

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



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Unused Sick Leave

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Agenda

- About unused sick leave
- How to report
- How to calculate
- How to correct
- Reminders
- Question and answer
- Resources

About unused sick leave

- What is it?
- Who receives it (and who does not)?
- Why are we talking about it today?

About unused sick leave

What is it?

The Unused Sick Leave program is an optional, additional benefit that employers can choose to offer.

It adds the value of **half an employee's net unused sick leave to their final average salary** upon regular service retirement or disability retirement.

Who participates in the program?

Currently, 688 employers.

Participation is optional, but once you join, your organization cannot stop participating.

To find out if your organization participates, contact [your ESC representative](#).

About unused sick leave

Who receives it (and who does not)?

Only **Tier One and Tier Two** members whose employer participates in the program may receive half the value of an employee's net unused sick leave at retirement.

The Oregon Legislature did not include this benefit in the **Oregon Public Service Retirement Plan (OPSRP)** (another way of making it less expensive for employers).

What happens to OPSRP members' sick leave?

Or Tier One and Tier Two members whose employer does not participate in the program?

This depends on their employer's policy. If it allows employees to cash out their accrued sick leave, you must report it. Go to the Reminders section for instructions on how to report accrued sick leave that is being cashed out.

About unused sick leave

Why are we talking about it today?

Every time someone leaves employment, the employer must report:

- Final wages.
- Hours.
- Unused sick leave.

Because unused sick leave is a more complicated topic, it is often reported incorrectly.

Therefore, we want to provide information to help you know how to report it correctly and how to calculate it.

About unused sick leave

Why are we talking about it today?

The Unused Sick Leave program, established by Oregon Revised Statutes (ORS) [238.350](#) and [238.355](#), has been around for nearly **50 years**. However, confusion and inconsistent reporting persist.

Potentially confusing aspects:

- Must be reported for all employees, but only Tier One and Tier Two members whose employer participates in the program receive the benefit.
- Calculation process is complex and, therefore, more prone to error.
- Some employees terminate and rehire more than once, so unused sick leave is reported more than once if applicable.
- Working retirees do not have their leftover sick leave reported to PERS. The purpose of reporting unused sick leave hours is to increase the pension — remember that retirees do not earn benefits.

How to report

- When to report unused sick leave
- Filling in the Detail 1

How to report

When to report unused sick leave

Every time you report a death or a termination for any reason, you must enter a number in the Unused Sick Leave Hours field.

DETAIL 1 - MEMBER DEMOGRAPHICS:

SSN	*****
Status Code	02 - Terminated
Status Date	07/01/2024 (MM/DD/YYYY)
Last Day Service	06/28/2024 (MM/DD/YYYY)
Old SSN	
First Name	JOHN
Last Name	DOE
Middle Name	

DETAIL 1 - MEMBER DEMOGRAPHICS:

SSN	*****
Status Code	10 - Deceased
Status Date	11/15/2022 (MM/DD/YYYY)
Last Day Service	11/14/2022 (MM/DD/YYYY)
Old SSN	
First Name	JANE
Last Name	DOE
Middle Name	

How to report Filling in the Detail 1

How to fill out the Detail 1

Status Code:

- 02 – Terminated
- 10 – Deceased

ADD/EDIT A MEMBER RECORD

The status of this member record is: **Added**

DETAIL 1 - MEMBER DEMOGRAPHICS:

SSN	*****
Status Code	02 - Terminated ▼
Status Date	07/01/2024 (MM/DD/YYYY)
Last Day Service	06/28/2024 (MM/DD/YYYY)
Old SSN	
First Name	JOHN
Last Name	DOE

How to report Filling in the Detail 1

How to fill out the Detail 1

Status Date: The date the work status change became effective.

Last Day Service: The last date on which the employee worked or received paid leave.

Unused Sick Leave Hours: Required. Calculate for Tier One and Tier Two members who work for an organization that participates in the program.

OPSRP — Not included.

You must enter an amount to get the record to post. You can choose 0.

DETAIL 1 - MEMBER DEMOGRAPHICS:

SSN	*****
Status Code	10 - Deceased
Status Date	11/15/2022 (MM/DD/YYYY)
Last Day Service	11/14/2022 (MM/DD/YYYY)
Old SSN	
First Name	JANE
Last Name	DOE

Unused Sick Leave Hours	0
Contract No. of Months	00
Employer Site Distribution Code	
Non PERS Data Memo	
Save	Cancel

Note about last day of service: If you are reporting a termination for an employee who is retiring from PERS, members always retire the 1st of the month. Terminations must be no later than the day before the member's requested retirement date. For example: If a member requested an August 1 retirement date, the termination must be no later than July 31.

