

GASB 101

A Simplified Approach to Calculating Compensated Absences

FSFOA June 2026 Conference

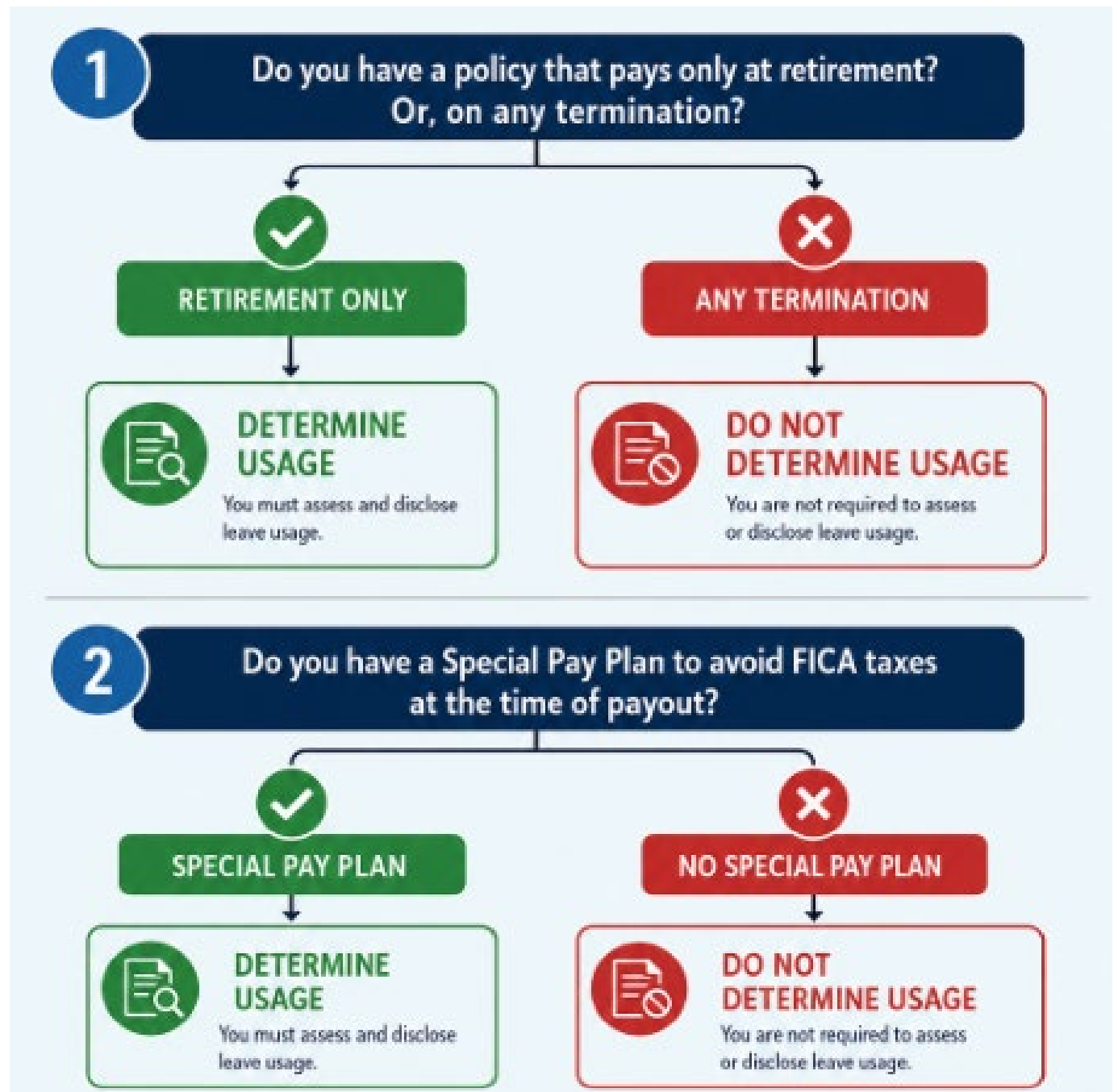
Presented by Scott Ward, CFO

Lake County Schools

Review Your Policies and Procedures

- Review your leave policies to determine who is eligible for leave payouts and when.
- Determine if your sick and vacation policies pays at termination, or pays only on retirement, or death.
- It is common to have different payout structures for sick versus vacation leave
 - **Lake County Schools Sick Leave Policy** - Upon the retirement
 - **Lake County Schools Vacation Leave Policy** - When an employee is released or resigns
- Review your leave payout procedures to determine if your payments for are made through a Special Pay Plan that eliminates the FICA Taxes
 - **Lake County Schools** only pays terminal payments through a Special Pay Plan (Bencor)

When to Determine Usage Versus Payout Amounts



GFOA Tool



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ACCOUNTING AND FINANCIAL REPORTING

GASB 101 Compensated Absences Tool – Sick Leave

This tool contains two examples of approaches to estimate the liability for compensated absences for sick leave based on the provisions of GASB Statement No. 101, *Compensated Absences*.



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Dollars-Paid Approach

- Estimate sick leave likely to be used.
- Convert historical payouts to current pay rates.
- Use a representative employee sample.
- Apply professional judgment to sample size.
- Separate employee groups if results differ materially.

Days Used Approach

Estimate the amount of sick leave more likely than not to be used as time off by determining how their current workforce has used sick leave in the past.

