

Sick Time Payout & Vested vs. Non-Vested Sick Time Off – Frequently Asked Questions

- 1. How is vested sick time off different from other sick time?** Vested sick time off is sick time off accumulated as of June 30, 2015. Vested sick time off (and only vested sick time off) is eligible for payout upon retirement.
 - Full-time employees receive 75% of their vested sick time off balance (which is capped at 150 days) distributed to a Health Reimbursement Arrangement (HRA) or Special Pay Plan (SPP) at retirement. See the distribution chart on the [Preparing to Retire](#) web page.
 - Non-vested sick time off is any sick time off granted after July 1, 2015, and thereafter. Non-vested sick time off is not paid out at retirement. For more information on sick time off, reference the [Employee Handbook](#).
 - Part-time faculty members who are eligible for retirement through WRS and meet the seniority credits threshold receive 75% of their sick time off balance (which is capped at 100 hours) paid out in a lump sum at retirement.
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- 2. If I get sick, can I use vested sick time off or is it only for retirement?** Yes, vested sick time off can be used for sick time off. If vested sick time off is used, it is subtracted from your total vested sick time off balance that is distributed at retirement. Because of the sick time off payout at retirement, you should use all of your non-vested sick time off first *before* you use any vested sick time off.
- 3. What rate will be used to pay out vested sick time off at retirement?** Your daily pay rate as of June 30, 2015, will be used to pay out vested sick time off at retirement.
- 4. If I use vested sick time off for sick time off, what is the pay rate for that day?** The pay rate for sick time off used for sick time off is your pay rate at the time the sick time off is used.
- 5. Does all of my vested sick time off get paid out at retirement?** 75% of the remaining vested sick time off is paid out at retirement to a Health Reimbursement Arrangement (HRA) or Special Pay Plan (SPP). The vested sick time off can be used for sick time off during the course of employment. Any vested sick time off used will not be distributed upon retirement. For more information on sick time off, reference the [Employee Handbook](#).
- 6. What is the formula for calculating my sick time off payout at retirement?** The formula is as follows:
$$\text{Vested Sick Time Off Balance} * 75\% * \text{Daily Rate as of June 30, 2015} = \text{Payout}$$
- 7. If annual number of contract days for faculty and/or administrators is changed, what is the impact on the payout?** There would be no impact on the payout because the daily rate for the payout is based on the employee's daily pay rate as of June 30, 2015, which would not change.
- 8. What are the eligibility differences for FT Faculty vs. PSRP vs. Administrators?** There are no differences in eligibility based on your status as faculty, administrator, or PSRP.
- 9. How do I use vested sick time off? Is there anything special I need to do if I need to use my vested sick time?** There is a "[Use Vested Sick Time](#)" web form that you must complete to use your vested sick time. The form is located at <http://madisoncollege.edu/in/vested-sick-time>.
- 10. How much sick time off can I carry over from one year to the next?** You can carryover up to 150 sick days. Many employees have a combination of vested and non-vested sick time. Employees with 150 vested sick days as of June 30, 2015, will be allocated non-vested sick time under the standard sick time accumulation policy as of July 1, 2015. If the non-vested sick time is not used before June 30, 2016, they will not carry over into the next year.

See the examples on the next pages for additional information.

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Example #1:

Charlie is a FT PSRP employee. As of June 30, 2015, Charlie has 50 sick days. That becomes his vested amount and will never go above 50 days. On July 1, 2015, he is granted 13 sick days. This takes his TOTAL balance to 63 days (50 vested and 13 non-vested). Throughout the fiscal year, Charlie uses 3 sick days. On June 30, 2016, his balance is now 60 days (50 vested and 10 non-vested). On July 1, 2016, he is granted an additional 13 non-vested sick days.

Example #2:

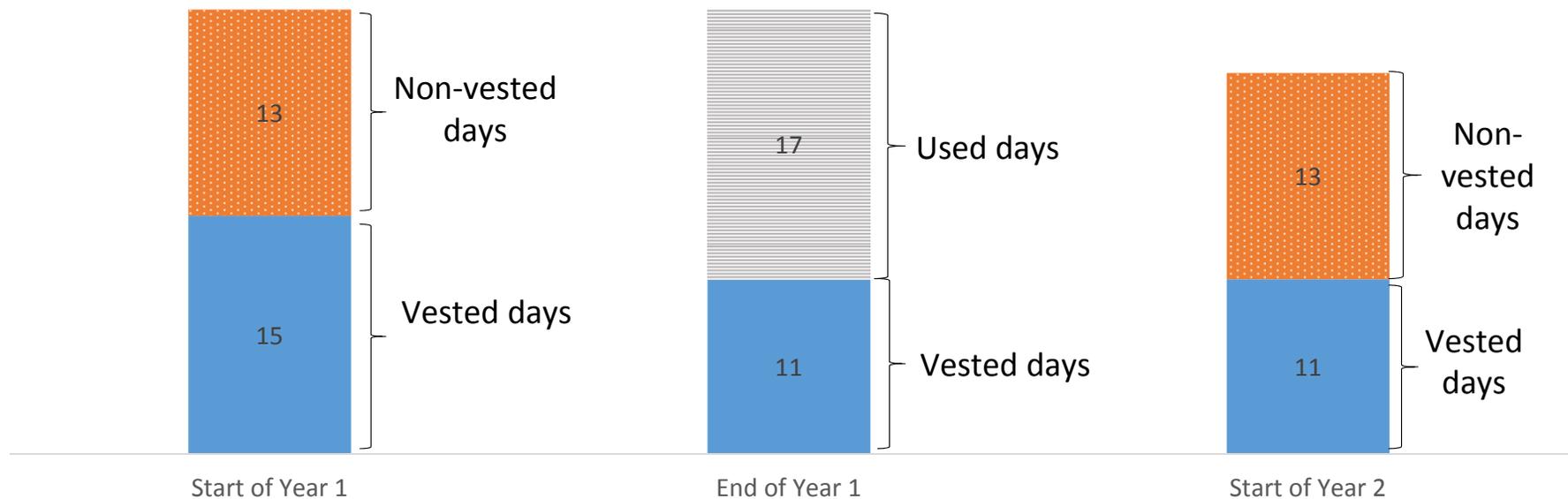
Grace is a FT Faculty member. As of June 30, 2015, she has 35 sick days. That becomes her vested amount and will never go above 35 days. On July 1, 2015, she is granted 10 sick days. This takes her TOTAL balance to 45 days (35 vested and 10 non-vested). During the fiscal year, Grace becomes ill and needs to use 20 sick days. She uses 10 non-vested sick days and 10 vested sick days. On June 30, 2016, her balance is now 25 days (20 vested and 0 non-vested). On July 1, 2016, she is granted an additional 10 non-vested sick days.

