

Agenda Item #7e
April 26, 1980

Recommendation

President Zacharias recommends the approval of a resolution relating to reduction of employee contributions to the Kentucky Teachers' Retirement System.

Background

This resolution will allow the university to implement Senate Bill 27 which will permit the reduction of university members' contribution rate to the Teachers' Retirement System by 2.215%.

A RESOLUTION RELATING TO REDUCTION OF EMPLOYEE CONTRIBUTIONS
TO THE KENTUCKY TEACHERS' RETIREMENT SYSTEM

WHEREAS, Senate Bill 27 was enacted by the 1978 General Assembly permitting reduction of university members' contribution rates to the Teachers' Retirement System by amounts up to two and two hundred fifteen thousandths percent (2.215%), if amounts sufficient to replace the reduction are authorized and contributed to the Teachers' Retirement System by the Board of Regents of Western Kentucky University; and

WHEREAS, House Bill 931 was passed by the 1980 General Assembly and signed into law by the Governor; and

WHEREAS, House Bill 931 appropriated sufficient funds to the Teachers' Retirement System to allow two and two hundred fifteen thousandths percent (2.215%) decrease in the employee contribution rate for university members; and

WHEREAS, the adoption of this act will essentially equalize the retirement contributions for all faculty members of the system of higher education in Kentucky;

THEREFORE, this board, acting pursuant to Senate Bill 27, hereby authorizes the reduction of employee contributions to the Teachers' Retirement System of two and two hundred fifteen thousandths percent (2.215%) effective July 1, 1980.

Agenda Item
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April 26, 1980

Recommendation

Persons employed in permanent positions and who qualify for sick leave benefits shall be entitled to sick leave with pay computed on the basis of one (1) day's sick leave for each month served from the date of appointment. Sick leave may be accumulated without limit from July 1, 1968, when formal sick leave records were compiled, or from the date of appointment since July 1, 1968. Any employee who is a member of the Kentucky Employees Retirement System shall, on retirement, receive retirement service credit for unused sick leave accrued in University service. A maximum of six (6) months of the employee's sick leave balance shall be added to retirement service credit in accordance with the statutes, regulations, and rules of the Kentucky Employees Retirement System. The cost of the sick leave credit allowance will be paid by the University. The effective date of these changes shall be July 1, 1980.

The purpose of these changes is for computing retirement service credit only, and unused sick leave days shall not be paid to employees upon retirement, resignation, or other termination in employment.

Background

A new section of the Kentucky Revised Statutes Chapter 61 was created by the 1980 General Assembly which permits any member of the Kentucky Employees Retirement System who is employed by the Commonwealth, on retirement, to receive credit for unused sick leave accrued in the State service. The maximum credit allowance was established at six months of the member's sick leave balance. Both the employees' and the employer's contribution must be paid by the employer.

Western's sick leave practices are being adjusted to take full advantage of the retirement provision and to encourage employees to accumulate earned sick leave. Current practices permit sick leave to be accumulated to a maximum of one hundred twenty (120) days. The estimated annual cost should not exceed \$10,000.

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