

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HOUSE BILL 2150

AN ACT

AMENDING SECTION 38-615, ARIZONA REVISED STATUTES; RELATING TO PAYMENTS TO
RETIREES FOR ACCUMULATED SICK LEAVE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section. 1. Section 38-615, Arizona Revised Statutes, is amended to
3 read:

4 38-615. Payment for accumulated sick leave; limit; definition

5 A. An officer or employee of ~~the~~ THIS state, subject to legislative
6 appropriation, or an officer or employee of a county, subject to
7 authorization by the board of supervisors, is eligible, on retirement, to
8 receive benefits as follows:

9 1. An officer or employee who has at least five hundred but less than
10 seven hundred fifty hours of sick leave shall receive payments equal to
11 twenty-five per cent of the officer's or employee's salary at the officer's
12 or employee's current hourly rate for each hour of accumulated sick leave.

13 2. An officer or employee who has at least seven hundred fifty but
14 less than one thousand hours of sick leave shall receive payments equal to
15 thirty-three per cent of the officer's or employee's salary at the officer's
16 or employee's current hourly rate for each hour of accumulated sick leave.

17 3. An officer or employee who has at least one thousand hours of sick
18 leave shall receive payments equal to fifty per cent of the officer's or
19 employee's salary at the officer's or employee's current hourly rate for each
20 hour of accumulated sick leave not to exceed one thousand five hundred hours
21 of accumulated sick leave.

22 B. AN OFFICER OR EMPLOYEE MUST BE ELIGIBLE FOR BENEFITS PURSUANT TO
23 THE APPLICABLE RETIREMENT SYSTEM OR PLAN WITHIN THIRTY DAYS AFTER TERMINATION
24 OF EMPLOYMENT. An officer or employee who receives payments as provided in
25 subsection A of this section shall not receive more than thirty thousand
26 dollars. If an officer or employee receives payments pursuant to subsection
27 A of this section, the officer or employee shall be paid the amount due the
28 officer or employee EITHER IN A LUMP SUM OR in installments over a three year
29 period.

30 C. If an officer or employee dies before the officer or employee
31 receives the total payment due to the officer or employee or if an officer or
32 employee is eligible for normal retirement but has not retired at the time of
33 the officer's or employee's death, the officer's or employee's beneficiary
34 shall receive the balance due to the officer or employee in a lump sum.

35 D. Notwithstanding any other law:

36 1. The cash value of the sick leave credit pursuant to subsection A of
37 this section shall not be used to compute the average salary.

38 2. The payment authorized by this section for accumulated sick leave
39 is not salary or compensation for the purposes of making retirement
40 contributions or computing any pension benefit.

41 3. THE SICK LEAVE MUST BE AVAILABLE FOR USE BY THE OFFICER OR EMPLOYEE
42 AT THE TIME OF TERMINATION OF EMPLOYMENT. THIS SECTION DOES NOT APPLY TO
43 PREVIOUSLY FORFEITED SICK LEAVE.

44 E. The provisions of this section apply to an officer or employee of
45 ~~the~~ THIS state or a county who is eligible to participate in the Arizona

1 state retirement system as provided in chapter 5, article 2 of this title, in
2 the public safety personnel retirement system as provided in chapter 5,
3 article 4 of this title, in the corrections officer retirement plan as
4 provided in chapter 5, article 6 of this title or in an optional retirement
5 program established by the Arizona board of regents pursuant to section
6 15-1628.

7 F. This section applies retroactively to July 1, 1998 to an officer or
8 employee of a university under the jurisdiction of the Arizona board of
9 regents who participates in a federal retirement system, except that this
10 section does not apply to a participant in a federal retirement system if the
11 participant receives any sick leave payment from the federal government.

12 G. The provisions of this section ~~shall~~ apply only to officers or
13 employees of ~~the~~ THIS state or a county whose compensation regulations
14 provide for a forfeiture of sick leave on retirement.

15 H. For the purposes of this section, "hourly rate" means an officer's
16 or employee's hourly salary on retirement, excluding overtime pay and pay for
17 unused annual leave.