



Fifty-second Legislature - Second Regular Session

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

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

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

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

B. In order to be eligible to receive payments pursuant to subsection A of this section:

1. An officer or employee must establish a retirement date not later than thirty-one days after termination of employment by qualifying with an authorized retirement system or plan of this state.

2. The retirement date must be effective not later than thirty-one days after termination of employment.

3. An officer or employee shall elect retirement benefits that are defined not later than thirty-one days after termination of employment.

C. An officer or employee who receives payments as provided in subsection A of this section shall not receive more than thirty thousand dollars.

D. If an officer or employee receives payments pursuant to subsection A of this section, the officer or employee shall be paid the amount due the officer or employee either in a lump sum or in installments over a three year period.

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

F. Notwithstanding any other law:

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

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

3. The sick leave must be available for use by the officer or employee at the time of termination of employment. This section does not apply to previously forfeited sick leave.

G. This section applies to an officer or employee of this state or a county who is eligible to participate in the Arizona state retirement system as provided in chapter 5, article 2 of this title, in the public safety personnel retirement system as provided in chapter 5, article 4 of this title, in the corrections officer retirement plan as provided in chapter 5, article 6 of this title or in an optional retirement program established by the Arizona board of regents pursuant to section 15-1628.

H. This section applies retroactively to July 1, 1998 to an officer or employee of a university under the jurisdiction of the Arizona board of regents who participates in a

federal retirement system, except that this section does not apply to a participant in a federal retirement system if the participant receives any sick leave payment from the federal government.

I. This section applies only to officers or employees of this state or a county whose compensation regulations provide for a forfeiture of sick leave on retirement.

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