



# INFORMATION BULLETIN

## Increase in sick leave service credit limitation effective January 3, 2003

Revised April 2004

Members may receive credit for up to two years of unused, uncompensated sick leave under a new law that took effect January 3, 2003. The legislation will benefit the approximately 37 percent of TRS members who retire with more than one year, or 170 days of sick leave credit, the former statutory limit.

### How it works

The Illinois Pension Code allows members to receive service credit at retirement for sick days that would otherwise go unused at retirement. To receive retirement credit:

1. The sick days must be earned as an employee of a TRS-covered employer.
2. No payment or compensation for the sick days that is reportable as creditable earnings is allowed.
3. The days must be actually available for use in the event of illness, accident, or disability.
4. The days cannot be designated as being solely for retirement credit.
5. Days received from a sick leave bank cannot exceed the number of days deposited into the bank by the member.

TRS grants retirement credit on the basis of one year for each 170 days of unused, uncompensated sick leave. Fractional credit is granted.

### No application required in most cases.

Sick days creditable for retirement are reported to TRS at the time of retirement on the supplementary report and whenever a member ceases employment on the sick leave report. TRS will

grant retirement credit based on these reports. No application is required unless the member terminated service with a covered employer prior to the 1987-1988 school year.

### How many sick days may a member accumulate?

Section 24-6 of the Illinois School Code requires that employees be permitted to accumulate at least a minimum of 180 days. Contracts or local policies may allow the accumulation of additional sick days. TRS plays no role in setting accumulation caps, but TRS does require that only bona fide sick days count for retirement credit.

Here are examples of retirement credits granted:

Sick leave accumulation	Credit
170 days	1 year
180 days	1.059 years
255 days	1.5 years
340 days	2 years

### Adding sick days to a member's record

TRS follows a calculation procedure in the event an employer adds days to a member's record. This may occur in the event of catastrophic illness, to restore days lost to an earlier, lower cap, or in the course of a negotiated increase in sick days. The creditability of sick days is governed by administrative rule. In all cases, any additional days awarded must actually be available for use in the event of illness, accident, or disability. Sick days cannot be added to a member's record solely to increase service credit at retirement.

The following chart illustrates how TRS calculates whether additional days granted are available for retirement credit.

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Number of paid days remaining until termination:

- Include subsequent years if applicable
- Use five-day work week

Subtract sick days already recorded on member's record

Additional days, if any, that may be granted for retirement credit

### Misconceptions about the sick leave law

There are some misconceptions about Public Act 92-0867, the law that allows you to receive up to two years of service credit for unused, uncompensated sick days. The law does not

- authorize members to automatically receive two years of sick leave,
- restore any sick leave days lost due to a sick leave cap, or
- change TRS Administrative Rules governing the reporting of unused sick leave days (80 IL Administrative Code Section 1650.350). This means the days must be available for use as sick days in order to be reported for service credit.

### Cash-outs

Some employers offer cash-out options for unused sick leave. If a member receives compensation that is reportable as creditable earnings in lieu of reporting a sick day for service credit, TRS cannot grant retirement credit for the unused day.

In some instances, employers cash-out unused sick leave during the course of employment. These payments are creditable earnings in the year in which paid. Once paid, these transactions cannot be reversed in order to receive retirement credit.

### Legal references

The legislation that increased the maximum retirement credit for unused sick days is Public Act 92-0867.

The rules governing credit for unused sick leave are contained in 80 Illinois Administrative Code, Subtitle D, Chapter III, Section 1650.350.

### Examples

Chapter 6 of the TRS *Employer Guide* includes additional examples on the recording and granting of sick leave.

### Additional information

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