How to calculate

Overview of steps.

Step 1: Gather information.

Step 2: Calculate total hours.

Step 3: Check for additional hours.

Step 4: Subtract used hours.

Step 5: Report on Detail 1 record.

How to calculate

Overview of steps

There are **five steps** to correctly calculate and report an employee's net unused sick leave hours. The steps are listed below and explained in more detail over the next few pages.

1. Gather all the **necessary information** (such as sick leave records and transferred-in hours). You may need to access older records, including archived documents.
2. Calculate the sick leave hours the **employee earned, capped** at a maximum of eight hours per month.
3. If you added any other hours (reinstated, transferred-in, or donated), **subtract those extra hours**.
4. Subtract sick leave hours that the **employee used**.
5. Report that number in the Unused Sick Leave Hours field of the Detail 1 — termination or death record.

How to calculate

Step 1: Gather information

1. Gather sick leave hours and information.

Check these six items and reference what to do with them in the chart at right:

- a) Your organization’s lowest sick-leave accrual rate.
- b) The number of months the employee was employed with you.
- c) The number of hours of sick leave the employee used.*
- d) Any transferred-in or reinstated sick leave hours.*
- e) Any donated sick leave hours (whether given or received).*
- f) Any sick leave that the employee was allowed to cash out.*

Step	Information needed	Explanation
1a	Your organization’s lowest sick-leave accrual rate.	This is the lowest monthly accrual rate for any Tier One or Tier Two employee at your organization who is entitled to sick leave — up to a maximum accrual rate of eight hours a month. See the “Accrual Rate Explained” section for more explanation.
1b	The number of months the employee was employed with you.	Count any month in which the employee worked (or received paid leave) for more than half of the days of the month. Does not include their six-month wait-time.
1c	The number of hours of sick leave the employee has used.*	This is how many hours they have used throughout their employment with you. Decimal numbers are allowed.
1d	Any transferred-in or reinstated sick leave hours.*	Check if the employee’s sick leave hours include any transferred-in or reinstated sick leave hours and make note of those amounts. (Go to the “Definitions” section for explanations of these terms.)
1e	Any donated sick leave hours (whether given or received).*	Check if any of the employee’s sick leave hours were donated to another employee or received from another employee.
1f	Any sick leave that the employee was allowed to “cash out.”*	If your organization allows any sick leave to be paid out, that sick leave is considered to be used and is not reported to PERS as unused sick leave. Any unused sick leave payoff amount should be reported to PERS as non-subject salary for Tier One/Tier Two and OPSRP even if the calendar/academic year is qualifying (i.e., employee worked at least 600 hours).

*Not reported as USL.

How to calculate

Step 2: Calculate total hours

2. Calculate the total accrued sick leave hours.

Multiply the monthly sick-leave accrual rate from step 1a (eight hours or less) by the number of months the employee has worked for you (1b). Refer to steps in the table on the previous slide.

This gives you the employee's allowed total sick leave hours.

Example:

Maximum accrual rate		Months of employment		Total hours accrued
8	x	62	=	496

How to calculate

Step 3: Check for additional hours

3. Check total for reinstated, transferred-in, or donated sick leave hours (1D, 1E).

These extra hours are not included in the number you will report to PERS:

- Reinstated sick leave hours.
- Transferred-in sick leave hours.
- Donated sick leave hours.

Example

Total hours accrued		Reinstated, transferred-in, or donated sick leave		Total gross sick leave at retirement
496	+	80	=	576

If you have these types of sick leave hours included in your gross unused sick leave total, you **will need to subtract them** in the next step to get to your net unused sick leave total.

REASON: If you include them, they could accidentally be added more than once.

You can find definitions of types of sick leave in [employer reporting guide 17, Calculating Unused Sick Leave Hours](#), “Definitions” section.

How to calculate

Step 4: Subtract used hours

4. Subtract actual sick leave used (1C) from gross sick leave, and subtract any hours added in step 3 (1D, 1E).

Actual sick leave used is the total number of hours of sick leave the employee has used during their career with you.

If the employee doesn't have any reinstated, transferred-in, or donated sick leave hours to add in step 3, then simply subtract the actual sick leave hours used from the accrued sick leave total you got in step 2.

If the net unused sick leave hours number comes to zero or a negative number, report unused sick leave hours as 0.

