

## Office of Personnel Management

### Policy

<b>Policy Title:</b> Compensation for Unused Sick Leave at Retirement	<b>Policy Number:</b> 20.27
<b>Citation:</b> Arkansas Code Annotated § 19-4-1613; § 21-4-501; 503 and 505	<b>Forms:</b> Sick Leave Incentive Pay Calculation Worksheet

#### Definition

Retirement means an employee's withdrawal from the service of a public employer, with an annuity payable from funds of the employee's retirement system.

#### Specific Provisions

Upon retirement, an employee of any State agency shall receive compensation for accumulated unused sick leave as follows:

- If the employee has accumulated at least fifty (50) days but fewer than sixty (60) days of sick leave, the employee shall receive an amount equal to fifty percent (50%) of the number of accrued sick leave days rounded to the nearest day multiplied by fifty percent (50%) of the employee's daily salary.
- If the employee has accumulated at least sixty (60) days but fewer than seventy (70) days of sick leave, the employee shall receive an amount equal to sixty percent (60%) of the number of accrued sick leave days rounded to the nearest day multiplied by sixty percent (60%) of the employee's daily salary.
- If the employee has accumulated at least seventy (70) days but fewer than eighty (80) days of sick leave, the employee shall receive an amount equal to seventy percent (70%) of the number of accrued sick days rounded to the nearest day multiplied by seventy percent (70%) of the employee's daily salary.
- If the employee has accumulated at least eighty (80) or more days of sick leave, the employee shall receive an amount equal to eighty percent (80%) of the number of accrued sick leave days rounded to the nearest multiplied by eighty percent (80%) of the employee's daily salary.

The employee's daily salary shall be determined by dividing the annual salary by two hundred sixty (260).

This applies to employees of all agencies whether in the executive, legislative, or judicial branch; Game and Fish employees; Highway and Transportation employees; and classified employees of state-supported institutions of higher education.

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In no event shall an employee receive an amount that exceeds seven thousand, five hundred dollars (\$7,500).

Upon retirement, if the balance of the employee's sick leave does not reach the criteria for a Sick Leave Incentive Payout, the employee may donate their sick leave to the catastrophic leave bank. When an employee receives a payout for unused sick leave at retirement, hours used to calculate the maximum payout of \$7,500 cannot be donated to the catastrophic leave bank. Once the calculation of the number of accrued hours needed to receive a full payout of \$7,500 has been made, any remaining hours may be donated to the agency's shared leave program or the catastrophic leave bank.

#### Non-Classified Employees of Two-Year Colleges

A two-year state-supported institution of higher education may compensate a non-classified employee of the institution for accumulated unused sick leave by providing to the non-classified employee the same compensation as described above.

Sick leave for non-classified employees at institutions of higher education shall accrue at the same rate for classified employees for the purpose of calculating compensation for accumulated unused sick leave.

Compensation for accumulated unused sick leave under this section shall not be used by the:

- 1) Arkansas Teacher Retirement System in the calculation of final average salary; or
- 2) Arkansas Public Employees' Retirement System in the calculation of final average compensation.

Revised March 30, 2015