

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6753

BILL NUMBER: HB 1104

DATE PREPARED: Jan 17, 2000

BILL AMENDED:

SUBJECT: State Employee Leave Time.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill entitles an employee of a state agency who resigns or retires with at least ten years of creditable service to be paid for a part of the employee's accrued but unused leave time. The bill also requires the payment be made to the employee's designated beneficiary or the employee's estate if the employee dies while employed by the state.

Effective Date: July 1, 2000.

Explanation of State Expenditures: (Revised) A preliminary estimate of the additional cost to the state over and above current leave payment policies is about \$8.1 M per year. This estimate is understated since the estimate does not factor in the cost of payment for compensatory time or for the leave time for those state employees who die while employed by the state. (The State Auditor's office is currently obtaining information on the amounts of all leave time accumulated upon employees' retirement, resignation, or death. This note will be updated when additional information becomes available.)

Background: Leave time includes the total vacation time, sick time, personal time, and compensatory time that has been accrued, but not used, at the time a state employee with 10 years of creditable service terminates employment. The employee is to be paid on the sum of the following two amounts:

(Amount A) The lesser of 225 hours or the actual amount of total leave time accrued, but unused, plus:

(Amount B) The number of hours in excess of 225 multiplied by: (a) 20% if the employee has between 10 years and 15 years of creditable service; (b) 35% if the employee has between 15 and 20 years of creditable service; or (c) 50% if the employee has more than 20 years of creditable service.

The payment to an eligible former state employee must be made at the rate the employee was paid on the date the employee resigned, retired, or died.

The preliminary estimate, above, is based on resignations and retirements in FY98. More current and comprehensive data is being obtained from the State Auditor's office. This note will be updated when additional information becomes available.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: All

Local Agencies Affected:

Information Sources: