY THE AVERAGE OF THE MEMBER'S HIGHEST TWELVE OR TWENTY CONSECUTIVE QUARTERS OF EARNABLE COMPENSATION, AS APPLICABLE, AT THE TIME THE MEMBER ENTERS THE PROGRAM.

(2) FOR A MEMBER WHO ELECTS TO PARTICIPATE IN THE PROGRAM AFTER JUNE 30, 2012, AND WHO IS INELIGIBLE TO HAVE INCLUDED ANY TERMINATION PAY FOR UNUSED ANNUAL LEAVE IN THE CALCULATION OF THE MEMBER'S AVERAGE FINAL COMPENSATION, THE MEMBER'S DEFERRED PROGRAM RETIREMENT BENEFIT MUST BE CALCULATED AS A NORMAL SERVICE RETIREMENT BENEFIT.

**(3) DURING THE SPECIFIED PROGRAM PERIOD, RECEIPT OF THE MEMBER'S NORMAL RETIREMENT BENEFIT IS DEFERRED. THE MEMBER'S DEFERRED MONTHLY BENEFIT MUST BE PLACED IN THE SYSTEM'S TRUST FUND ON BEHALF OF THE MEMBER. NO INTEREST IS PAID ON THE MEMBER'S DEFERRED MONTHLY BENEFIT PLACED IN THE SYSTEM'S TRUST FUND DURING THE SPECIFIED PROGRAM PERIOD.**

**(C) DURING THE SPECIFIED PROGRAM PERIOD, THE EMPLOYER SHALL PAY TO THE SYSTEM THE EMPLOYER CONTRIBUTION FOR ACTIVE MEMBERS PRESCRIBED BY LAW WITH RESPECT TO ANY PROGRAM PARTICIPANT IT EMPLOYS, REGARDLESS OF WHETHER THE PROGRAM PARTICIPANT IS A FULL-TIME OR PART-TIME EMPLOYEE, OR A TEMPORARY OR PERMANENT EMPLOYEE. THE PROGRAM PARTICIPANT SHALL PAY TO THE SYSTEM THE EMPLOYEE CONTRIBUTION AS IF THE PROGRAM PARTICIPANT WERE AN ACTIVE CONTRIBUTING MEMBER, BUT THE PROGRAM PARTICIPANT DOES NOT ACCRUE ADDITIONAL SERVICE CREDIT IN THE SYSTEM FOR THESE EMPLOYER AND EMPLOYEE CONTRIBUTIONS. IF AN EMPLOYER WHO IS OBLIGATED TO THE SYSTEM PURSUANT TO THIS SUBSECTION FAILS TO PAY THE AMOUNT DUE, AS DETERMINED BY THE SYSTEM, THE AMOUNT MUST BE DEDUCTED FROM ANY FUNDS PAYABLE TO THE EMPLOYER BY THE STATE.**

**(D) A PROGRAM PARTICIPANT IS RETIRED FROM THE RETIREMENT SYSTEM AS OF THE BEGINNING OF THE PROGRAM PERIOD. A PROGRAM PARTICIPANT IS NOT ELIGIBLE TO RECEIVE DISABILITY RETIREMENT BENEFITS. ACCRUED ANNUAL LEAVE AND SICK LEAVE USED IN ANY MANNER IN THE CALCULATION OF THE PROGRAM PARTICIPANT'S RETIREMENT BENEFIT IS DEDUCTED FROM THE AMOUNT OF SUCH LEAVE ACCRUED BY THE PARTICIPANT.**

**(E) A PROGRAM PARTICIPANT IS RETIRED FOR RETIREMENT BENEFIT PURPOSES ONLY. FOR EMPLOYMENT PURPOSES, A PROGRAM PARTICIPANT IS CONSIDERED TO BE AN ACTIVE EMPLOYEE, RETAINING ALL OTHER RIGHTS AND BENEFITS OF AN ACTIVE EMPLOYEE EXCEPT FOR GRIEVANCE RIGHTS PURSUANT TO SECTION 8-17-370, AND IS NOT**

