

Chapter Six: Service Credit

Days that count toward earning service credit

(80 Ill. Admin. Code 1650.320)

Service credit is granted for days paid Monday through Friday only when periodic payment is made to the member for:

- service rendered that requires certification under the School Code;
- legal school holidays;
- attendance during the work week at teachers' institutes, workshops and parent/teacher conferences scheduled in the school calendar;
- vacation, personal, or sick leave days used prior to termination;
- sabbatical leaves in accordance with the School Code;
- suspension; and
- administrative absence defined as an absence from duty administratively authorized for investigative purposes without the loss of pay or benefits and without charge to leave.

Service credit is not granted for Saturdays or Sundays, except in the rare instance where the Saturday service is required as a lawful day of attendance.

Service credit is granted for each full or partial day worked. When reporting days paid, do not combine partial days into full day equivalents.

For example:

- Teacher A worked 72 full days and 36 half days. Report 108 days paid.
- Teacher B worked 180 half days. Report 180 days paid.
- Teacher C worked five full days and four half days. Report nine days paid.

Sick days, vacation days, and contract buy-outs paid in a lump sum cannot be used to establish service credit with TRS. **Likewise, members may not earn service credit for days they were paid while on a board-approved leave of absence.** However, members may be eligible to purchase the leave as optional service credit. (See Chapter 7, Optional Service Credit.)

Maximum creditable service in one year

(40 ILCS 5/16-130, 80 Ill. Admin. Code 1650.320)

A maximum of one year of service is creditable for all days worked in any one school year. Since 1959, TRS grants a full year of service credit to any member who is employed and receives creditable earnings for 170 days during any school year upon certification of the employer. Effective January 14, 1991, if a member earns salary for fewer than 170 days between July 1 of one year and June 30 of the following year, service credit is granted at the ratio of actual number of days paid to 170 days.



Adding service credit to a member's record

Service credit is added to a member's record by two methods. For regular teaching service, credit is recorded based upon the number of days paid reported on the Annual Report of Earnings. The other method requires that the employer certify, upon request of the member, service credit based upon existing employment records.

If employment records are not available, service credit may be verified through submission of other reliable documentation by the member. Contact the TRS Member Services Department at 877-927-5877 (877-9-ASK-TRS) for suggestions of possible alternative sources of documentation.

Sick leave

(80 Ill. Admin. Code 1650.350)

Members receive service credit at retirement for unused, uncompensated sick leave. The amount of service credit available to a member can be determined by dividing the number of reportable sick leave days by 170. Members may receive up to a maximum of two years of credit.

To be creditable for retirement purposes, sick leave days must be available for use by a member in the event of illness. Service credit is not available and cannot be computed for sick leave days added to the record of a member for the purpose of increasing the member's retirement service credit. TRS makes a distinction between the normal annual allotment of sick leave days and additional days granted over the normal annual allotment. A member's normal annual allotment of sick leave days added at the beginning of a school year is presumed to be available for use.

An employer may choose to grant additional days to a member for reasons such as serious illness. After increasing or eliminating a sick leave cap, an employer may choose to reinstate sick days a member had previously lost due to the employer-imposed cap. When sick leave days in excess of the normal annual allotment are granted or reinstated to a member, the additional days must be posted to the member's sick leave/attendance record and must represent a potential financial liability to the employer. Sick leave days must be granted or reinstated far enough in advance of termination that the sick leave days will be available for use by the member in the event of illness. The following steps are used to determine whether sick leave days granted or reinstated by an employer in addition to the normal annual allotment are available for use and reportable to TRS for service credit.

1. From the date the sick leave days are added or reinstated, determine the number of paid days remaining until the member's retirement or termination. _____
2. Subtract the number of sick leave days already on the member's record. (_____)
3. The difference is equal to the maximum number of additional days, if any, that may be added or reinstated and reported to TRS.

The number of sick leave days reported to TRS as determined above must be reduced by the number of sick leave days used prior to termination. See the following Examples 1 and 2.



Unused, uncompensated sick leave days are not eligible for service credit at retirement when the member receives payment for accumulated sick leave days that is reportable to TRS as creditable earnings. See the following Example 3. **If the payment for sick leave days is not reportable to TRS as creditable earnings, the sick leave days are reportable.** See the following Example 4.

Public Act 94-0004 requires employers to pay a contribution for sick leave days granted in excess of the member's normal annual allotment and used for service credit at retirement. For more information regarding the employer cost on sick leave days granted in excess of the normal annual allotment, please refer to Chapter 8, Excess Costs.

Example 1:

School District 1's negotiated agreement allows unlimited accumulation of sick leave. District 1's negotiated agreement provides for an individual to be granted up to an additional 170 days of sick leave upon notification of retirement.

