

UIC POLICIES AND PROCEDURES

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MANUAL Human Resources	SECTION Separations	PAGE 1 of 3
SUBJECT Payment of Terminal Benefits for Academic Employees		EFFECTIVE 04/01/1997
		REVISED 10/13/2014
ISSUED BY Assistant Vice President for Human Resources	APPROVED BY Chancellor	

PURPOSE

To identify the criteria for the calculation and payment of accumulated compensable sick and vacation leave to academic employees upon separation, to establish the responsibility and authority of UIC personnel in the processing and calculation of final pay, and to ensure compliance with University of Illinois Statutes and University General Rules.

SOURCES AND BACKGROUND

University of Illinois Statutes
General Rules Concerning University Organization and Procedure

APPLICABILITY

- Academic employees separating employment with the University who have unused compensable vacation or sick leave.
- Academic employees changing terms of their appointment whereby they will no longer earn vacation and/or sick leave.

POLICY

Sick Leave - Upon separation from the University or when becoming ineligible to accumulate sick leave (occurs when no longer both a SURS participant and eligible for university insurance), a staff member is eligible to receive pay for up to one-half of all accumulated compensable sick leave earned between January 1, 1984, and December 31, 1997. The remaining compensated sick leave balance can be used for service credit in the State Universities Retirement System. Payment for unused sick leave is calculated as follows:

Number of compensable sick leave hours/2 x Weighted Hourly Rate of Job(s)

If an employee chooses not to be compensated for the full one-half of accumulated compensable sick leave time, and elects to have all or some of these accumulated sick leave days applied toward service credit in the Retirement System, a WAIVER AND DIRECTION form must be completed and signed by the employee and submitted with the PITR. Federal law requires the University to withhold "employment taxes" on the dollar value of the waived sick leave. This means that the dollar amount of the waived sick leave will be taxed.

When employees leave the University before the completion of their contract, sick leave must be prorated for the portion of the year worked. If, at the date of termination, employees have used more sick leave than they have earned, the value of the unearned time used will be deducted from the employee's final pay check. If the repayment amount is not deducted from the final check, employees

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will be required to reimburse the University for the value of the used unearned days.

Vacation Leave - Employees ending employment with the University may be required to use all vacation benefits before the last day of employment. If an employee has accumulated unused vacation time as of the last day of employment, the employee will be paid a lump sum for this time up to a maximum of 48 days.

When employees leave the University before the completion of their contract, vacation must be prorated for the portion of the year worked. If, at the date of termination, employees have used more vacation than they have earned, the value of the unearned days used will be deducted from the employee's final paycheck. If the repayment amount is not deducted from the final check, an employee will be required to reimburse the University for the value of the used unearned days.

Employees changing from a job where they earned vacation to one where they will not (such as 12-month service basis to 10-month service) must be paid out at the time of the change. Deferring pay-out is possible under the following circumstances:

- An employee within four years of retirement requests deferral in writing.
- An approved (by VC) department plan based on financial hardship that includes a timeline and solicitation of volunteer to accept deferral.
- Exceptions contained in a formal University Agreement.

In the first two circumstances, the employee will be provided a detailed written accounting of pay-out due that includes the calculation rates and total due.

Employees approaching retirement may accumulate up to the maximum vacation earnings (48 days) if this can be done without hardship to, and with the approval of, the employing unit. This allows the employee to maximize their retirement annuities which are based upon years of service and average earnings during the high four (4) consecutive years, one of which must be the last year. Payment for unused vacation is calculated as follows:

$$\text{Number of accumulated vacation hours} \quad \times \quad \text{weighted hourly rate of job(s)}$$

PROCEDURES

RESPONSIBILITY

1. Employee

ACTION

Informs employing unit in writing of the planned departure and makes arrangements with the supervisor on plan to use or be paid for terminal benefits.

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Assistant Vice President for Human Resources	Chancellor		

2. Department/Unit Head

Completes the HR Front End separation; routes it to the College along with copies of relevant letters such as a resignation letter or the detailed deferral accounting. Where appropriate, attaches the Waiver and Direction form.

3. UIC HR Service Center

Applies transaction. Sends notification to the Board of Trustees and provides SURS with information as appropriate.