

# Washington State Judicial Branch 2023-25 Biennial Budget Retirement Cash-Out

**Agency:** Office of Public Defense

**Decision Package Title:** AN – Retirement Cash-Out

**Agency Recommendation Summary Text:**

OPD requests funding to pay the cash-out value of accrued vacation and sick leave for an OPD employee who will retire in September 2023. (General Fund-State)

**Fiscal Summary:**

|                               | FY 2024  | FY 2025 | Biennial | FY 2026 | FY 2027 | Biennial |
|-------------------------------|----------|---------|----------|---------|---------|----------|
| <b>Staffing</b>               |          |         |          |         |         |          |
| FTEs                          | 0.00     | 0.00    | 0.00     | 0.00    | 0.00    | 0.00     |
| <b>Operating Expenditures</b> |          |         |          |         |         |          |
| Fund 001-1                    | \$34,862 | \$0     | \$0      | \$0     | \$0     | \$0      |
| <b>Object of Expenditure</b>  |          |         |          |         |         |          |
| AT                            | \$18,090 | \$0     | \$18,090 | \$0     | \$0     | \$0      |
| AS                            | \$16,772 | \$0     | \$16,772 | \$0     | \$0     | \$0      |
| <b>Total Expenditures</b>     |          |         |          |         |         |          |
|                               | \$34,862 | \$0     | \$34,862 | \$0     | \$0     | \$0      |

**Package Description:**

The state agency where an employee works at the time of retirement is responsible for covering cash-out payments for accrued vacation and sick leave earned during the employee’s state service.

An OPD employee with 30-plus years of state service has notified the OPD Director that she intends to retire in September 2023. At the time of her retirement, OPD will owe her the cash-out value of her accrued vacation and sick leave. (OPD is an approved participant in the state’s Voluntary Employees’ Beneficiary Association Medical Expense Plan (VEBA-MEP) program that provides a means for retiring employees to deposit the cash-out value of their unused sick leave into a tax-free medical expense plan for post-retirement medical expenses.)

The estimated total amount owed is \$34,862.06.

In its 26-year history, OPD has experienced few retirements. Historically OPD has prepared Decision Packages to cover the estimated amounts owed to a retiring employee, and the Legislature has funded these requests.

**Fully describe and quantify expected impacts on state residents and specific populations served:**

N/A

**Explain what alternatives were explored by the agency and why they were rejected as solutions:**

There is no alternative to paying amounts owed to a retiring employee. OPD does not have funding within its budget to cover this cost.

**What are the consequences of not funding this request?**

If this Decision Package is not funded, OPD would have to pay the vacation/sick leave cash-out from funds that are allocated for other agency obligations. OPD would run the risk of short-funding another item in its budget.

**Is this an expansion or alteration of a current program or service?**

No.

**Decision Package expenditure, FTE and revenue assumptions:**

The Administrative Office of the Courts (AOC) (which administers payroll for the Judicial Branch) provided the following projections for the vacation/sick leave cash-out that will be owed. The total cash-out = \$34,862.06.

| <i>OPD Employee Retiring 9/30/2023</i>                           |    |           |                     |
|--|----|-----------|---------------------|
| <b>CURRENT VACATION LEAVE BALANCE:</b>                           |    | 77.90021  |                     |
| <b>MONTHLY SALARY:</b>   |    | 8620      |                     |
| <b>ACCRUAL RATE:</b>   |    | 16.66667  |                     |
| <b># OF ADDT'L ACCRUALS:</b>                                     | 15 | 250.00005 |                     |
| <i>Planned Vacation Leave</i>                                    |    | 0         |                     |
| <b>ESTIMATED VACATION LEAVE BALANCE AT SEPARATION/RETIREMENT</b> |    | 327.90026 |                     |
| <b>Estimated vacation leave buyout thru 9/30/2023</b>            |    |           | <b>\$ 18,089.60</b> |
| <i>OPD Employee Retiring 9/30/2023</i>                           |    |           |                     |
| <b>CURRENT SICK LEAVE BALANCE:</b>                               |    | 1234.25   |                     |
| <b>MONTHLY SALARY:</b>   |    | 8620      |                     |
| <b>ACCRUAL RATE:</b>   |    | 8         |                     |
| <b># OF ADDT'L ACCRUALS:</b>                                     | 15 | 120       |                     |
| <b>ESTIMATED SICK LEAVE BALANCE AT SEPARATION/RETIREMENT</b>     |    | 1354.25   |                     |
| <b>Estimated sick leave buyout thru 9/30/2023</b>                |    |           | <b>\$ 16,772.46</b> |

**How does the package relate to the Judicial Branch principal policy objectives?**

N/A

**Are there impacts to other governmental entities?**

No

**Stakeholder response:**

N/A

Office of Public Defense  
Policy Level – AN – Retirement Cash-Out

**Are there legal or administrative mandates that require this package to be funded?**

Yes. State law provides that employees may cash out both vacation and sick leave at retirement. Under its approved VEBA agreement, OPD must deposit the cash-out value of sick leave into the employee's post-retirement VEBA account.

**Does current law need to be changed to successfully implement this package?**

No

**Are there impacts to state facilities?**

No

**Are there other supporting materials that strengthen the case for this request?**

N/A

**Are there information technology impacts?**

No

**Agency Contacts:**

Sophia Byrd McSherry, Deputy Director  
360-586-3164, ext. 107  
[sophia.byrdmcsberry@opd.wa.gov](mailto:sophia.byrdmcsberry@opd.wa.gov)