



# Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook IL 60523-2337

Member Services Representatives 1-800-ASK-IMRF

www.imrf.org

## SPECIAL MEMORANDUM

**Number:** 314

**Date:** November 18, 2009

**To:** Authorized Agents of School Districts

**Subject:** Public Act 96-0299 Service Credit for Unused, Unpaid Sick Leave

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### Executive Summary

P.A. 96-0299 became law on August 11, 2009, and allows certain members to earn service credit for unused, unpaid sick leave accumulated with any former school district employer. The member's pension must be effective within 60 days of termination of IMRF participation with a school district.

This new law applies only to employees of school districts and only to sick leave accumulated with a school district. Employees of other educational entities, such as special education cooperatives, and employees of all other non-school district units of government are not eligible.

Teachers retiring with IMRF service credit are eligible if the reciprocal pension will be effective within 60 days of termination and the sick leave was earned in an IMRF-covered position with a school district.

To report unused, unpaid sick leave, the previous school district employer may submit a corrected Notice of Termination of Participation via Employer Access. If the school district does not submit a corrected termination notice, the member may provide IMRF with evidence of the unused, unpaid sick leave. Acceptable evidence must have originated on or before the date the previous employment ended.

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Dear Authorized Agent:

IMRF members may be granted up to one year of service credit for accumulated unused, unpaid sick leave. This credit is allowed only to members whose pensions are effective within 60 days of termination of their IMRF-covered employment.

Public Act 96-0299, which became law on August 11, 2009, allows certain members to earn service credit for unused, unpaid sick leave accumulated with any school district for which the member worked. Prior law granted this credit only for sick leave accumulated with the retiring employee's final employer. Sick leave earned in previous employment was not eligible.

P.A. 96-0299 applies only to employees of school districts and only to sick leave accumulated with a school district. Employees of other educational entities, such as special education cooperatives, are not eligible. Also not eligible are employees of municipalities, counties, townships, and all other non-school district units of government.

The following questions and answers are intended to explain the requirements and implementation of P.A. 96-0299.

**1. What does P.A. 96-0299 allow?**

It allows accumulated, unused, unpaid sick leave from any school district employer to be converted to service credit when an eligible employee retires. This includes sick leave accumulated with a previous school district employer. One month of service credit is granted for every 20 days of unused, unpaid sick leave, up to a maximum of one year.

**2. Who is eligible for the benefit of P.A. 96-0299?**

Employees of school districts whose pensions are effective within 60 days of termination of IMRF-covered employment with the school district.

**3. May eligible employees be granted service credit for sick leave accumulated with previous non-school district employment?**

No. Only sick leave earned with a school district is eligible.

**4. Is sick leave accumulated with a special education cooperative or regional office of education eligible?**

No. Only employees of school districts are eligible and only sick leave accumulated with a school district may be used.

**5. Are teachers who are retiring with IMRF service credit which will be used in a reciprocal pension eligible?**

Yes, as long as the reciprocal pension will be effective within 60 days of termination of service with the school district and the sick leave was earned in an IMRF-covered position with a school district.

**6. How will IMRF know about sick leave accumulated in previous employment?**

The previous school district may submit a corrected Notice of Termination of Participation to report unused, unpaid sick leave. You can submit a corrected Notice of Termination via Employer Access. If the school district does not submit a corrected termination notice, the member must provide IMRF with evidence of that unused, unpaid sick leave. Acceptable evidence must have originated on or before the date the previous employment ended.

**7. Who will keep track of accumulated sick leave when a member goes to work for a new school district?**

IMRF is now collecting and storing information about unused, unpaid sick leave for all terminating members.

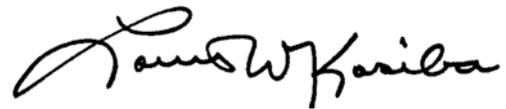
**8. Did P.A. 96-0299 make any other changes to the provisions for sick leave service credit?**

No. The sick leave must be earned under a plan available to all employees (or a bargaining unit). An employer may not grant sick leave upon retirement or otherwise “gift” sick leave. Sick leave may not be used for service credit if the employer has allowed any type of compensation for the time, regardless of amount. Sick leave credit is considered only in computing the amount of the pension and is not used to establish any minimum period of service such as eight-year vesting or 20 years for an Early Retirement Incentive (“5+5”).

**Questions**

If you have any questions regarding the information presented in this memorandum, please call an IMRF Member Services Representative at 1-800-ASK-IMRF (1-800-275-4673) 7:30 a.m. to 5:30 p.m., Monday through Friday.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis W. Kosiba". The signature is fluid and cursive, with the first name "Louis" being the most prominent.

Louis W. Kosiba  
Executive Director