

Employees Can Invest Unused Sick Leave and Vacation Time

This is an *opportunity for employees to invest their leave into their Ohio DC account and employers to avoid large payouts when employees leave employment.*



Employees can defer unused sick and/or vacation time into their Ohio DC account.

Many employers allow their employees to cash out unused sick leave and/or vacation time at mid-year and at year-end. Most retiring employees will get their unused sick and vacation time paid to them at the end of their employment.

To defer leave pay, the payroll manager provides the employee with the dollar amount of leave the employee has available and the date it will be paid out.

Ohio DC must receive the employee's request at least 30 days before the pay date. It is best if employees call Ohio DC at least 30 days prior to their pay date or last date of employment. For example, many participants must complete this request in early June in order to take advantage of the July cash out.

Here is another example: If an employee's leave cash out is due to termination (ending employment or retiring), the IRS requires the deferred cash out be made within 75 days of the termination date or within the same calendar year in which the employee terminates, whichever is longer. The request to defer the termination cash out must also be completed one month prior to that pay date.

So, employees can call the Service Center at 1-877-644-6457 to defer their leave pay.