Teacher A notified the district on March 1, 2017, of his intent to retire at the end of the 2017-18 school year. The district has 185 days in their school term. There were 65 days remaining in the 2016-17 school term when Teacher A notified the district of his retirement. There are 250 (65 + 185) days remaining until Teacher A's retirement. Teacher A has 150 days of unused, uncompensated sick leave days on his record. On the day he announced his retirement, the district granted and added an additional 100 (250 - 150) days of sick leave to his record. In May of 2017, he used one sick leave day. District 1's normal allotment is 12 days. Teacher A started the 2017-18 school year with 261 days of sick leave (250 - 1 + 12). He used zero sick leave days during the 2017-18 school year. At termination, Teacher A has 261 days of unused, uncompensated sick leave available to be reported to TRS.

Example 2:

School District 1's negotiated agreement allows unlimited accumulation of sick leave. District 1's negotiated agreement provides for an individual to be granted up to an additional 170 days of sick leave upon notification of retirement.

Teacher B has 160 accumulated sick leave days. He notifies District 1 on March 1 of his intent to retire at the end of the school term. There are 65 days remaining in the school term. No additional sick leave days may be granted and added to his record because he has 160 days on his record. The additional days would not be available for use. He uses five sick leave days in May. At termination, Teacher B has 155 (160 - 5) days of unused, uncompensated sick leave available to be reported to TRS.

Example 3:

Teacher C decided to retire from District 2 at the end of the current school year. The district's negotiated agreement provides for payment of \$10 for each day of unused sick leave. At termination she has 200 sick leave days on her record for which District 2 pays her \$2,000 (200 days x \$10). Payment is made on July 15 with her last regular paycheck. The payment for the sick leave days is reportable as creditable earnings. Therefore, the number of unused, uncompensated sick leave days available to be reported to TRS is zero.



Example 4:

Teacher D decides to retire from District 3 at the end of the current school year. The district's negotiated agreement provides for payment at the full daily per diem for each day of unused sick leave up to a maximum of 100 days. At termination Teacher D has 250 sick leave days on her record and her daily per diem is \$110. District 3 pays her \$11,000 (100 days x \$110) on September 28. Teacher D received her last regular paycheck on August 28. The payment for the sick leave days is **not** reportable as creditable earnings. Therefore, the number of unused, uncompensated sick leave days available to be reported to TRS is 250.

Sick leave days for service credit

Employers annually certify the number of unused, uncompensated sick leave days for members who terminated employment during the past school year on the Annual Report Terminated Sick Leave Report. The sick leave information provided on the Terminated Sick Leave Report allows TRS to record unused, uncompensated sick days from former employers throughout a member's career. The Terminated Sick Leave Report should include all members who terminated employment during the past school year, with the exception of members whose unused sick leave days have already been submitted to TRS on a Supplementary Report. **Do not include any member whose sick leave days were reported on a Supplementary Report.** If the sick leave days reported on the Supplementary Report are incorrect, please submit a corrected Supplementary Report.

This report is completed online using the ARS. Terminated sick leave information is entered via the member's "Update Employee" screen. To locate this screen in the Employer Access area, select on "Employee List" in the Annual Report section of the menu, then select on the "Update" link to the left of the member's name and Social Security number. The Terminated Sick Leave section is displayed below the Earnings section.

When completing this report:

- Report only unused, uncompensated sick leave days that a member had available on the date he/she terminated district employment. Include unused personal leave days that were available to use as sick leave.
- Before reporting sick or personal leave days granted in addition to the normal annual allotment, ensure the days meet the available for use requirement detailed on page 2. Refer to examples 1 and 2.
- If a member is paid for sick leave days, ensure the days or payment are reported following the guidance on page 3. Refer to examples 3 and 4.
- Round sick leave days to the nearest 10th decimal place. Do not round sick leave days to the nearest whole number. **For example:**
 1. If the member had 55.75 sick leave days, report 55.8 days.
 2. If the member has 72.32 sick leave days, report 72.3 days.
- The beginning employment date is the first date that the member began working for the district. If the exact day of the month is unknown, indicate the first day of the month. However, if the exact date is known, it should be specified.
- The ending employment date is the final day a member worked for the district, not the member's resignation date.



If the district has employed a member more than once and sick leave days earned from the previous employment were reinstated to the member, please submit a revised Terminated Sick Leave Report to reduce the member's reported sick leave days to zero. If the district employed a member more than once and sick leave days earned from the previous employment period were not reinstated to the member, only report the most recent employment period and the sick leave days associated with that employment period on the report.

Sometimes districts have members who have been involuntarily laid off due to a reduction in force (RIF) and employers do not know who will be rehired as of the August 15 Annual Report deadline. Complete the form based upon current information when filing the Annual Report. If anyone is rehired after the Annual Report has been submitted, send TRS a revised Terminated Sick Leave Report.

If a member resigns after the Annual Report has been submitted to TRS or a terminated member was omitted from the Terminated Sick Leave Report, send TRS a revised Terminated Sick Leave Report.

To make corrections, visit the secure Employer Account Access online then select "Reports" under "Annual Report" and print a copy of the Annual Report Terminated Sick Leave Report. Make any necessary changes or additions by hand and write "Revised" at the top. When adding a member to the Annual Report Terminated Sick Leave Report, include the beginning and ending dates of employment and report only unused, uncompensated sick leave days that a member had available on the date he/she terminated district employment.