**SUBJECT TO THE EARNINGS LIMITATION OF SECTION 9-1-1790 DURING THE PROGRAM PERIOD.**

**(F) UPON TERMINATION OF EMPLOYMENT EITHER DURING OR AT THE END OF THE PROGRAM PERIOD, THE MEMBER MUST RECEIVE THE BALANCE IN THE MEMBER'S PROGRAM ACCOUNT BY ELECTING ONE OF THE FOLLOWING DISTRIBUTION ALTERNATIVES:**

**(1) A LUMP-SUM DISTRIBUTION, PAYING APPROPRIATE TAXES;  
OR**

**(2) TO THE EXTENT PERMITTED UNDER LAW, A TAX SHELTERED ROLLOVER INTO AN ELIGIBLE PLAN.**

**FOR MEMBERS WHO BEGAN PARTICIPATION IN THE PROGRAM BEFORE JULY 1, 2005, THE MEMBER ALSO MUST RECEIVE THE PREVIOUSLY DETERMINED NORMAL RETIREMENT BENEFITS BASED UPON THE MEMBER'S AVERAGE FINAL COMPENSATION AND SERVICE CREDIT AT THE TIME THE PROGRAM PERIOD BEGAN, PLUS ANY APPLICABLE COST OF LIVING INCREASES DECLARED DURING THE PROGRAM PERIOD. THE PROGRAM PARTICIPANT IS THEREAFTER SUBJECT TO THE EARNINGS LIMITATION OF SECTION 9-1-1790.**

**UPON TERMINATION OF EMPLOYMENT OF MEMBERS WHO BEGAN PARTICIPATION IN THE PROGRAM AFTER JUNE 30, 2005, BUT BEFORE JULY 1, 2012, OR WHO BEGAN PARTICIPATION AFTER JUNE 30, 2012, AND ARE ENTITLED TO HAVE ANY TERMINATION PAY FOR UNUSED ANNUAL LEAVE INCLUDED IN THE CALCULATION OF AVERAGE FINAL COMPENSATION, THE RETIREMENT SYSTEMS SHALL RECALCULATE THE AVERAGE FINAL COMPENSATION OF THE MEMBER TO DETERMINE THE BENEFIT THE MEMBER RECEIVES AFTER PARTICIPATION IN THE PROGRAM. THE AVERAGE FINAL COMPENSATION CALCULATED AT THE COMMENCEMENT OF THE PROGRAM MUST BE INCREASED BY AN AMOUNT UP TO AND INCLUDING FORTY-FIVE DAYS' TERMINATION PAY FOR UNUSED ANNUAL LEAVE RECEIVED BY THE MEMBER AT TERMINATION OF EMPLOYMENT, DIVIDED BY THREE OR FIVE, AS APPROPRIATE. THE MEMBER'S BENEFIT AFTER PARTICIPATION IN THE**



PROGRAM MUST BE CALCULATED IN ACCORDANCE WITH SECTION 9-1-1550, UTILIZING THE RECALCULATED AVERAGE FINAL COMPENSATION DETERMINED IN THIS SUBSECTION, AND THE MEMBER'S SERVICE CREDIT, INCLUDING SICK LEAVE, AS OF THE DATE THE MEMBER BEGAN PARTICIPATION IN THE PROGRAM, PLUS ANY COST-OF-LIVING INCREASES DECLARED DURING THE PROGRAM PERIOD WITH RESPECT TO THE AMOUNT OF THE MEMBER'S DEFERRED PROGRAM BENEFIT. UPON TERMINATION OF EMPLOYMENT OF A MEMBER WHO BEGAN PARTICIPATION IN THE PROGRAM AFTER JUNE 30, 2012, WHO IS NOT ENTITLED TO A BENEFIT CALCULATED PURSUANT TO SECTION 9-1-1550(D), OR WHO IS NOT ELIGIBLE TO HAVE ANY TERMINATION PAY FOR UNUSED ANNUAL LEAVE INCLUDED IN THE CALCULATION OF AVERAGE FINAL COMPENSATION, THERE IS NO RECALCULATION OF THE MEMBER'S BENEFIT AND THE MEMBER MUST RECEIVE THE PREVIOUSLY DETERMINED NORMAL RETIREMENT BENEFIT BASED UPON THE MEMBER'S AVERAGE FINAL COMPENSATION AND SERVICE CREDIT AT THE TIME THE PROGRAM PERIOD BEGAN, PLUS ANY APPLICABLE COST OF LIVING INCREASES DECLARED DURING THE PROGRAM PERIOD.