Example #3:

Mark is a FT Administrator. As of June 30, 2015, he has the full 150 sick days. That becomes his vested amount and will never go above 150 days. On July 1, 2015, he is granted 13 sick days. This takes his TOTAL balance to 163 days (150 vested and 13 non-vested). Throughout the fiscal year, Mark uses 5 sick days. On June 30, 2016, his balance is now 158 days (150 vested and 8 non-vested). On July 1, 2016, he loses the 8 unused non-vested sick days, but he is granted an additional 13 non-vested sick days for the next fiscal year.

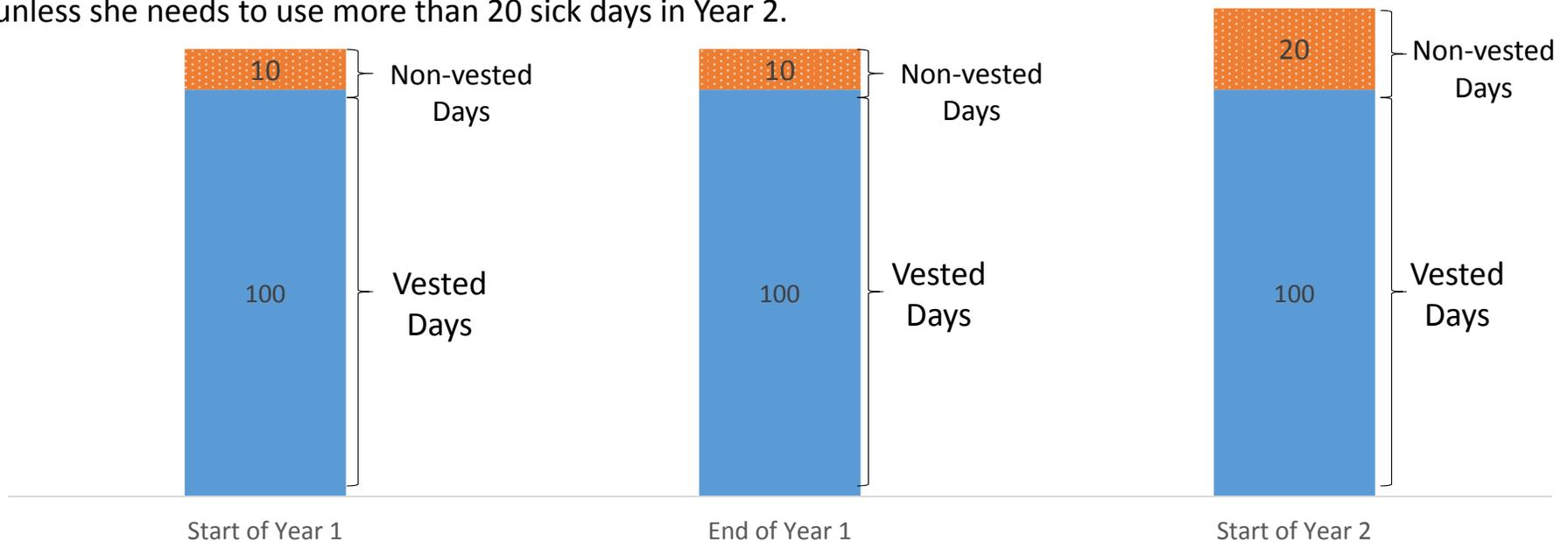
Example #1

Bart (PSRP) has 15 vested sick days as of 6/30/2015. On 7/1/2015, he receives his annual allocation of 13 non-vested sick days. During the year, he uses 17 sick days (13 non-vested and 4 vested days). At the start of the next year, he has 11 vested days and 13 non-vested days. His new personal ceiling for vested days for payout at retirement is 11 and will remain 11 unless he uses additional vested days prior to retirement.



Example #2

Lisa (faculty) has 100 vested sick days as of 6/30/2015. On 7/1/2015, she receives her annual allocation of 10 non-vested sick days. During the year, she uses 0 sick days. At the start of the next years, she has 100 vested days and 20 non-vested days (10 carryover from the end of year 1 plus 10 more at the start of Year 2). Her personal ceiling of vested days at the start of Year 2 is still 100. It will remain 100 through the end of Year 2, unless she needs to use more than 20 sick days in Year 2.



Example #3

Marge (admin) has 150 vested sick days as of 6/30/2015. On 7/1/2015, she receives her annual allocation of 13 non-vested sick days. During the year, she uses 0 sick days. At the start of the next years, she has 150 vested days and 13 non-vested days. Her personal ceiling for vested days is 150. It will remain 150 unless she needs to use more than 13 sick days in a single year.

