OREGON ACCOUNTING MANUAL

Subject:	Accounting and Financial Reporting	Number:	45.06.00
Division:	State Controller's Division	Effective date:	March 1, 2007

Chapter:	**Payroll**	
Part:	**Sick Leave Balances at Retirement**	
Section:		

Approved:	John Radford, State Controller	Original signature on file in SCD

Authority   **ORS 238.350**
              OAR 459-017-0060

Sick Leave Balance Expiration

.101   When a state employee retires, the employing agency shall report all accumulated unused sick leave to the Public Employees Retirement System (PERS). Thereafter, the unused sick leave is no longer available to a retiree who is reemployed or rehired, in any appointment or position, by the State.

.102   This provision applies to all unused sick leave hours that are reported to PERS. Under no circumstances can reported hours be restored to a retiree, regardless of the specific retirement option elected by the individual (including disability retirement) or the type of appointment or position filled upon reemployment or rehire.

.103   At retirement, an employee's sick leave balances shall be:

a.   Entered into the Oregon State Payroll Application (OSPA) clearing account;

b.   Documented as "retired" in the comment field; and

c.   Flagged to be adjusted to zero at 60 days following the date of retirement.

Recoupment of Benefit Overpayment

.104   Any agency that discovers it has restored sick leave hours to a retiree must take the following steps:

a.   Immediately remove any remaining sick leave hours restored to the employee's account following reemployment or rehire;

b.   Change the employee's status to leave without pay for absences where the employee applied restored sick leave hours to cover the absence; and

c.   Notify the employee of any amount of benefits to be repaid and adhere to applicable policy or the relevant collective bargaining agreement to recoup such amounts.