**Section 4402.60 Accumulated Unused Time at Retirement or Disability**

a) Whether compensation for accumulated but unused vacation, sick, personal, or compensation time (any other time earned by the employee, but unused at the time of termination of employment or retirement) is considered salary will be determined by the date of retirement or disability.

b) If the employee remains on the payroll and uses the time, the compensation received for that time will be considered salary for purposes of computing pension contributions and benefits.

c) If the employee is removed from the payroll by virtue of leaving employment or being placed on disability leave while accumulated time remains unused, then the lump sum compensation received by the employee for that time is not considered salary for purposes of computing pension contributions and benefits.

d) In the instance where a municipality acts contrary to its stated policy, then there must be a written agreement between the municipality and the participant which states that the participant may remain on the payroll until the entire amount due has been paid, without these payments being considered salary for purposes of computing pension contributions or benefits.

(Source: Added at 20 Ill. Reg. 5838, effective April 9, 1996)