



SICK LEAVE AND PERS: **FAQs**

SICK LEAVE

Question: Is sick leave capped at a total of 480 hours?

Answer: No, there is no cap on sick leave.

Question: How is the sick leave payout going to work when I retire?

Answer: When you retire and have submitted your PERS application, there are two options for sick leave payout.

- Cash out up to 480 hours of sick leave at 50%. If applicable, remaining balance above 480 is converted to CalPERS for additional service credit.
- Convert all hours to CalPERS for additional service credit. (Note: 2000 hours equals 1 year of PERS service credit)

Question: Is there a provision where I can have my sick leave payout go into my Deferred Compensation plan?

Answer: Yes there is. Instead of receiving the cash out of 50% up to 480 hours, you could have this amount placed into your Deferred Compensation account. Employees would work with Payroll to complete the necessary form(s).

Question: How is sick leave paid out at time of resignation?

Answer: Payout of sick leave with 10 or more years of District Service is paid at 25% of the cash value.

PERS

Question: When I am ready to retire, how far in advance do I need to submit my retirement application to PERS?

Answer: PERS asks for retirement applications no more than 90 days in advance of the retirement date. Before sending in your application, you would need to meet with the Benefits team so they could complete Section 2 of the PERS application.

Question: Employees are paying 11% for PERS, what is the cost to the District for PERS?

Answer: The total District cost for PERS is 16.675%. The employees are paying 3% of this amount which means the percentage the District is paying of the employer contribution rate is 13.675%.

Question: Please explain the new contribution rates to PERS.

Answer: Previously, we contributed 11% to PERS, which is the entire 8% of the employees share and 3% of the employer contribution rate. With the new MOU (2015-2017), we will continue to pay the full 8% of the employee share, but we will pay only 9.07% of the employer's contribution. This means you will see a 1.93% increase in your take home pay, not counting any increases to gross wages. The entire employee share is tax deferred.

Question: When I retire, I understand my retirement check from PERS will take the amount out of my account and not the employer account at first. If I deplete my account, then my monthly retirement check will be taken from the employer account. If I were to die, then my beneficiary does not continue to receive a monthly check. Is this true?

Answer: It depends on what option you elect at the time of your retirement. Some options do not continue to leave a lifetime benefit to your beneficiary; however, other options do leave a lifetime benefit. This is why it is very important to meet with PERS so they can explain all the options to you in depth.