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EMPLOYER BULLETIN

Sick Leave Reporting Reminders

May 2017

This bulletin contains reporting guidelines for completing Supplementary Reports, Sick Leave Certifications and the Terminated Sick Leave Report filed with the Annual Report.

Employers annually certify the number of unused, uncompensated sick days on the Annual Report Terminated Sick Leave Report for all members who terminated employment during the past school year or on the Supplementary Report for members who have applied for a TRS benefit or refund.

TRS members may receive up to two years of additional service credit at retirement for unused, uncompensated sick leave. To be creditable for retirement purposes, sick leave days must be unused, uncompensated and available for use by a member in the event of illness.

Personal Leave Days

Accumulated personal leave days are governed by the same standards established for sick leave days, provided the employer allows teachers to use personal leave for illness. As long as personal leave days are available to be used as sick leave, they should be included in the total number of sick leave days reported on the Supplementary Report or Terminated Sick Leave Report. Days not identified as personal leave but as business leave, emergency leave, etc., are not reportable as personal leave and would be considered granted days if they accumulate as sick leave.

Reporting Sick Leave Days

TRS recognizes service credit for sick leave days to the nearest tenth decimal place. Do not round days to the nearest whole number. For example:

- If a member has 55.75 sick leave days, report 55.8 sick leave days.
- If a member has 72.32 sick leave days, report 72.3 days.

Payment for Sick Leave Days

Lump-sum payments made to a member in years prior to the member's final year of employment are reportable in the school years paid. In a member's final year of employment, the timing of the lump-sum payment determines the reportability of the payment. Lump sums paid or due and payable prior to or concurrent with receipt of the employee's final paycheck for regular earnings or with the last day of employment are reportable to TRS as creditable earnings. Lump-sum payments paid after the employee's final regular paycheck and after the last day of employment that are not due and payable at the time of the receipt of the last paycheck or on the last day of employment are not reportable to TRS.

When a teacher terminates employment, TRS requires the employer to report all unused, uncompensated sick leave days the member had available for use at termination. If a lump-sum payment for unused sick leave is reportable to TRS as creditable earnings, the days used in the payment calculation are considered compensated, and the compensated sick days are not reportable to TRS for service credit. However, if the lump-sum payment for unused sick leave days is not reportable to TRS as creditable earnings, the days used in the payment calculation are not considered to have been compensated at retirement, and the uncompensated sick leave days are reportable to TRS for service credit. Ultimately, either the days or the lump-sum payment is reportable to TRS but, never both and never neither.

Granted Sick Leave Days

The following are considered granted sick leave days:

- additional days awarded for good attendance or for not using sick or personal leave,
- additional days awarded for reaching a minimum accumulation of sick leave,
- sick leave days awarded in lieu of payment for extra duties,
- unused vacation days converted to sick leave,
- unused personal leave days that accumulate two-for-one as sick leave or personal leave,
- personal leave days that are not available for use as sick leave but accumulate as sick leave if unused,
- sick leave days granted in addition to the normal annual allotment for years of service; for example: The district's collective bargaining agreement provides teacher with a normal annual allotment of 15 sick leave days. Teachers who have been employed at the district for five to nine years get an additional sick leave day, teachers who have been employed at the district 10 to 14 years get two additional sick leave days and teachers who have been employed at the district for 15 or more years get three additional sick leave days,
- personal leave days granted in addition to the normal annual allotment of personal leave days based on years of service or,
- sick leave days earned for working summer school.

Available for Use Requirement of Granted Sick Leave Days

TRS permits the normal annual allotment of sick leave and personal leave days to be reported for service credit. However, anytime additional days over and above the normal annual allotment are granted to a member, the employer must determine if the member could potentially use all the days already on record plus the additional days that were granted. The Illinois Administrative Code Section 1650.350 specifies how to apply the following three-step formula.

1. As of the date additional sick leave is granted, determine how many paid days remain before termination or retirement.
2. Subtract the number of sick leave days already on the member's record.
3. The difference is the maximum number of days that could be granted and considered available for use.

Any extra sick leave days granted in addition to the normal annual allotment are subject to the three-step formula described above. If the district adds granted sick leave days to a member's record at the end of the member's final year of service, TRS will not recognize the granted days as available for use. If the district adds granted sick leave days to a member's record at the end of the next-to-last year, these may or may not be considered as available for use, depending on the number of sick leave days already on the member's record. Any sick leave days that meet the available for use test and remain unused and uncompensated at termination must be reported to TRS for service credit. Any granted days that do not meet the available for use test cannot be reported to TRS. Please note that any days the member actually uses prior to retirement or termination must be subtracted from the member's sick leave record.

Employer Cost for Granted Days

If an employer grants additional sick leave days in the last four years prior to a member's retirement, the employer will be subject to an employer contribution for excess sick leave if all of the following conditions are met:

- the granted days qualify as available for use,
- the granted days remain unused and uncompensated at termination, and
- the granted days result in additional sick leave service credit.

If the sick leave days are not available for use in the event of illness, no cost is associated with them because the days are not reportable for service credit. To estimate the amount of these sick leave granting costs, you may wish to use the Excess Sick Leave Calculator available on the Employer Services area of the TRS website.

Completing the Sick Leave Certification

In the event that granted sick leave days meet the three-step formula and are reportable to TRS in the member's unused, uncompensated sick leave, the member's Sick Leave Certification (submitted at retirement) is completed differently than for a member who did not receive granted sick leave days.

Column 1 on the Sick Leave Certification is labeled as the "Teacher's normal annual allotment of sick leave and personal days as specified in the collective bargaining agreement." The granted sick leave days must not be included in this column. Column 1 would be based on the sick leave allotments stipulated in the collective bargaining agreement (CBA).

Column 2 on the Sick Leave Certification is labeled as the "Total number of days added to the member's sick leave record during the school year." The employer must report the total number of sick and personal days that were first made available for use in the event of illness to the retiring member during the specified school year. If additional sick leave days were granted to a member during a specified year and the additional sick leave days met the three-step formula, the granted days must be included in column two.

Administrator Receives a Higher Normal Annual Allotment than Teachers

Section 1650.351 of the 80 Illinois Administrative Code specifies:

The phrase "normal annual sick leave allotment" shall mean the amount of annual sick leave granted by a TRS employer to its teachers under a collective bargaining agreement or employment policies, including any personal days that may be used as sick leave.

When the employer awards a higher number of sick/personal leave days to administrators than to teachers, the extra days awarded to administrators in their final four years before retirement are subject to the excess sick leave cost.

When an administrator is awarded a larger normal annual allotment than teachers receive, Column 1 will be the sick leave allotments stipulated in the CBA. Column 2 will be the administrator's normal annual allotment of sick leave days.

Questions

If you have questions, please contact us at employers@trsil.org.

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