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Sick Leave Payout

NDSU Policy 143, and state law, provide that employees who terminate employment with 10 years of continuous state service shall receive a payout equivalent to 10% of the dollar value of their accrued sick leave hours. This is given in a lump sum payment based on the employee's salary at the time of termination.

Employees sometimes move from academic year contracts to twelve month employment that accumulates sick leave. Employees who have previously been on less than twelve month contracts need to be careful, when resigning, that they don't get caught assuming a nine month term of employment counts as a total year. The months of actual contract work for the University are totalled, so that an employee with two years on a nine month contract, for example, is given eighteen months of credit, not twenty-four, when the time comes for determining whether the employee has ten years of continuous state service to be eligible for the 10% payout.

Employees should consult with the Human Resources Office if such circumstances may apply to them and they wish to determine how much total time they have which is credited towards the 10 year rule.