

Kimberly School District #414  
**REGULAR BOARD MEETING FY26**

THURSDAY, FEBRUARY 19, 2026

AGENDA #12B5 1<sup>ST</sup> READING REVISE 5321 SICK LEAVE OF ABSENCE

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Idaho law allows school districts to report an employee's unused sick leave balance to the Public Employee Retirement System of Idaho (PERSI) at the time of retirement. PERSI then converts that reported sick leave value into a retiree sick leave account. These funds are not paid out as cash to the employee. Instead, they are held by PERSI and may be used only to help pay for eligible health insurance premiums in retirement, such as medical, dental, or vision coverage. This process is administered directly through PERSI and does not create an ongoing payroll obligation for the district after retirement.

The sentence establishing a maximum cap on sick leave accumulation is being removed because current Idaho code no longer requires districts to impose a cap. We reviewed practices across multiple Idaho school districts and found that many no longer set a maximum accumulation limit. We also confirmed this approach with district legal counsel. Removing the cap does not create an added cost to the district, since unused sick leave is not paid out as compensation and is only reported to PERSI at retirement for the limited purpose of retiree health insurance coverage.