

HOUSE  
AMENDMENT

THIS AMENDMENT  
ADOPTED

(5)

GOOD/DOWNEY  
MARCH 2, 2012

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CLERK OF THE HOUSE

REP. J. H. NEAL PROPOSES THE FOLLOWING AMENDMENT  
No. TO H. 4898 (COUNCIL\NBD\12179DG12):

REFERENCE IS TO PRINTER'S DATE 2/28/12-H.

**AMEND THE BILL, AS AND IF AMENDED, BY  
STRIKING SECTION 9-1-10(4)(B), ON PAGES 5 AND  
6, AND INSERTING:**

**/ (B)(1) 'AVERAGE FINAL COMPENSATION'  
WITH RESPECT TO CLASS ONE AND CLASS TWO  
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. 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.

(2)'AVERAGE FINAL COMPENSATION' WITH RESPECT TO CLASS THREE 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.** /

**AMEND THE BILL FURTHER, AS AND IF AMENDED,  
BY STRIKING THE LAST UNDESIGNATED  
PARAGRAPH ON SECTION 9-1-1020, ON 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. FOR CLASS ONE AND CLASS TWO MEMBERS,  
CONTRIBUTIONS ARE DEDUCTIBLE ON UP TO AND INCLUDING  
FORTY-FIVE DAYS' TERMINATION PAY FOR UNUSED ANNUAL LEAVE. 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 THE BILL FURTHER, AS AND IF AMENDED, BY STRIKING SECTION  
9-1-1140(M), ON PAGE 12, AND INSERTING:**

/ (M) AT RETIREMENT, AFTER MARCH 31, 1991, FOR CLASS ONE AND CLASS TWO MEMBERS, 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 THE BILL FURTHER, AS AND IF AMENDED, BY STRIKING SECTION 9-1-1550(D), ON PAGE 15, AND INSERTING:

/ (D) TO ENSURE THAT A MEMBER'S BENEFIT EARNED AND ACCRUED BEFORE JULY 1, 2012, IS PROTECTED, THE BENEFIT PROVIDED TO A CLASS ONE OR A CLASS TWO MEMBER MUST BE NOT LESS THAN THE BENEFIT THAT WOULD HAVE BEEN PROVIDED TO THE MEMBER HAD THE MEMBER RETIRED ON JUNE 30, 2012, BASED ON THE MEMBER'S SERVICE CREDIT AND AVERAGE FINAL COMPENSATION THEN EXISTING. FOR PURPOSES OF CALCULATING THE MEMBER'S BENEFIT AS IF THE MEMBER RETIRED ON JUNE 30, 2012, THE MEMBER'S AVERAGE FINAL COMPENSATION MUST BE COMPUTED USING THE TWELVE CONSECUTIVE QUARTERS OF HIS CREDITABLE SERVICE ENDING BEFORE JULY 1, 2012, ON WHICH REGULAR CONTRIBUTIONS AS A MEMBER WERE MADE TO THE SYSTEM PRODUCING THE HIGHEST SUCH AVERAGE." /

AMEND THE BILL FURTHER, AS AND IF AMENDED, BY STRIKING SECTION 9-11-10(7)(B), ON PAGE 22, AND INSERTING:

/ (B)(1) 'AVERAGE FINAL COMPENSATION' WITH RESPECT TO AN EMPLOYEE MEMBER OF THE SYSTEM WITH AN EFFECTIVE DATE OF SYSTEM MEMBERSHIP AFTER BEFORE JULY 1, 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. 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.

(2) 'AVERAGE FINAL COMPENSATION' WITH RESPECT TO AN EMPLOYEE MEMBER OF THE SYSTEM WITH AN EFFECTIVE DATE OF SYSTEM MEMBERSHIP 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 SECTION 9-11-50(L), ON PAGE 25, AND INSERTING:

/ (L) AT RETIREMENT, AFTER MARCH 31, 1991, FOR AN EMPLOYEE MEMBER OF THE SYSTEM WITH AN EFFECTIVE DATE OF SYSTEM MEMBERSHIP 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 THE BILL FURTHER, AS AND IF AMENDED, BY STRIKING SECTION 9-11-60(3), ON PAGES 25 AND 26, AND INSERTING:**

**/ “(3) ~~RESERVED~~ TO ENSURE THAT A MEMBER’S BENEFIT EARNED AND ACCRUED BEFORE JULY 1, 2012, IS PROTECTED, THE BENEFIT PROVIDED TO A CLASS ONE OR A CLASS TWO MEMBER MUST BE NO LESS THAN THE BENEFIT THAT WOULD HAVE BEEN PROVIDED TO THE MEMBER HAD THE MEMBER RETIRED ON JUNE 30, 2012, BASED ON HIS SERVICE CREDIT AND AVERAGE FINAL COMPENSATION THEN EXISTING. FOR PURPOSES OF CALCULATING THE MEMBER’S BENEFIT AS IF THE MEMBER RETIRED ON JUNE 30, 2012, THE MEMBER’S AVERAGE FINAL COMPENSATION MUST BE COMPUTED USING THE TWELVE CONSECUTIVE QUARTERS OF THE MEMBER’S CREDITABLE SERVICE BEFORE JULY 1, 2012, ON WHICH REGULAR CONTRIBUTIONS AS A MEMBER WERE MADE TO THE SYSTEM PRODUCING THE HIGHEST SUCH AVERAGE.” /**

**AMEND THE BILL FURTHER, AS AND IF AMENDED, BY STRIKING SECTION 9-11-210(12), ON 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. FOR AN EMPLOYEE MEMBER OF THE SYSTEM WITH AN EFFECTIVE DATE OF SYSTEM MEMBERSHIP AFTER**

**BEFORE JULY 1, 2012, CONTRIBUTIONS ARE DEDUCTIBLE ON UP TO AND INCLUDING FORTY-FIVE DAYS' TERMINATION PAY FOR UNUSED ANNUAL LEAVE. 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.**