

Converting Unused Sick Leave

Let's start with the basics. Once an employee's retirement date is decided, the service computation date is subtracted from the retirement date to determine the amount of service the employee has toward retirement eligibility. Then, the unused sick leave is converted to additional service and added to the employee's length of creditable service to determine the years and months of service that will be used to compute the retirement benefit.

Here's a chart that makes it easy to convert hours of unused sick leave into additional service:

Converting Unused Sick Leave (CSRS/CSRS Offset/TransFERS) 2087 hours = 1 year												
Months	0	1	2	3	4	5	6	7	8	9	10	11
Days												
0	0	174	348	522	696	870	1044	1217	1391	1565	1739	1913
1	6	180	354	528	702	875	1049	1223	1397	1571	1745	1919
2	12	186	360	533	707	881	1055	1229	1403	1577	1751	1925
3	17	191	365	539	713	887	1061	1235	1409	1583	1757	1931
4	23	197	371	545	719	893	1067	1241	1415	1589	1762	1936
5	29	203	377	551	725	899	1073	1246	1420	1594	1768	1942
6	35	209	383	557	731	904	1078	1252	1426	1600	1774	1948
7	41	215	388	562	736	910	1084	1258	1432	1606	1780	1954
8	46	220	394	568	742	916	1090	1264	1438	1612	1786	1960
9	52	226	400	574	748	922	1096	1270	1444	1618	1791	1965
10	58	232	406	580	754	928	1102	1275	1449	1623	1797	1971
11	64	238	412	586	760	933	1107	1281	1455	1629	1803	1977
12	70	244	417	591	765	939	1113	1287	1461	1635	1809	1983
13	75	249	423	597	771	945	1119	1293	1467	1641	1815	1989
14	81	255	429	603	777	951	1125	1299	1473	1646	1820	1994
15	87	261	435	609	783	957	1131	1304	1478	1652	1826	2000
16	93	267	441	615	789	962	1136	1310	1484	1658	1832	2006
17	99	273	446	620	794	968	1142	1316	1490	1664	1838	2012
18	104	278	452	626	800	974	1148	1322	1496	1670	1844	2018
19	110	284	458	632	806	980	1154	1328	1502	1675	1849	2023
20	116	290	464	638	812	986	1160	1333	1507	1681	1855	2029
21	122	296	470	643	817	991	1165	1339	1513	1687	1861	2035
22	128	301	475	649	823	997	1171	1345	1519	1693	1867	2041
23	133	307	481	655	829	1003	1177	1351	1525	1699	1873	2046
24	139	313	487	661	835	1009	1183	1357	1530	1704	1878	2052
25	146	319	493	667	841	1015	1188	1362	1536	1710	1884	2058
26	151	325	499	673	846	1020	1194	1368	1542	1716	1890	2064
27	157	331	504	678	852	1026	1200	1374	1548	1722	1896	2070
28	162	336	510	684	858	1032	1206	1380	1554	1728	1902	2075
29	168	342	516	690	864	1038	1212	1386	1560	1733	1907	2081

Now let's see how such service translates into a retirement benefit, comparing examples of employees under the Civil Service Retirement System and FERS.

CSRS

Let's assume Casey is retiring on April 2, 2010, with 33 years and 18 days of total federal service, along with 1,800 hours of sick leave. Using the chart above, you can convert those hours to months and days of additional service. (Note that 1,800 is between 1,797 and 1,803 on the chart. In such cases, you should use the higher amount in your calculations.)

Here is how Casey's service will be factored:

Length of service for eligibility: 33 years, 18 days

Unused sick leave: 10 months, 11 days

Total: 33 years, 10 months, 29 days

Casey will have his retirement computed on 33 years and 10 months of service. The 29 days will be lost unless he changes his retirement date to Saturday, April 3. By adding an additional day of service in the computation of the retirement benefit, Casey can gain an extra month of service. (Remember, 30 days equals a month of service.)

FERS

Let's say Fred retired March 31, 2010, with 23 years and 16 days of service. He had a balance of 1,800 hours of unused sick leave. (It accrued through March 27. Since Leave Period 8 ends on April 10, no leave would have accrued for that period). Under the new policy, the value of Fred's hours of sick leave will be reduced by 50 percent, to 900 hours. That converts to five months and six days of additional service.

Here is how Fred's service will be factored:

Length of service for eligibility: 23 years, 16 days

Unused sick leave: 5 months, 6 days

Total: 23 years, 5 months, 22 days

Fred will have his retirement computed on 23 years and five months of service. The 22 days will not be used to calculate the benefit. These days are equivalent to 128 hours of unused sick leave.

As in Casey's example, Fred could have changed his retirement date to gain an additional month of service. That would have required working an additional eight days, because all FERS retirements (except disability and discontinued service retirements) commence on the first day of the month. But I would have advised him not to do that. By retiring March 31, Fred will be entitled to his first FERS retirement benefit for the month of April. If he retired April 8, his first retirement benefit wouldn't be paid until May. He would have lost the retirement compensation for April 9 to April 30.