



NEWS TO USE

A newsletter for PERSI employers

November 2011

- Unused Sick Leave
- Current Contact Info.
- Website Tools
- Facebook Expansion

CALCULATING THE VALUE OF UNUSED SICK LEAVE FOR SCHOOLS WITH 4-DAY WORK WEEKS

Last spring each school district provided a copy of their current sick leave policy to PERSI as part of an ongoing Sick Leave Certification process. During the review of those policies, several districts were identified as having adopted a 4-day work week. As explained below, a 4-day work week impacts how the value of a retiree's unused sick leave is calculated.

Idaho Code section 33-1228 sets the formula for calculating the value of unused sick leave available to a retiree (that can be used to pay insurance premiums as set forth in the statute). The calculation is made at the time a member retires. The formula is as follows: "A sum equal to one-half ($\frac{1}{2}$) of the monetary value of such unused sick leave, calculated at the rate of pay for such employee at the time of retirement."

PERSI Retirement Rule 550 (IDAPA 59.01.06.550) states that PERSI determines the monetary value of a retiring member's unused sick leave days by dividing the annual contract amount by the required days of work (an hourly rate is used for non-contract employees). The rule further states, "Where the daily rate is affected by changes in the work week, such as adoption of a four (4) day work week or similar events, adjustments shall be made to convert the daily rate to maintain equity within the pool." The equitable adjustment rule reflects PERSI's obligation, as the trustee of the unused sick leave fund, to act in the best interest of all beneficiaries.

The equitable adjustment is applied as follows: If 100 percent represents one work week, and that percentage is divided by the 5-business days comprising the work week, then each day represents 20 percent. Therefore, if a member works 4 days per week, PERSI would use 80 percent of his/her contracted daily rate to calculate the monetary value of unused sick leave days. Simply put, the contracted daily rate will be multiplied by 80 percent to account for the one-day reduction to the 5-day work week.



Equitable Adjustment Example

A retiring member who works a 4-day work week (150 days/year) and earns \$60,000 per contract year would have a daily rate (before the equitable adjustment) of \$400 ($\$60,000 \div 150$). The retiring employee's daily rate, for purposes of unused sick leave calculations, would be \$320.00 ($\$400 \times .80$). Assuming this employee has 100 days of unused sick leave, he/she would have \$16,000 in unused sick leave calculated as follows: $\$320 \times 100 \text{ days} = \$32,000 \div 2 = \$16,000$. Exceptions to an equitable adjustment may be made if PERSI receives documentation from the employer that clearly establishes such action would be unfair to the retiree.

If you have any questions about how the value of a member's sick leave is calculated, call the PERSI Answer Center toll-free at 1-800-451-8228 or 334-3365 from the Treasure Valley area.

KEEPING CONTACT INFORMATION UPDATED

PERSI has spent several months researching employer contact information to ensure our database is current. The goal is to keep the information updated.

In September 2010, PERSI stopped mailing the *News To Use* newsletter to employers and began sending an email link to the PERSI website instead. Each month after emailing the newsletter link to employers, many undeliverable messages bounced back to PERSI. Initially, the "bounce back" employers were contacted; but after a few mailings it was apparent that was not the best approach. A thorough review of our database was performed to see where improvements could be made. That review revealed a significant number

of invalid email addresses were on file. After correcting the invalid email addresses, PERSI began the process of calling employers to verify the names, phone numbers, and email addresses for the director, legal representative, payroll clerk, and human resources personnel for all 744 employers.

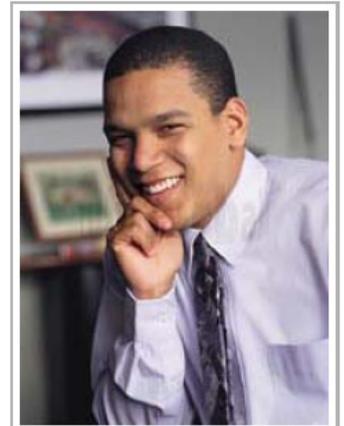
Anytime there is a change to one of the points of contact (director/executive, legal, payroll or human resources), PERSI should be notified so our records can be updated. To minimize undeliverable emails going forward, the Employer Service Center is now making it a practice to verify the contact information whenever they speak with an employer. PERSI appreciates your help.

PERSI WEBSITE CAN HELP EMPLOYERS

The PERSI website has several pages designed to specifically assist employers...check it out!

<http://www.persi.idaho.gov/employers/>

- [Employer Portal](#) - Secured tool for employers
- [Forms](#) - Employer forms and instructions
- [Transmittal Reporting](#) - Tools and instructions on your transmittal reporting
- [Transmittal Payments](#) - Instructions and payment tools
- [Choice 401\(k\) Plan](#) - Information regarding the Choice 401(k) Plan
- [Newsletters](#) - News to Use (NTU)
- [List of PERSI Employers](#) - Historic list of all the PERSI Employers
- [Employer Training Manual](#) - A training manual for Employer contacts who process PERSI transmittals and contributions



PERSI EXPANDS ON FACEBOOK



PERSI is expanding the type of information it posts on Facebook. Besides news items from the website, announcements about presentations, benefit fairs, and pension/retirement-related articles are now also being posted. PERSI is using Facebook as an educational tool for its members, retirees, employers and constituency groups.

Let your employees know they can learn more about retirement or the date, time and location of a benefit fair where a PERSI representative will be available to answer questions or provide information about participating in the Choice 401(k) Plan. Click the Facebook icon on the PERSI website.