(G) IF A PROGRAM PARTICIPANT DIES DURING THE SPECIFIED PROGRAM PERIOD, THE MEMBER'S DESIGNATED BENEFICIARY MUST RECEIVE THE BALANCE IN THE MEMBER'S PROGRAM ACCOUNT BY ELECTING ONE OF THE FOLLOWING DISTRIBUTION ALTERNATIVES:

(1) A LUMP-SUM DISTRIBUTION, PAYING APPROPRIATE TAXES;  
OR

(2) TO THE EXTENT PERMITTED UNDER LAW, A TAX SHELTERED ROLLOVER INTO AN ELIGIBLE PLAN.

IN ACCORDANCE WITH THE FORM OF SYSTEM BENEFIT SELECTED BY THE MEMBER AT THE TIME THE PROGRAM COMMENCED, THE MEMBER'S DESIGNATED BENEFICIARY MUST RECEIVE EITHER A SURVIVOR BENEFIT OR A REFUND OF CONTRIBUTIONS FROM THE MEMBER'S SYSTEM ACCOUNT. IF THE MEMBER'S BENEFICIARY IS

ELIGIBLE TO, AND ELECTS TO, RECEIVE A SURVIVORSHIP RETIREMENT ALLOWANCE AND THE MEMBER WOULD HAVE BEEN ELIGIBLE FOR A RECALCULATION OF HIS BENEFIT UPON TERMINATION FROM THE PROGRAM PURSUANT TO SUBSECTION (F), THE ALLOWANCE PAYABLE TO THE MEMBER'S BENEFICIARY MUST BE BASED ON THE RECALCULATED BENEFIT PROVIDED IN SUBSECTION (F).

~~IF A PROGRAM PARTICIPANT WHO BEGAN PARTICIPATION IN THE PROGRAM BEFORE JULY 1, 2005, ELECTED EITHER OPTION B OR OPTION C UNDER SECTION 9-1-1620, THE AVERAGE FINAL COMPENSATION CALCULATED WHEN THE MEMBER COMMENCED THE PROGRAM MUST BE USED IN DETERMINING THE SURVIVOR BENEFIT. IF A PROGRAM PARTICIPANT WHO BEGAN PARTICIPATION IN THE PROGRAM AFTER JUNE 30, 2005, ELECTED EITHER OPTION B OR C UNDER SECTION 9-1-1620, THEN THE DESIGNATED SURVIVOR BENEFICIARY SHALL RECEIVE A SURVIVOR BENEFIT BASED ON A RECALCULATED AVERAGE FINAL COMPENSATION. THE AVERAGE FINAL COMPENSATION CALCULATED AT THE COMMENCEMENT OF THE PROGRAM MUST BE INCREASED BY AN AMOUNT UP TO AND INCLUDING FORTY-FIVE DAYS TERMINATION PAY FOR UNUSED ANNUAL LEAVE RECEIVED BY THE MEMBER'S LEGAL REPRESENTATIVE AT THE MEMBER'S DEATH, DIVIDED BY THREE. THE SURVIVOR BENEFIT MUST BE CALCULATED IN ACCORDANCE WITH SECTION 9-1-1550, UTILIZING THE RECALCULATED AVERAGE FINAL COMPENSATION DETERMINED IN THIS SUBSECTION, AND THE MEMBER'S SERVICE CREDIT, INCLUDING SICK LEAVE, AS OF THE DATE THE MEMBER BEGAN PARTICIPATION IN THE PROGRAM, PLUS ANY COST-OF-LIVING INCREASES DECLARED DURING THE PROGRAM PERIOD WITH RESPECT TO THE AMOUNT OF THE MEMBER'S DEFERRED PROGRAM BENEFIT.~~

