

1092.0.0 SICK LEAVE INCENTIVE PROGRAM

This policy establishes the Department of Human Services (DHS) formula for incentive payments for unused sick leave at retirement or death, codified at Ark. Code Ann. §§ 21-4-501 *et seq.*

1092.1.0 Definitions

1092.1.1 Employee: Any DHS employee, employed in a regular salary position.

1092.1.2 Retirement: The final date of employment with DHS for a DHS employee who is immediately eligible for, and has made written application to receive retirement benefits from a retirement system sponsored by the State of Arkansas.

1092.1.3 Accumulated, Unused Sick Leave Upon Retirement or Death:

All accumulated, unused sick leave on the employee's date of retirement, or death as authorized by the Arkansas Uniform Attendance and Leave Policy Act (Ark. Code Ann. §§ 21-4-201 *et seq.*) as detailed in DHS Administrative Policy No. 1007, DHS Leave Policy.

1092.2.0 Sick Leave Incentive Upon Retirement Or Death

1092.2.1 Upon retirement or death any DHS employee or beneficiary of any DHS employee shall receive compensation for accumulated, unused sick leave as follows:

- A. If the employee has accumulated at least fifty (50) days, but less than sixty (60) days of sick leave, the employee shall receive an amount equal to fifty percent (50%) of the number of accrued sick leave days (rounded to the nearest day) multiplied by fifty percent (50%) of the employee's daily salary.
- B. If the employee has accumulated at least sixty (60) days, but less than seventy (70) days of sick leave, the employee shall receive an amount equal to sixty percent (60%) of the number of accrued sick leave days (rounded to the nearest day) multiplied by sixty percent (60%) of the employee's daily salary.
- C. If the employee has accumulated at least seventy (70) days, but less than eighty (80) days of sick leave, the employee shall receive an amount equal to seventy percent (70%) of the number of accrued sick leave days (rounded to the nearest day) multiplied by seventy percent (70%) of the employee's daily salary.
- D. If the employee has accumulated eighty (80) or more days of sick leave, the employee shall receive an amount equal to eighty percent (80%) of the number of accrued sick leave days (rounded to the nearest day) multiplied by eighty percent (80%) of the employee's daily salary.
- E. For purposes of this section, the employee's daily salary is determined by dividing the employee's annual salary by 260.

- F. In no event shall an employee or beneficiary of any DHS employee receive a sick leave incentive that exceeds \$7,500, upon retirement or death.

1092.2.2 Examples of Payments:

- A. Payment Upon Retirement or Death: An employee retires or dies with an accrued, unused sick leave balance of ninety (90) days and has a final daily salary of \$100. To calculate the sick leave incentive, the ninety (90) days are multiplied by eighty percent (80%), and the result is multiplied by \$80 (80% of the \$100 final daily salary). Thus, the sick leave incentive in this example is \$5,760 (90 days X 80% X \$80).
- B. Payment Upon Retirement or Death: An employee retires or dies with an accrued, unused sick leave balance of seventy (70) days and has a final daily salary of \$100. To calculate the sick leave incentive, the seventy (70) days are multiplied by seventy percent (70%), and the result is multiplied by \$70 (70% of the \$100 final daily salary). Thus, the sick leave incentive in this example is \$3,430 (70 days X 70% X \$70).

1092.2.3 For purposes of this section, paid sick leave used by an employee in accordance with the provisions of the Family and Medical Leave Act of 1993 (FMLA) (*See DHS Policy 1007, DHS Leave Policy*) shall not be charged against the employee's sick leave balance.

1092.2.4 Donation of Remaining Sick Leave to the DHS Catastrophic Leave Bank Program

Employees who receive sick leave incentive payments may donate any remaining accumulated, unused sick leave to the DHS catastrophic leave bank program. Such sick leave donations to the catastrophic leave bank program shall be prorated amounts not to exceed the employee's accumulated, unused sick leave balance reduced by the sick leave incentive amount received. To determine the prorated amount, the sick leave incentive amount received shall be converted into days/hours by dividing the employee's sick leave incentive payment amount by the employee's final regular daily/hourly salary and subtracting the resulting amount from the employee's accumulated, unused sick leave balance.

1092.2.5 Examples of Donations of Remaining Sick Leave:

- A. Donation of remaining Sick Leave based on Section 1092.2.2.A. above: \$5,760 divided by the \$100 final daily salary equals 57.6 days paid as a sick leave incentive. Subtracting the 57.6 days paid from the 90 sick leave days accrued and unused leaves 32.4 sick leave days. The 32.4 sick leave days may be donated to the Catastrophic Leave bank.
- B. Donation of remaining Sick Leave based on Section 1092.2.2.B. above: \$3,430 divided by the \$100 final daily salary equals 34.3 days paid as a sick leave incentive. Subtracting the 34.3 days paid from the 70 sick leave days accrued and unused leaves 35.7 sick leave days. The 35.7 sick leave days may be donated to the Catastrophic Leave bank.

1092.3.0 Procedural Rules

No provision of this policy will be considered to repeal any requirement of existing law or regulations promulgated pursuant to existing law.

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