**Sick Leave Conversion and Retirement**

Did you know employees can convert sick leave hours to use toward insurance premiums?

All employees, *no matter when they started with the State of Idaho*, have the opportunity to convert their accrued sick leave hours to dollars to use towards eligible insurance premiums upon retirement.

**How much of my sick leave can I convert to dollars?**
[Idaho Code 67-5333](https://legislature.idaho.gov/statutesrules/idstat/Title67/T67CH53/SECT67-5333/) allows eligible retirees of the State of Idaho, school districts, and charter schools, to convert up to **half** of their unused sick leave to a sick leave account that can be used to pay qualifying insurance premiums.

**What is the conversion formula?**
​​​​​​​The conversion formula for employees of state agencies is as follows:

(Hours of unused sick leave ÷ 2) x (Hourly rate of pay at time of retirement)

For example, if you have 1080 hours of sick leave, you would divide that in half to get 540 usable hours. If your pay rate at the time of retirement was $36/hour you would multiply that by 540 to get a total of $19,440 to put towards insurance premiums.

**Is there a limit on the number of hours I can convert?**
The number of sick leave hours an employee can convert depends on the number of credited service hours. There is an absolute cap of 600 hours. The chart below shows the maximum hours of usable sick leave based off credited service hours.​​​​​​​

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|  **Credited Hours of State Service** | **Estimated Years of State Service** | **Maximum Hours of Usable Sick Leave** |
| 1 - 10,400 | 1 - 5 Years | 840 ÷ 2 = 420 |
| 10,401 - 20,800 | 5 -10 Years | 960 ÷ 2 = 480 |
| 20,801 - 31,200 | 10 - 15 Years | 1080 ÷ 2 = 540 |
| More than 31,200 | 15 or more years | 1200 ÷ 2 = 600 |

**I thought only employees who were hired prior to July 1, 2009 were eligible for this benefit?**
This is a common misconception. Employees who were hired with the State prior to July 1, 2009 and are under the age of 65 are eligible for the retiree plan. The retiree plan is offered through Blue Cross of Idaho to serve as a comprehensive insurance plan to cover retires before they turn 65 and become eligible for Medicare. Employees pay a monthly premium and can enroll in their choice of Blue Cross of Idaho Traditional, PPO, or High Deductible Plans. For more information on the retiree plan, click [here](https://ogi.idaho.gov/retiree/).

**What if I started with the State after July 1, 2009?**
If you were hired after July 1, 2009 then you are not eligible for the State retiree plan however you can still use unused sick leave hours to pay for healthcare insurance premiums, Medicare options, dental coverage, long term care, and other medical plans all offered through the Office of Group Insurance. One final policy that employees can use sick leave for is the NCPERS Decreasing Term Life Insurance.  To be eligible to use your sick leave for any of the above policies requires employees to receive a monthly retirement benefit from PERSI.

**Will my sick leave be converted automatically upon retirement?**
Once you have given notice of your retirement, HR will provide PERSI with the balance of your unused sick leave. This will then be converted to a dollar value by PERSI. You are responsible for directly contacting the approved carriers and enrolling in the plan of your choice. The insurance carrier will then set up an account in the PERSI portal and bill PERSI each month for your premiums. PERSI will draw down your sick leave balance to pay your premium and you will be notified when your balance is nearing depletion.

**Where do I find a list of approved insurance carriers to inquire about available plans?**
You can find a list of approved insurance carriers and their contact information on the Office of Group Insurance website [here](https://ogi.idaho.gov/retiree/). ​​​​​​​

**I still have questions. Who should I talk to?**
If you have questions about how much sick leave you have accrued, eligibility, or retirement please reach out to Human Resources. Below are a number of helpful resources you can also review.

[PERSI Insurance Information](https://www.persi.idaho.gov/retirees/insurance/)
[PERSI Using Sick Leave Info Document](https://ogi.idaho.gov/wp-content/uploads/sites/113/2020/08/UsingSickLeave_StateOfIdahoRetirees.pdf)