**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 8‑11‑625 SO AS TO PROVIDE THAT STATE EMPLOYEES EARNING ANNUAL LEAVE AT THE RATE OF THIRTY DAYS A YEAR MUST RECEIVE A LUMP SUM PAYMENT FOR DAYS OF ANNUAL LEAVE FEWER THAN THIRTY DAYS NOT USED OR DONATED BY THE EMPLOYEE IN A CALENDAR YEAR, TO PROVIDE ELIGIBILITY REQUIREMENTS, AND TO PROVIDE THAT SUCH PAYMENTS ARE NOT CONSIDERED EARNABLE COMPENSATION IN THE CALCULATION OF RETIREMENT BENEFITS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 7, Chapter 11, Title 8 of the 1976 Code is amended by adding:

“Section 8‑11‑625. (A) As used in this section, an ‘eligible employee’ is a permanent fulltime employee of this State who for at least one calendar year has earned annual leave pursuant to Section 8‑11‑610 at the rate of thirty days a year and who has not received an annual leave lump sum payment pursuant to Section 8‑11‑620.

(B) An eligible employee whose combined total of annual leave used and donated pursuant to Article 9 of this chapter in a calendar year is less than thirty days, must be paid a lump sum for annual leave days fewer than thirty not used or donated in the calendar year, prorated for periods of less than one work day. The eligible employee’s annual leave balance must be reduced to reflect paid leave.

(C) Notwithstanding any other provision of law, annual leave payments made pursuant to this section are not considered earnable compensation for purposes of calculating retirement benefits paid pursuant to Chapters 1 and 11, Title 9 and not subject to retirement contributions.”

SECTION 2. This act takes effect January 1, 2022, and first applies for annual leave not used or donated in calendar years beginning after 2020.

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