OREGON ACCOUNTING MANUAL

DAS DEPARTMENT OF ADMINISTRATIVE SERVICES STATEWIDE POLICY	**NUMBER** 45.06.00	**SUPERSEDES** 45.06.00 dated 03/01/2007
	EFFECTIVE DATE MM/DD/YYYY	**PAGE NUMBER** Pages 1 of 2
Division **Chief Financial Office**	**REFERENCE/AUTHORITY** ORS 238.350 OAR 459-017-0060	
Policy Owner Office of the State Controller | Oregon Statewide Payroll Services (OSPS)		
SUBJECT Sick Leave Balances at Retirement	**APPROVED SIGNATURE**	

PURPOSE
This policy provides guidance on sick leave balances at the time of retirement.

APPLICABILITY
This policy applies to all state agencies that are subject to the Oregon Accounting Manual (OAM), as outlined in **OAM 01.05.00** *Introduction: Scope and Applicability.* If any provisions of OAM policies or procedures conflict with bargaining agreements, the provisions of bargaining agreements would supersede OAM guidance.

FORMS/EXHIBITS/INSTRUCTIONS
None.

DEFINITIONS
Employer agency: The state agency who employs staff in unrepresented, exempt, unclassified, classified, and management service providing personnel services to the employer.

Refer to **OAM 65.00.00** *Glossary* for definitions.

EXCLUSIONS AND SPECIAL SITUATIONS
Oregon Public Service Retirement Plan (OPSRP) Retirees are excluded. Under ORS Chapter 238A, unused sick leave is not used by the Public Employees Retirement System (PERS) as the part of the OPSRP retirement calculation and may be reinstated to eligible employees. Refer to State HR policy **60.000.01**, Sick Leave with Pay.

POLICY:

Disposition of Sick Leave Upon Retirement

.101 When a state employee retires, the **employer agency** shall report all accumulated unused sick leave to PERS. As of the effective date of retirement, all sick leave will be considered 'used' for employees who receive retirement benefits based on the full formula, money match, and formula plus annuity calculations. Thereafter, the unused sick leave is no longer available to a retiree who is reemployed or rehired, in any appointment or position, by the State. For OPSRP employees, there are exclusions as noted above.

.102 This provision applies to all unused sick leave hours that are reported to PERS for retirees described in .101. Under no circumstances can the reported hours be restored to a PERS Tier 1 and Tier 2 retiree, regardless of the specific retirement option elected by the individual (including disability retirement) or the type of appointment or position filled upon reemployment or rehire. See exclusions for OPSRP.

.103 At retirement, an employee's sick leave balances shall be:

a. Entered into the Workday Payroll clearing account;
b. Documented as "retired" in the comment field; and
c. Flagged to be adjusted to zero at 60 days following the date of retirement.

Recoupment of Benefit Overpayment

.104 An **employer agency** that discovers it has restored sick leave hours to a retiree described in .101, must take the following steps:

a. Determine if an employee is eligible for any temporary sick leave or regular sick leave upon rehire and update the employee's balance;

b. Work with the employee and the employee's manager to make the necessary updates to correct their time off;

c. Notify the employee of any amount of benefits to be repaid and adhere to applicable policy or the relevant collective bargaining agreement to recoup such amounts.