EMPLOYER BULLETIN

SICK LEAVE REPORTING REMINDERS

May 2019

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 business, personal or other nonvacation leave days are governed by the same standards established for sick leave days, provided the employer allows teachers to use the leave for illness. As long as business, personal leave or other nonvacation 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.

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 year 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,
- business, personal or other nonvacation leave days that are available for use as sick leave 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,
- business, personal or other nonvacation days that are not available for use as sick leave but accumulate as sick leave if unused,
- unused bereavement leave days that convert to sick leave,
- days granted from a sick leave bank to preserve a member's personal sick leave balance in the final year(s) of service.

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, any time 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 the member's 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:* 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 in the employer area of the TRS website.

Definition of Normal Annual Allotment for Teachers

Normal Annual Allotment Definition: the amount of annual sick leave granted to members employed under the collective bargaining agreement (CBA) or employment policies, including personal days that can be used as sick days.

Some districts offer a tiered or graduated system of sick leave allotments based on the member's years of experience and/or accumulated sick leave balances or based on the length of time employed. TRS recognizes whatever number of sick leave days the teacher qualifies for under the terms of the CBA as that teacher's normal annual allotment. As long as the tiers are not based on the member's age, retirement eligibility or retirement notification, tiered normal annual allotments are not viewed as "granting."

Following are some examples of tiered sick leave days.

Example 1:
- Teachers with 0 – 10 years of experience get 10 sick leave days.
- Teachers with 11 – 20 years of experience get 15 sick leave days.
- Teachers with 21 – 30 years of experience get 20 sick leave days.
- Teachers with over 30 years of experience get 25 sick leave days.

Example 2:
All teachers who have not accumulated 75 days of sick leave will receive 15 days per year, and once they have reached an accumulation of 75 days they will receive 12 days per year.

Example 3:
- Teachers who work nine months per year get 12 sick leave days.
- Teachers who work 10 months per year get 14 sick leave days.
- Teachers who work 11 months per year get 16 sick leave days.
- Teachers who work 12 months per year get 18 sick leave days.

Example 4:

Teachers are provided 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.

Completing the Sick Leave Certification

In the event that granted sick leave days meet the three-step formula and are reportable to TRS with 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 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.

If the normal annual allotment is prorated because the member worked a partial year or a part-time schedule, list the prorated amount in column 1 and not the normal annual allotment for full-time, full-year teachers.

Questions

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