

~~STATES CODE, OTHER THAN TRAINING DUTY SPECIFIED IN 10 U.S.C. § 10147, RELATING TO TRAINING REQUIREMENTS FOR THE READY RESERVE, OR 32 U.S.C. § 502(A), RELATING TO REQUIRED DRILLS AND FIELD EXERCISES FOR THE NATIONAL GUARD, AND~~

~~(II) HOSPITALIZATION INCIDENT TO ACTIVE DUTY DESCRIBED IN ITEM (I) OF THIS PARAGRAPH.~~

~~(3) "QUALIFIED COMPENSATION" MEANS:~~

~~(I) COMPENSATION THAT IS NORMALLY CONTINGENT ON A QUALIFIED REPLACEMENT EMPLOYEE'S PRESENCE FOR WORK AND THAT IS DEDUCTIBLE FROM THE EMPLOYER'S GROSS INCOME UNDER § 162(A)(1) OF THE INTERNAL REVENUE CODE;~~

~~(II) COMPENSATION THAT IS NOT CHARACTERIZED BY THE EMPLOYER AS:~~

- ~~1. VACATION OR HOLIDAY PAY;~~
- ~~2. SICK LEAVE OR PAY, OR~~
- ~~3. ANY OTHER FORM OF PAY FOR A NONSPECIFIC LEAVE OF ABSENCE; AND~~

~~(III) GROUP HEALTH PLAN COSTS, IF ANY, WITH RESPECT TO THE QUALIFIED REPLACEMENT EMPLOYEE.~~

~~(4) "QUALIFIED REPLACEMENT EMPLOYEE" MEANS AN INDIVIDUAL WHO IS HIRED TO REPLACE A READY RESERVE NATIONAL GUARD EMPLOYEE OR A READY RESERVE NATIONAL GUARD SELF EMPLOYED INDIVIDUAL, BUT ONLY WITH RESPECT TO THE PERIOD DURING WHICH THE READY RESERVE NATIONAL GUARD EMPLOYEE OR READY RESERVE NATIONAL GUARD SELF EMPLOYED INDIVIDUAL PARTICIPATES IN QUALIFIED ACTIVE DUTY, INCLUDING TIME SPENT IN TRAVEL STATUS.~~

~~(5) "READY RESERVE NATIONAL GUARD EMPLOYEE" MEANS AN EMPLOYEE WHO IS A MEMBER OF THE READY RESERVE OF A RESERVE COMPONENT OF AN ARMED FORCE OF THE UNITED STATES AS DESCRIBED IN 10 U.S.C. §§ 10101 AND 10142.~~

~~(6) "READY RESERVE NATIONAL GUARD SELF EMPLOYED INDIVIDUAL" MEANS AN INDIVIDUAL WHO:~~

~~(I) HAS NET EARNINGS FROM SELF EMPLOYMENT, AS DEFINED IN § 1402(A) OF THE INTERNAL REVENUE CODE, FOR THE TAXABLE YEAR IN WHICH THE INDIVIDUAL IS CALLED TO ACTIVE DUTY, AND~~

~~(II) IS A MEMBER OF THE READY RESERVE OF A RESERVE COMPONENT OF AN ARMED FORCE OF THE UNITED STATES AS DESCRIBED IN 10 U.S.C. §§ 10101 AND 10142.~~