
BUDGET UNIT BRIEF – FY 2019

Fiscal Services Division

October 8, 2018



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

State Peace Officers Council Sick Leave Payout

Purpose and History

Peace officers in the Department of Public Safety (DPS) are entitled to utilize the value of their accumulated and unused sick leave at retirement for the payment of health and/or life insurance. Employees covered by the State Police Officers' Council (SPOC) collective bargaining agreement are provided the benefit through Article XI, Section 8, paragraph E, of the SPOC agreement. Supervisors not covered by the collective bargaining agreement are granted the same benefit through Iowa Code sections 70A.1(b)(4) and 70A.23(4). The benefit is further defined in 11 Iowa Administrative Code chapter 64.

The value of an employee's sick leave bank is determined by multiplying the hourly rate of compensation at the time of retirement by the accumulated and unused hours of sick leave credited to the employee. This value is credited to an employee's account and used to pay the costs of health and/or life insurance until the account is exhausted. Peace officer employees may utilize their sick leave bank for continuation of a State group insurance plan, or may utilize the sick leave bank for payment of premiums through another carrier. If the retired peace officer passes away before the sick leave bank is exhausted, any remaining value is transferable to a surviving spouse for the payment of health and/or life insurance premiums of the spouse and any dependent children. If the spouse predeceases the officer and there are no dependent children, the value of the sick leave bank is considered exhausted.

For officers in the DPS, the payment of premiums is made on a cash basis (at the time the premiums are due) rather than on an accrual or fully funded basis. Prior to FY 2001, there was no reserve fund in existence for payments. The DPS had been setting aside money to "fully fund" the liability for the sick leave bank of employees who were believed likely to retire, only to have the employee elect to retire at a later date. This resulted in funds being set aside that could not be used for other critical needs and subsequently reverted to the General Fund. In FY 2002, a separate appropriation was established, utilizing appropriations diverted from the Iowa State Patrol budget, to provide a regular funding stream for these expenses on a cash basis.

Funding

Monthly premiums average \$65,000, and an additional \$20,000 is spent monthly for reimbursements to retirees who pay for their insurance coverage directly and then submit requests for reimbursement. The total annual expense is over \$1.0 million, and the General Fund appropriation for this budget unit is currently \$280,000. Funding for the difference is taken from the DPS regular operating budget. Prior to FY 2001, this expense was fully funded by the General Fund appropriation. Increases in insurance premiums, along with reductions in the General Fund appropriation, have created a shortfall. Any money remaining in the Fund is permitted to carry forward, and interest earned is permitted to remain in the Fund.

More Information

Department of Public Safety: www.dps.state.ia.us
LSA Staff Contact: Christin Mechler (515.281.6561) christin.mechler@legis.iowa.gov

Related Statutes and Administrative Rules

Iowa Code chapters [70A](#) and [80](#)

Iowa Administrative Code [64—11](#), [661](#)

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