

Policy for a Sick Leave Buyout

For Eligible CSU/UPI 4100 Members

The State University Retirement System (SURS) and the Illinois legislature have implemented policies and regulations pertaining to limits for salary increases allowed during an employee’s final two years of employment prior to retirement. These changes have a direct impact upon the Chicago State University (CSU) sick leave buyout plan, which will be in effect only as long as the Illinois statute authorizing it is in effect and the University will comply with the restrictions being implemented.

Those individuals applying for the program will be notified of their eligibility and changes in the program affecting their status. Eligible CSU employees must declare an irrevocable date of retirement and request a compensable sick leave salary credit. The compensable sick days will be submitted to SURS as part of their salary for each of the last two years of employment. This will in effect increase their annual rate of reported compensation in the final two years of employment.

The state legislation restricts the amount of annual increases in the last two years of employment before retirement. The Illinois policy limits all salary increases to 6 percent per year. The 6 percent limit may include override compensation paid for work beyond the negotiated work load (24 cues for teaching faculty, 36 cues for resource professionals or 37.5 hours for other UPI members). This is the policy s subject to re-interpretation by SURS’ general counsel and executive director.

Under Section 5/15-112 of the Illinois Pension Code (40 ILCS 5/15-112), the State University Retirement System (SURS) provides for the final rate of earnings (FRE) calculation to use eligible compensable sick days if it was paid as part of a collective bargaining agreement. Illinois HB 2955 grants members of UPI the right to use their compensable sick days as salary credit for retirement purposes. The Illinois Pension Code prohibits the FRE from exceeding 20 percent of the preceding year’s earnings, and excludes vacation, overtime, and summer employment from the calculation.

Upon declaration of retirement, the CSU/UPI employee shall be entitled to apply for a lump sum payment of accrued sick day compensation earned after December 31, 1983 and prior to January 1, 1998. This sum shall be payable in one payment for each of the last two years of employment, with the final payment made at the point of separation. Nine-month employees’ payment will be on or about the end of the academic year. For 12-month employees, payment will be at the end of the fiscal year. The final payment will be made immediately following separation and check out. For those individuals retiring with less than two years of service left, they will receive one-year’s (half) the payable time as earnings credit and the reminder as a lump sum payment. For those with a full two year’s time, the amount received in year one will be added to the total earnings for calculation in year two. Any sum exceeding the 6 percent state limit for salary increases will be paid, but may be paid as part of the lump sum payout rather than for salary credit. The amount of the payout will be calculated by the CSU Payroll Office. Each year the amount will be sent to SURS, who will determine any limitations. This payout is subject to all normal federal and state income taxes (which is the 20% withheld in the calculations). The University will not calculate the FRE nor eligibility caps affected by the sick leave payout. All payouts will be within the six percent state limitations. The payout is a salary credit, not part of a faculty member’s monthly salary during the last two years of employment.

SURS follows a year between September 1 and August 31. Please contact SURS regarding your best retirement date.

 Prepared by Contract Administration

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