(H) A PROGRAM PARTICIPANT SHALL TERMINATE EMPLOYMENT NO LATER THAN THE DAY BEFORE THE FIFTH ANNUAL ANNIVERSARY OF THE DATE THE MEMBER COMMENCED PARTICIPATION IN THE PROGRAM.

**(I) A MEMBER IS NOT ELIGIBLE TO PARTICIPATE IN THE PROGRAM IF THE MEMBER HAS PARTICIPATED PREVIOUSLY IN AND RECEIVED A BENEFIT UNDER THIS PROGRAM OR ANY OTHER STATE RETIREMENT SYSTEM. HOWEVER, A MEMBER WHO HAS RECEIVED A DISABILITY BENEFIT, BUT WHO HAS BEEN RESTORED TO ACTIVE SERVICE AND VOIDED HIS OPTIONAL BENEFIT SELECTION PURSUANT TO SECTION 9-1-1590 AND REPAID ANY BENEFIT RECEIVED IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM.” /**

**AMEND FURTHER, BY STRIKING SECTION 13, BEGINNING ON PAGE 21, AND INSERTING:**

**/ SECTION 13. SECTION 9-11-10(7) OF THE 1976 CODE, AS LAST AMENDED BY ACT 387 OF 2000, IS FURTHER AMENDED TO READ:**

**“(7)(A) ‘AVERAGE FINAL COMPENSATION’ AFTER JULY 1, 1986, AND FOR MEMBERS RETIRING AFTER JUNE 30, 2012, WHO HAD AT LEAST TEN YEARS OF CREDITABLE SERVICE BEFORE JULY 1, 2012, MEANS THE AVERAGE ANNUAL COMPENSATION OF A MEMBER DURING THE TWELVE CONSECUTIVE QUARTERS OF THE MEMBER’S CREDITABLE SERVICE ON WHICH REGULAR CONTRIBUTIONS AS A MEMBER WERE MADE TO THE SYSTEM PRODUCING THE HIGHEST AVERAGE; A QUARTER MEANS A PERIOD JANUARY THROUGH MARCH, APRIL THROUGH JUNE, JULY THROUGH SEPTEMBER, OR OCTOBER THROUGH DECEMBER. AN AMOUNT UP TO AND INCLUDING FORTY-FIVE DAYS’ TERMINATION PAY FOR UNUSED ANNUAL LEAVE AT RETIREMENT MAY BE ADDED TO THE AVERAGE FINAL COMPENSATION. AVERAGE FINAL COMPENSATION FOR AN ELECTED OFFICIAL MAY BE CALCULATED AS THE AVERAGE ANNUAL EARNABLE COMPENSATION FOR THE THIRTY-SIX CONSECUTIVE MONTHS PRIOR TO THE EXPIRATION OF HIS TERM OF OFFICE.**

**(B) ‘AVERAGE FINAL COMPENSATION’ WITH RESPECT TO ALL OTHER MEMBERS RETIRING AFTER JUNE 30, 2012, MEANS THE**

AVERAGE ANNUAL EARNABLE COMPENSATION OF A MEMBER DURING THE TWENTY CONSECUTIVE QUARTERS OF THE MEMBER'S CREDITABLE SERVICE ON WHICH REGULAR CONTRIBUTIONS AS A MEMBER WERE MADE TO THE SYSTEM PRODUCING THE HIGHEST SUCH AVERAGE; A QUARTER MEANS A PERIOD JANUARY THROUGH MARCH, APRIL THROUGH JUNE, JULY THROUGH SEPTEMBER, OR OCTOBER THROUGH DECEMBER. TERMINATION PAY FOR UNUSED ANNUAL LEAVE AT RETIREMENT MAY NOT BE ADDED TO THE AVERAGE FINAL COMPENSATION." /