TRS prefers that employers use the upload area in the Employer Account Access to securely send a corrected Terminated Sick Leave Report. However, faxed or mailed corrections are also accepted.

Secure upload: <https://employer.trsil.org/subsections/employeraccess/security/signIn.aspx>

Fax: (217) 753-0969

Mailing address:

Teachers' Retirement System of the State of Illinois
2815 W. Washington, P.O. Box 19253
Springfield, IL 62794-9253

Former employers may certify unused sick leave using the Former Employee Sick Leave Certification form. A member or employer may contact TRS for a Former Employee Sick Leave Certification form. Sick leave days from former employers must be submitted to TRS prior to the member's retirement.

Personal leave days

A member may earn service credit for unused, uncompensated personal leave days if the days were available for use in the event of illness. 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.

Days withdrawn from a sick leave bank

Service credit is available for sick leave days withdrawn from a sick leave bank upon retirement provided certain requirements are met.



- The number of days a member individually contributed to a sick leave bank must be recorded.
- The days withdrawn must reduce the available balance of sick leave days remaining in the bank.
- The number of days reported for a member cannot exceed the number of days deposited and unused by the member.

For example, a retiring teacher has contributed two days to the sick leave bank during her career and has never used any days from the bank. She begins her final year of employment with 150 accumulated sick leave days on her record and doesn't use any sick leave during the final year. At retirement, she is permitted to withdraw the two days she had contributed to the sick leave bank. The district should report 152 sick leave days to TRS.

TRS will not grant service credit for any days withdrawn by the member from a sick leave bank in excess of the days deposited and unused by the member. In addition, sick leave days lost as a result of a district imposed cap, which are deposited into the sick leave bank, are not reportable for sick leave service credit.

Sick leave days not reportable for service credit

TRS will not grant service credit for days

- lost as a result of a district imposed sick leave cap;
- not reinstated or granted sufficiently far in advance of retirement to be available for use;
- granted contingent upon a future event such as retirement or not retiring under the early retirement option;
- only available for catastrophic or extended illnesses;
- accumulated in excess of a per illness limitation;
- reportable to another retirement system;

For example: a teacher worked as a teacher's aide prior to becoming a teacher. If the sick leave days earned while an aide are available for use as a teacher and are not reported to IMRF, the days are reportable to TRS when the teacher terminates. However, if the days earned while working as an aide are reported to IMRF, only the days earned and remaining unused as a teacher are reportable.

- earned in years for which a member has taken a refund that has not been repaid;
- available for use in a non-TRS-covered position;

For example: a teacher changes positions and becomes a teacher's aide. If the sick leave days earned while the individual was a teacher are available for use as an aide, the sick leave days are not reportable to TRS. If the individual begins the aide position with zero sick leave days, the days accumulated as a teacher are reportable to TRS.

- or recorded in other states, even if the member purchased out-of-system credit.



Granted Days

The following situations are regarded as granting sick leave in excess of the normal annual allotment. The three-step formula must be applied to the extra days as of the date they are added to the member's sick leave record to determine if they are available for use.

- granted from a sick leave bank to preserve a member's personal sick leave balance in the final year(s) of service;
- 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 bereavement leave days converted to sick leave;
- 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;
- unused, non-designated or no-reason days converted to sick leave; or
- sick leave days earned for working summer school.

Unused vacation days

TRS will not grant service credit for unused vacation days.

Sabbatical leave

A member who is on a sabbatical leave may be granted service credit as though he or she had been teaching during the time of the leave. In order to receive service credit, the sabbatical leave must have been granted in accordance with the Illinois School Code (105 ILCS 5/24-6.1). A member on sabbatical leave must be included on the Annual Report of Earnings. The Sabbatical Leave Certification should be completed using the web-based ARS. Consult the School Code for guidelines regarding sabbatical leaves.

TRS and THIS Fund member and employer contributions must be remitted during the leave. These contributions are based on the salary rate immediately prior to the leave. Forward these contributions throughout the year along with all other member and employer contributions. (See Chapter 4, Employer Payments.)

Leave of absence

A member who is on a leave of absence for any reason other than a sabbatical leave may not be granted service credit for the period of the leave. However, the member may be eligible to purchase the leave as optional service credit. (See Chapter 7, Optional Service Credit.)

Duplicate service

A member may not use service earned under TRS for retirement credit under another public retirement system unless the member takes a refund of his or her TRS service credit.



If TRS receives written certification that a TRS annuitant has used TRS service credit for retirement credit in another public retirement system, the duplicated credit will be removed from the annuitant's record and the annuitant's retirement annuity will be reduced accordingly. In addition, TRS will offset any future benefits paid to the annuitant or the annuitant's beneficiary by the amount that TRS overpaid the annuitant.

Occupational disability service credit

A member may qualify to earn service credit for periods of occupational disability. (See Chapter 12, Disability Benefits.)