Example:

Total sick leave		Sick leave hours used*		Any hours added in step 3		Net unused sick leave hours
576	-	96	-	80	=	400

*Decimals are allowed.

How to calculate

Step 5: Report on Detail 1 record

5. Report the number on the Detail 1 02/10 record.

Create (or edit) a Demographics and Adjustment Report and fill out a Detail 1 - Member Demographics termination record.

In the Unused Sick Leave Hours field, enter the number from step 4.

The amount you enter is the net unused sick leave, not the gross total sick leave.

ADD/EDIT A MEMBER RECORD

The status of this member record is: **Added**

DETAIL 1 - MEMBER DEMOGRAPHICS:

SSN

Status Code

Status Date
(MM/DD/YYYY)

Last Day Service
(MM/DD/YYYY)

Old SSN

First Name

Last Name

Middle Name

Name Change Indicator

Address - 1

Address - 2

Address - 3

City

State

Zip - 1

Zip - 2

Province

Country Code

Postal Code

Date Of Birth
(MM/DD/YYYY)

Gender

PERS Job Class Code

Average Overtime Hours

Unused Sick Leave Hours

Contract No. of Months

Employer Site Distribution Code

Non PERS Data Memo

How to correct

- Common errors
- If you discover an error
- How to create a DCR (overview)
- Unused Sick Leave Work List request

How to correct Common errors

The most common mistakes people make when calculating unused sick leave are:

- ❌ Not capping hours at eight hours/month (or your organization's accrual rate if it is less than eight hours/month).
- ❌ Not subtracting transferred-in or reinstated sick leave hours.
- ❌ When responding to a data verification request, not making sure to report unused sick leave (USL) for the date being reported; instead, people report USL for the current date.

How to correct If you discover an error

If you determine that the unused sick leave you reported on a termination record needs to be corrected, [submit a Demographic Correction Request \(DCR\)](#).

On the DCR, enter the correct amount of unused sick leave hours in the **Unused Sick Leave field**. Explain the reason for the correction in the Comments box.

For instructions on creating a DCR, read [employer guide 20, Creating a DCR](#).

How to correct

How to create a DCR (overview)

There are two main methods of creating a DCR.
Method 1: Through the Work List function.

SITE NAVIGATION

- Employer Home
- View Your Statement
- Work on Reports
- View Employee Info
- View Year-to-Date Wage and Contribution Summary
- Update My Profile
- Work with Contacts
- Admin Web Accounts
- Work List**
- Request Information
- Eligibility Reports

BS BIG SCHOOL #1
Employer Number: 06000

WORK LIST

[? Tell Me More](#)

Below is a list of employees for which PERS is requesting Information. The Work Item Type indicates the type of information that is required. Please complete and return each Work Item. Click on the SSN to enter salary information.

[Create Demographic Correction Request \(DCR\).](#)

Click on the leftmost column to get the detail of the clicked record.

Prev 1 2 3 4 5 Next

SSN	PERS ID	Last Name	First Name	Plan	Year	Request Date	Work Item Type	Status
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	PERS-Tier 2	2003	10/26/2022	Salary Cert - Disability	New
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	PERS-Tier 2	2003	10/26/2022	Salary Cert - Service	New

How to correct

How to create a DCR (overview)

Method 2: Through the View Employee Info function.

VIEW EMPLOYEE INFORMATION

This page displays the history of Demographic Correction Request forms submitted for this employee.

[Return to Employee Info search results page](#)

AW ALFREDO WALRUS
PERS ID: XXXXX

SSN	XXXXXXXXXX	Contribution Start Date	XXXXXXXXXX
Date of Birth	XXXXXXXXXX	IAP Voluntary Contribution Effective Date	None
		IAP Voluntary Contribution Stop Date	None

Employment History	Address Details	Salary Details	Demographic Correction Request (DCR)	Salary Breakdown Request
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DEMOGRAPHIC CORRECTION REQUEST (DCR) HISTORY

To create and submit a new Demographic Correction Request, click on the link below.

[Create Demographic Correction Request \(DCR\).](#)

No DCR History exists for this employee.

How to correct

How to create a DCR (overview)

Next, enter the correct USL number and explain reason for change in Comments.

DEMOGRAPHIC CORRECTION REQUEST ? [Tell Me More](#)

Start Date From 09/05/2022 To

Term/End Date From To Remove Term/End Date

Last Day Service From To

Job Class From School Employee To Start Date End Date

New Position Type Start Date End Date

Average OT Hours

Contract No. of Months

Hire Intent

Unused Sick Leave

Review Contribution Start Date

Delete Position

Comments

How to correct Unused Sick Leave Work List request

If PERS suspects a discrepancy with unused sick leave reporting, you may receive an Unused Sick Leave Work List request. The request asks you to verify the unused sick leave hours and/or transferred-in unused sick leave hours that we have on record.

