

# Retirement System

## Retirement Board

### Chapter 8: Cash Remuneration Rule

**Effective Date:** 06/18/1996 to Current

**Rule Type:** Current Rules & Regulations

**Reference Number:** 072.0003.8.06181996

## CHAPTER 8

### CASH REMUNERATION

#### Section 1. Definition.

(a) “Cash remuneration”, as used in W.S. 9-3-402(a)(xvi) for the purposes of contributions to the system and the determination of an employee’s “highest average salary”, means the compensation paid for services rendered to a participating employer, and includes: contributions required by W.S. 9-3-412; any salary reduction or salary deferral amounts under federal Internal Revenue Code Sections 125, 401(k), 403(b) or 457; any pay for administrative, sabbatical, annual, sick, vacation, or personal leave; any pay for compensatory time, provided that any such pay for compensatory time is made during the same calendar year in which the compensatory time is earned, and any retroactive compensation payments pursuant to court orders, arbitration awards, or litigation and grievance settlements. “Cash remuneration” does not include: fringe benefits such as payments for unused sick, personal, or vacation leave; housing allowances; transportation expenses; early retirement incentive pay; severance pay; bonuses; medical insurance; workers’ compensation benefits; disability insurance premiums or benefits; payments received by a member in lieu of previously employer-provided fringe benefits under an agreement between the member and participating employer entered into within sixty months before retirement; any other payment which may reasonably be construed to be a fringe benefit; or any payment made during any three-year period of employment which is deemed to increase highest average salary for the primary purpose of increasing a retirement benefit.

#### Section 2.

All contractual relationships entered into prior to November 19, 1992, are “grandfathered”, thus accepting any current “Option 3” as currently effective in Natrona County School District One and other similar options as currently in effect.

#### Section 3.

(a) If a member employee receives increases in compensation during any three (3) years of service which are not related to promotion and which exceed the average increase received by other employees of the same employer holding comparable positions, the excess shall be excluded when computing the highest average salary if the board finds, after consideration of all circumstances, that the primary purpose of the compensation increase was to increase the retirement benefit of the employee. If there are no employees of the same employer holding comparable positions, the increases may be excluded from the highest average salary if they exceed the average percentage increase received by all other employees of the same employer during the period involved. In making a determination under this section the board may also consider:

(i) The extent of annual compensation increases made to an employee over the employee’s working career;

(ii) Any pattern of an employer providing unusual or extraordinary employee compensation increases during an employee’s final years of employment; or

(iii) Any other factors which may indicate that payments were made to an employee during the final three years of employment or any other three years of employment for the primary purpose of increasing highest average salary and, thereby, increasing the employee's retirement benefit.