

Memorandum of Understanding  
between the Local 1031, Council 59, American Federation of State, County,  
and Municipal Employees, AFL-CIO and the City of Rapid City to  
reflect the changes in accordance with SDCL Chapter 3-13 A  
of the South Dakota Retirement System  
Special Pay Program Provisions

WHEREAS, the City of Rapid City and the Local 1031, Council 59, American Federation of State, County, and Municipal Employees, AFL-CIO have a collective bargaining agreement and Article 27 describes the specific participation of the employee in the Special Pay Program; and

WHEREAS, SDCL Chapter 3-13(A) has been amended effective July 1, 2006, and the above stated article shall be amended to read as follows:

The City of Rapid City participates in a Retirement Special Pay Plan, which provides a tax advantage and Social Security advantage when employees terminate their employment. The administration and participation in the Pay Plan ~~is shall be~~ in accordance with South Dakota Codified Law.

~~A special lump sum payment will be deducted from the employee's final paycheck and submitted the Special Pay Plan administrator, based on the following criteria.~~

- ~~a. Only employees age 55 or older qualify for such special pay transmitted to the special pay plan.~~
- ~~b. Only such special payments of \$2,000 or more qualify to be transmitted to the special pay plan.~~
- ~~c. Special pay is defined as compensation other than regular salary or wages granted a regular benefited employee. Examples of such compensation include annual leave, sick leave payout, or unpaid holiday.~~

~~The City of Rapid City shall cease participation in the Retirement Special Pay Plan in accordance with SDCL.~~

Dated at Rapid City, South Dakota, as of the \_\_\_\_\_ day of \_\_\_\_\_, 2006.

LOCAL 1031, COUNCIL 59, AMERICAN  
FEDERATION OF STATE, COUNTY, AND  
MUNICIPAL EMPLOYEES AFL-CIO

\_\_\_\_\_  
Lynn Stather, AFSCME President

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Ritchie Nordstrom, AFSCME Chief Steward

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(signature page)

CITY OF RAPID CITY  
A Municipal Corporation

ATTEST:

\_\_\_\_\_  
Jim Shaw, Mayor

\_\_\_\_\_  
James F. Preston  
Finance Officer

(SEAL)