You must respond to the request as soon as possible to avoid delaying the employee's benefits.

Example discrepancies:

- Number adds up to more than eight hours/month.
- Number includes transferred-in sick leave that was already reported by a previous employer.

If a request to respond with details in the Comments box is indicated, please do so or we may need to reach out by email.

WORK LIST [? Tell Me More](#)

Below is a list of employees for which PERS is requesting information. The Work Item Type indicates the type of information that is required. Please complete and return each Work Item. Click on the SSN to enter salary information.

[Create Demographic Correction Request \(DCR\).](#)

Click on the leftmost column to get the detail of the clicked record.

SSN	PERS ID	Last Name	First Name	Plan	Year	Request Date	Work Item Type	Status
[SSN]	1234	SMITH	JOHN	PERS-Tier 2		03/13/2024	Termination	New
[SSN]	5678	SMITH	JANE	OPSRPDB		10/05/2023	Termination	New
[SSN]	9012	SMITH	JOHN	PERS-Tier 1		03/08/2024	Employer Data Verification Request	New
[SSN]	3456	SMITH	JANE	PERS-Tier 1		03/14/2024	Unused Sick Leave	New
[SSN]	7890	SMITH	JANE	PERS-Tier 1		07/17/2023	Unused Sick Leave	New
[SSN]	1234	SMITH	JOHN	OPSRPDB		11/27/2023	Demographic Correction Request	Returned

Reminders

- Follow the steps carefully
- Work List requests and emails
- Data verification
- Cashing out accrued sick leave

Reminders

Follow the steps carefully

Avoid common errors.

- Make sure to cap hours at eight hours/month (or your organization's accrual rate if it is less than eight hours/month).
- Make sure to subtract transferred-in or reinstated sick leave hours.

Reminders

Work List requests and emails

Respond to Work List requests ASAP.

PERS staff review USL. If we suspect a discrepancy, we will send an Unused Sick Leave Work List request. Please respond to request ASAP to prevent a delay in benefits.

If you receive a request to respond in the Comments box, **please make sure to do so** or we may need to email you for clarification.

Respond to emails ASAP.

We may still reach out to verify that transferred hours were not included in previous reporting. This is because of how much information was already reported to PERS.

Reminders

Data verification

When responding to a data verification request, be careful about the dates.

- Pay attention to the date for which PERS is asking.
- Do not automatically report for the current date.

Reach out for help

- If you have questions about USL reporting, please [contact your employer representative](#).

Reminders

Cashing out accrued sick leave

If your employer allows employees to cash out accrued sick leave, report the payment as follows:

- On a Detail 2 - Wage and Service Record
- In the Non-Subject Salary field.

This type of payment is shown on the Payment Categories chart. It is non-subject salary for all PERS programs (i.e., no contributions are charged nor due on that income).

Detail 2 Wage and Service Record

Subject Salary (Regular)	<input type="text"/>
Subject Salary (Overtime)	<input type="text"/>
Non-Subject Salary	<input type="text"/>
Lump Sum Payoff	<input type="text"/>
Lump Sum Vacation Payoff	<input type="text"/>
Gross Salary	<input type="text"/>

Payment Type	Description	Ch. 238 Tier One/Tier Two members (ORS 238)	OPSRP Pension Program members (ORS 238A)	Report this payment in the EDX DTL2 record field:
	<i>(Determine whether payment fits general description)</i>	<i>This type of payment is:</i>	<i>This type of payment is:</i>	
Accrued compensatory time	A lump-sum payoff of compensatory time. Compensatory time is paid leave accrued for unpaid time worked above and beyond an employee's regular hours.	Subject	Non-subject	Lump-sum Payoff
Accrued sick leave	A lump-sum payoff of accrued sick leave.	Non-subject	Non-subject	Non-Subject Salary

Questions and answers

Questions and answers

Raise your hand to speak (preferred) or ask in the chat.

An ESC representative will answer your question if possible. More complicated questions may need a follow-up.

Do not use employee names or any personal information.



Resources

- [Employer guide 17, Calculating Unused Sick Leave Hours at Termination or Retirement.](#)
- [Employer guide 19, Completing Work List Requests.](#)
- [Employer guide 20, Creating a DCR.](#)
- [Detail 1 Member Demographics Fields](#)

OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



THANK YOU

