

Unused Sick Leave Calculation and Reporting

Q1) When did the unused sick leave program begin, and what does the program do?

A1) The unused sick leave program became effective July 1, 1973, and is described in Oregon Revised Statute (ORS) 238.350 and Oregon Administrative Rule (OAR) 459-011-0500.

For Tier One and Tier Two members whose employer participates in the program on their behalf, the monetary value of half of the member's accumulated unused sick leave is included in the Final Average Salary (FAS) calculation.

Unused sick leave is not used to calculate an OPSRP retirement benefit.

Q2) Why is the program now being reviewed?

A2) Employer reporting practices regarding accumulation and reporting of unused sick leave hours have been inconsistent and, at times, have not complied with statute.

PERS has been made aware of two basic problems:

- (1) the incorrect inclusion of transferred sick leave in calculating unused sick leave to be reported, and
- (2) the miscalculation and misreporting of unused sick leave when it is accumulated at a rate higher than the maximum eight hours per month allowed by statute.

Q3) When is unused sick leave reported to PERS?

A3) Unused sick leave hours should be reported when an employee terminates employment or upon request by PERS (i.e., in order to process a member's request for retirement data verification).

Q4) We have employees who have prorated accruals based on their work week. The standard accrual rate is eight hours a month for full-time employees with prorated accruals for less than full time. Will eight hours be considered the lowest rate of accrual for employees entitled to sick leave?

A4) Yes. If your standard sick leave accrual rate is eight hours a month for full-time employees, it may be prorated for less than full-time employees (i.e., part-time employees) and still remain the lowest rate of accrual for all employees entitled to sick leave.

Q5) Sick leave balances are being reported on all of our employees regardless of pension plan. We were told that employers did not need to discontinue OPSRP sick leave balance reporting to EDX.

Because OPSRP does not qualify for the sick leave program, we will not be adjusting their balances for reinstated or restored sick leave. Should we continue to report unused sick leave hours for OPSRP employee, even though sick leave is not used in OPSRP benefit calculations?

A5) Reporting unused sick leave is not required for OPSRP employees. However, you may continue to report this information if discontinuing this practice would be burdensome. For example, if you have a financial software system modified to calculate unused sick leave for DTL1-02/Termination records or you enter this value manually for termination records, you may continue reporting OPSRP unused sick leave hours to avoid reprogramming your financial system to remove those calculations or to alter your current manual procedure.

If any individual, Tier One/Tier Two or OPSRP, has used all sick leave by his or her termination date, enter 0 in the unused sick leave hours field of the DTL1-02/Termination record. The unused sick leave hours field should never be left blank on a DTL1-02/Termination record.

Please contact your ESC Account Team representative if you have questions.