



Tips and Tidbits
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Question: What happens to an employee's unused sick leave when they decide to retire?

Accumulated unused sick leave is credited toward additional days of service and is dependent upon whether an employee is covered by the Civil Service Retirement System (CSRS), CSRS Offset, or the Federal Employees Retirement System (FERS). It is not used in determining the "high 3" average salary nor is it counted toward the minimum length of required service for retirement eligibility.

The creditable service of a CSRS or CSRS Offset employee who retires on an immediate annuity or dies leaving a widow, widower, or former spouse entitled to a survivor annuity is increased by the days of unused sick leave credited in the employee's leave account. Unused sick leave hours are converted to days of additional service based on a 2087-hour work year*. In general, each eight hours of unused sick leave constitutes one day of credit. To compute the additional credit for sick leave at retirement, add the months and days of sick leave to the months and days of actual service. A slight variation in crediting unused sick leave applies to an employee who has an uncommon tour of duty.

When figuring annuity computations, extra days of sick leave credit (beyond a full month) may only be counted for another month of credit if, when added to the additional days credit earned through regular service, the total amounts to 30 days or more. If this is not the case, the additional days are dropped.

*Please see sick leave conversion chart - based on **2087** hour work year (attached if hyperlink behind "2087" not working)

Determining total length of service: All periods of creditable service and the period represented by unused sick leave are added together. Any fractional part of the month in the total is eliminated. For retirement purposes, all months have 30 days.

	Example
Retirement Date	2008-01-04
Service Computation Date	<u>1975-09-01</u>
Total Service	32-04-03

HOW TO ADD SICK LEAVE.....
Take sick leave balance as converted from the chart

If number of sick leave hours is not represented on the chart, round available sick leave balance to next higher number

Add SL of 897 hrs	<u>05-05</u>
Total	32-09-08

For retirement purposes, since every month has 30 days, Retirement would be computed on 32 years 9 months credit, dropping the 8 days

Unlike CSRS, employees covered under the FERS are generally not able to use unused sick leave in the annuity computation. However, individuals who transferred to FERS and have a CSRS annuity component may receive computation credit for the lesser amount of unused sick leave at the date of transfer or the date of retirement. For example, a CSRS employee who transferred to FERS with a balance of 500 sick leave hours and retired with 800 sick leave hours would receive a service credit for 500 hours for purposes of computing the CSRS annuity component OR if that employee retired with 400 hours, only the 400 hours would be credited since it would be the lesser amount (i.e. 500 hours transferred from CSRS versus 400 hours accumulated while working under FERS). In order to avoid a processing delay and to provide proper credit to the retiree, the Office of Personnel Management (OPM) must receive both sick leave balances.

CSRS and CSRS Offset employee's basic annuities cannot exceed 80 percent of the employee's "high-3" average pay, unless the amount over 80 percent is due to the crediting of the unused sick leave.

Although not yet signed into law, legislation was recently approved by the House – H.R. 2990 - that would permit FERS employees to count unused sick leave toward their retirement annuities as well.

For questions or additional information please contact the Army Benefits Center (ABC) at (877) 276-9287 (Counselors are available from 6:00 am to 6:00 pm CT, Monday through Friday) or your servicing L/MER Specialist.

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**Table of Converting Unused Sick Leave
Into Additional Service**

Months	0	1	2	3	4	5	6	7	8	9	10	11
Days												
0	0	174	348	522	696	870	1044	1217	1391	1565	1739	1913
1	6	180	354	528	702	875	1049	1223	1397	1571	1745	1919
2	12	186	360	533	707	881	1055	1229	1403	1577	1751	1925
3	17	191	365	539	713	887	1061	1235	1409	1583	1757	1931
4	23	197	371	545	719	893	1067	1241	1415	1589	1762	1936
5	29	203	377	551	725	899	1073	1246	1420	1594	1768	1942
6	35	209	383	557	731	904	1078	1252	1426	1600	1774	1948
7	41	215	388	562	736	910	1084	1258	1432	1606	1780	1954
8	46	220	394	568	742	916	1090	1264	1438	1612	1786	1960
9	52	226	400	574	748	922	1096	1270	1444	1618	1791	1965
10	58	232	406	580	754	928	1102	1275	1449	1623	1797	1971
11	64	238	412	586	760	933	1107	1281	1455	1629	1803	1977
12	70	244	417	591	765	939	1113	1287	1461	1635	1809	1983
13	75	249	423	597	771	945	1119	1293	1467	1641	1815	1989
14	81	255	429	603	777	951	1125	1299	1473	1646	1820	1994
15	87	261	435	609	783	957	1131	1304	1478	1652	1826	2000
16	93	267	441	615	789	962	1136	1310	1484	1658	1832	2006
17	99	273	446	620	794	968	1142	1316	1490	1664	1838	2012
18	104	278	452	626	800	974	1148	1322	1496	1670	1844	2018
19	110	284	458	632	806	980	1154	1328	1502	1675	1849	2023
20	116	290	464	638	812	986	1160	1333	1507	1681	1855	2029
21	122	296	470	644	817	991	1165	1339	1513	1687	1861	2035
22	128	302	475	649	823	997	1171	1345	1519	1693	1867	2041
23	133	307	481	655	829	1003	1177	1351	1525	1699	1873	2047
24	139	313	487	661	835	1009	1183	1357	1531	1704	1878	2052
25	146	319	493	667	841	1015	1189	1362	1536	1710	1884	2058
26	151	325	499	673	846	1020	1194	1368	1542	1716	1890	2064
27	157	331	504	678	852	1026	1200	1374	1548	1722	1896	2070
28	162	336	510	684	858	1032	1206	1380	1554	1728	1902	2075
29	168	342	516	690	864	1038	1212	1386	1560	1733	1907	2081