AMEND FURTHER, BY STRIKING SECTION 9-11-150(L), AS CONTAINED IN SECTION 14, PAGE 25, AND INSERTING:

/ (L) AT RETIREMENT, AFTER MARCH 31, 1991, AND AT RETIREMENT AFTER JUNE 30, 2012, FOR MEMBERS HAVING AT LEAST TEN YEARS OF CREDITABLE SERVICE BEFORE JULY 1, 2012, A MEMBER SHALL RECEIVE CREDIT FOR NOT MORE THAN NINETY DAYS OF HIS UNUSED SICK LEAVE FROM THE MEMBER'S LAST EMPLOYER AT NO COST TO THE MEMBER. THE LEAVE MUST BE CREDITED AT A RATE WHERE TWENTY DAYS OF UNUSED SICK LEAVE EQUALS ONE MONTH OF SERVICE. THIS ADDITIONAL SERVICE CREDIT MAY NOT BE USED TO QUALIFY FOR RETIREMENT. /

AMEND FURTHER, PAGE 25, BY STRIKING SECTION 15 IN ITS ENTIRETY.

AMEND FURTHER, BY STRIKING SECTION 9-11-210(12), AS CONTAINED IN SECTION 16, PAGE 26, AND INSERTING:

/ (12) PAYMENTS FOR UNUSED SICK LEAVE, SINGLE SPECIAL PAYMENTS AT RETIREMENT, BONUS AND INCENTIVE-TYPE PAYMENTS, OR ANY OTHER PAYMENTS NOT CONSIDERED A PART OF THE REGULAR

**SALARY BASE ARE NOT COMPENSATION FOR WHICH CONTRIBUTIONS ARE DEDUCTIBLE. THIS ITEM DOES NOT APPLY TO BONUS PAYMENTS PAID TO CERTAIN CATEGORIES OF EMPLOYEES ANNUALLY DURING THEIR WORK CAREERS. BONUS OR SPECIAL PAYMENTS APPLIED ONLY DURING THE 'AVERAGE FINAL COMPENSATION' PERIOD ARE EXCLUDED AS COMPENSATION. CONTRIBUTIONS ARE DEDUCTIBLE ON UP TO AND INCLUDING FORTY-FIVE DAYS' TERMINATION PAY FOR UNUSED ANNUAL LEAVE FOR THESE MEMBERS ELIGIBLE TO HAVE THIS PAY INCLUDED IN THIS MEMBER'S AVERAGE FINAL COMPENSATION CALCULATION. IF A MEMBER HAS RECEIVED TERMINATION PAY FOR UNUSED ANNUAL LEAVE ON MORE THAN ONE OCCASION, CONTRIBUTIONS ARE DEDUCTIBLE ON UP TO AND INCLUDING FORTY-FIVE DAYS' TERMINATION PAY FOR UNUSED ANNUAL LEAVE FOR EACH TERMINATION PAYMENT FOR UNUSED ANNUAL LEAVE RECEIVED BY THE MEMBER. HOWEVER, ONLY AN AMOUNT UP TO AND INCLUDING FORTY-FIVE DAYS' PAY FOR UNUSED ANNUAL LEAVE FROM THE MEMBER'S LAST TERMINATION PAYMENT ~~SHALL~~ MUST BE INCLUDED IN A MEMBER'S AVERAGE FINAL COMPENSATION CALCULATION FOR THOSE MEMBERS ELIGIBLE TO HAVE THAT PAY INCLUDED IN THAT MEMBER'S AVERAGE FINAL COMPENSATION CALCULATION. /**

**RENUMBER SECTIONS TO CONFORM.**

**AMEND TITLE TO CONFORM.**