



DEPARTMENT OF PERSONNEL

ADMINISTRATIVE REGULATION NO. 140

SICK LEAVE BUY BACK PROGRAM

Revised and Reissued: February 27, 2015

I. AUTHORITY:

The Compensation Ordinance provides that an active employee who qualifies for retirement under the Employees Retirement System or the Firemen's Retirement System, and who applies for retirement and immediately retires from active service, shall receive payment for his/her sick leave balance less any sick leave credited or paid to a member or used in the calculation of retirement benefits. It further states that if the Employees Retirement System provides for sick leave to be credited or paid to a member or used in the calculation of retirement benefits, this payment shall be fifty percent (50%) of the value of the employee's sick leave balance at time of retirement.

II. PURPOSE:

The purpose of this administrative regulation is to establish the procedures related to and method of payment for unused sick leave balances for those eligible employees upon retirement. Employees retiring from active service may only receive payment for their sick leave balance one (1) time, either in the form of a lump sum total payment or four (4) equal payments occurring every six (6) months for two (2) years following retirement from active service. Employees who return to active service following retirement who have been previously paid for their unused sick leave balance will not be eligible for this payment again upon subsequent retirement.

III. GENERAL PROVISIONS:

- A. Eligible employees must advise their payroll clerk of their preferred method of payment for their sick leave balance by completing a *Sick Leave Option* form (see copy attached). Sick leave balance payment(s) will commence once the employee is officially retired (i.e., has received their first pension check).
- B. Payroll personnel will calculate the various leave balances in the usual manner and prepare the *Employee Status* form for the retirement in the usual manner. Please indicate on the Employee Status form the employee's cash payment and attach the *Sick Leave Option* form.
- C. Payroll personnel should also prepare an *Adjustment to Pay* form to pay the employee for any vacation and compensatory time balances. The sick leave balance payment(s) should be computed and submitted on *Request for Reissued or Supplemental Pay Check* form(s),

depending upon which option for payment the employee has selected. (For example, four (4) *Request for Reissued or Supplemental Pay Check* forms should be completed if the employee has elected to receive the four (4) equal payments option.)

- D. After the forms are completed and signed by the appointing authority, the original and required number of copies should be forwarded to the Personnel Services Section of the Department of Personnel in the usual manner.
- E. The Personnel Services Section of the Department of Personnel will review the forms for accuracy and will forward the *Employee Status* form and the *Adjustment to Pay* form to the Payroll Section of the Comptroller's Office in the normal manner. The *Request for Reissued or Supplemental Pay Check* form(s) will be held until the employee is officially retired (receives the first pension check from the respective pension system).
- F. Upon notification from the pension system that the employee has officially retired, the *Request for Reissued or Supplemental Pay Check* form(s) will be released by the Personnel Services Section of the Department of Personnel and forwarded to the Payroll Section of the Comptroller's Office so that the check can be issued for payment of unused sick leave balance according the payment method selected by the employee.

IV. OTHER CONSIDERATIONS:

Care should be taken by employees in deciding which method of payment for unused sick leave balances is most beneficial to them, as well as any other options or decisions with respect to pension and tax issues. Employees are encouraged to seek out as much information as possible in advance so as to be fully prepared for retirement. PLEASE NOTE: ONCE THE EMPLOYEE HAS SELECTED ONE OF THE PAYMENT OPTIONS LISTED ABOVE, IT CANNOT BE ALTERED.

The Department of Personnel offers Retirement Planning Seminars for City employees. For information concerning these seminars, please contact the Training and Organizational Development Section of the Department of Personnel at 622-5763.

For specific information concerning pension benefits, the individual employees should be referred to the Employees Retirement System (622-3200) or the Firemen's Retirement System (588-2288).

Questions regarding this administrative regulation should be referred to the Personnel Services Section of the Department of Personnel at 622-3567.

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