

UNIVERSITY POLICY

Policy Name:	Unused Sick Time – Policy on the Administration of Payments to University Staff Retirees				
Section #:	60.3.17	Section Title:	Human Resources (HR): Non-Academic Employees	Formerly Book:	3.6.19
Approval Authority:	Senior Vice President for Human Resources and Organizational Effectiveness		Adopted:	06/26/1974	Reviewed: 02/26/2020
Responsible Executive:	Senior Vice President for Human Resources and Organizational Effectiveness		Revised:	09/29/2000; 06/30/2006; 07/01/2013; 09/09/2013 (Updated title and Section 3); 02/26/2020	
Responsible Office:	University Human Resources		Contact:	policies@hr.rutgers.edu	

1. Policy Statement

The policy outlines the administrative procedures for payments of unused sick time to University staff retirees.

2. Reason for Policy

To inform University employees of eligibility and application requirements, payment procedures, and limitations.

3. Who Should Read This Policy

This policy is applicable only to employees in legacy Rutgers positions. A legacy Rutgers position is a position which, historically, was associated with Rutgers University before June 30, 2013. These positions may be governed by different negotiated agreements and policies from those that would be applicable to individuals in legacy (University of Medicine and Dentistry of New Jersey (UMDNJ) positions. In this regard, individuals employed in Rutgers positions may be eligible for different non-State benefits than individuals who hold legacy UMDNJ positions.

4. Resources

[University Policy 60.3.5: Sick Time and Sick Leave](#)

5. Definitions

N/A

6. The Policy

The following policy pertains to the eligibility and administration of a lump sum supplemental compensation payment to eligible University staff employees for earned but unused sick time. The Sick Time and Sick Leave Policy may be found in [University Policy 60.3.5: Sick Time and Sick Leave](#) (formerly Regulation 3.6.6).

A. Eligibility

1. The following conditions must be met in determining eligibility for the lump sum payment:
 - a. The employee occupied a position in which sick time was earned in accordance with [University Policy 60.3.5: Sick Time and Sick Leave](#) and/or the appropriate collective negotiations agreements. Faculty who serve as administrators who wish to avail themselves of the sick time payout upon retirement should be certain that absence records are processed for each year in which they serve in an administrative capacity.
 - b. The recording of sick time taken by staff employees in accordance with University Policy 60.3.5 and according to instructions in the Absence Reporting System.
 - c. The University had the right to require proof of the need for sick time.
 - d. Sick time was not advanced against anticipated sick time to be earned in the next or future fiscal years. Department heads are required to request salary adjustments for individuals who have exceeded their accumulated sick time.
 - e. Sick time or some other earned leave was charged for compensable days when the employee was not working. The Absence Reporting System was used for this purpose.
 - f. The department head or supervisor was responsible for certifying the accuracy of the employee's compensable time for days not worked. This was accomplished by means of the Absence Reporting System.
 - g. Records for the employee were maintained by the department and were submitted to University Human Resources for annual audit.
 - h. Records are available for inspection.
2. No University employee who elects a deferred retirement (i.e., does not collect a retirement benefit from a state-administered retirement system upon termination of employment) is eligible.

B. Application and Payment Procedure

1. Once the employee's record is updated within the Human Capital Management (HCM) system indicating retirement of an eligible employee, University Human Resources will review the employee's Absence Reporting System record to determine the appropriate number of accumulated sick time days to be paid out and will certify those days to Payroll Services on the form "Authorization for Sick Time Payout at Retirement".
2. Payroll Services will calculate the lump sum as follows:
 - a. An average annual salary is established for the employee's final year of work. This figure is calculated by multiplying the number of workdays by the proper daily pay rate in effect for each portion of the year, and adding the totals. The final year of work consists of the 261 workdays prior to the effective date of retirement for 12-month staff, and the 217 workdays prior to the effective date of retirement for 10-month staff.

Overtime pay or other supplemental pay shall be excluded from this calculation.

An official leave of absence without salary in the final year of work shall be excluded from the computation.

- b. An average daily rate is established by dividing the average annual salary by 261 days for 12-month staff, or by 217 days for 10-month staff.
- c. The amount of sick time payment due is 1/2 the employee's average daily rate multiplied by the number of verified unused sick time days accumulated at the effective date of retirement, subject to the limits set forth in Paragraph C, below.

C. Limitations.

- 1. No lump sum supplemental compensation payment shall exceed \$15,000.
- 2. If the employee had a break in service, sick time accumulated prior to the break will not be included in the lump sum calculation unless the break occurred as the result of a layoff.

D. Death of an employee. In the event of an employee's death after the effective date of retirement but before payment is made, the payment shall be made to the employee's estate.