Take the
Path of Least
Resistance



Existing Reports for Compensated Absences

- Each District calculated compensated absences prior to GASB 101.
- Most districts have a report of Total Sick Earned, Used, and Balance.
- This report can be easily aggregated into sub-groups based on years of service.
- The information contained in existing reports can easily be adapted to the Days Used Approach

Sample Report

NAME	SOC. SEC. #	HOURLY WAGE	SICK EARNED	SICK USED	SICK BALANCE	PCT	SICK AMOUNT	YRS
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	33.84	217.50	181.00	36.50	35.00%	432.35	3
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	35.10	999.75	197.75	802.00	100.00%	28,151.80	14
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	15.30	32.00	32.00		35.00%		0
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	34.89	742.50	710.50	32.00	50.00%	558.23	10
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	33.84	220.00	220.00		35.00%		3
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	35.88	187.50	187.50		35.00%		3
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	15.30	56.00	28.00	28.00	35.00%	149.94	0
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	46.06	1,043.25	742.50	300.75	100.00%	13,852.97	19
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	38.42	682.50	539.25	143.25	45.00%	2,476.38	9
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	22.12	1,424.50	646.50	778.00	100.00%	17,209.36	23
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	33.13	16.00		16.00	35.00%	185.54	0
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	15.45	255.00	109.75	145.25	40.00%	897.65	4
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	35.88	307.50	307.50		40.00%		4
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	32.99	112.50	93.50	19.00	35.00%	219.40	1
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	35.10	255.00	5.25	249.75	35.00%	3,068.35	3
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	15.76	124.00	124.00		35.00%		2
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	15.76	168.00	133.00	35.00	35.00%	193.06	2
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	15.30	32.00	12.00	20.00	35.00%	107.10	0
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	15.60	224.00	198.50	25.50	35.00%	139.23	3
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	29.16	1,314.25	1,223.25	91.00	100.00%	2,653.56	21
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	18.56	387.00	271.00	116.00	40.00%	861.18	5
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	1.41				35.00%		0
XXXXXXXXXX, XXXXXX	XXX-XX-XXXX	34.18	450.00	426.00	24.00	40.00%	328.15	6

Determination of Retirement Trend

Count of Nalphakey	Column Labels					
Row Labels	35%	40%	45%	50%	100%	Grand Total
CONTRACT EXPIRE	5	3	1		4	13
DEATH	15	16	8	11	15	65
DISABLED				1	1	2
DISM DUR PROB	48	3				51
DISMSS BY BOARD	41	19	8	6	5	79
DNR FR EXT ILL	11	2	7	1	6	27
DNR FR MATER LV	14	8	4		1	27
DNR FROM PERS	3	3	2	2	7	17
JOB ABANDONMENT	40	11	2		3	56
LIEU OF TERMINA	64	19	11	7	12	113
NOT ELIGIBLE	1				1	2
NOT REAPPOINTED	311	96	26	12	14	459
NOT RETURN					1	1
PAY PREV FY EMP					2	2
RES EMP OUT EDU	327	139	60	41	40	607
RESGN ED EMP FL	312	178	104	55	96	745
RESIGN DUR PROB	151	5	2	1	3	162
RESIGN EMP OUT	29	23	8	3	5	68
RESIGN PERSONAL	1589	492	192	106	182	2561
RESIGN W PREJUD	2	1	1		1	5
RETIREMENT	51	91	135	171	1151	1599
TERMED PREV FY	7	2	2	2		13
WORKER'S COMP-T	8	2			4	14
Grand Total	3029	1113	573	419	1554	6688

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Grand Total	3029	1113	573	419	1554	6688

	35%	40%	45%	50%	100%	Total	
Retired	35%	51	91	135	171	1151	1599
Total Term	35%	3029	1113	573	419	1554	6688
Trend	35%						23.91%
Retired	40%		91	135	171	1151	1548
Total Term	40%		1113	573	419	1554	3659
Trend	40%						42.31%
Retired	45%			135	171	1151	1457
Total Term	45%			573	419	1554	2546
Trend	45%						57.23%
Retired	50%				171	1151	1322
Total Term	50%				419	1554	1973
Trend	50%						67.00%
Retired	100%					1151	1151
Total Term	100%					1554	1554
Trend	100%						74.07%

Sick Leave

Row Label	Sum of SICK EARNED	Sum of SICK USED	Sum of SICK AMOUNT	% Used	Full Value	Projected to be Used	Remaining Amount for Payout	Projected Retirement Rate	Full Value of Projected Payout
35.00%	318,462.78	238,752.81	741,412.20	75%	\$ 2,118,320.57	\$ 1,588,113.34	\$ 530,207.23	23.91%	\$ 126,764.56
40.00%	398,548.93	307,866.95	1,043,248.96	77%	\$ 2,608,122.40	\$ 2,014,695.38	\$ 593,427.02	42.31%	\$ 251,059.04
45.00%	383,932.73	296,188.95	1,287,762.13	77%	\$ 2,861,693.62	\$ 2,207,683.70	\$ 654,009.92	57.23%	\$ 374,270.41
50.00%	395,166.74	306,375.70	1,409,968.66	78%	\$ 2,819,937.32	\$ 2,186,318.29	\$ 633,619.03	67.00%	\$ 424,553.65
100.00%	1,860,981.60	1,387,610.35	15,858,493.20	75%	\$ 15,858,493.20	\$ 11,824,624.86	\$ 4,033,868.34	74.07%	\$ 2,987,762.20
Grand To	3,357,092.78	2,536,794.76	20,340,885.15			\$ 19,821,435.57			\$ 4,164,409.86
					SS & Med	\$ 1,516,339.82		SS & Med	\$ -
						\$ 21,337,775.39			\$ 4,164,409.86

Vacation Leave

Row Label	Sum of VAC EARNED	Sum of VAC USED	Sum of VAC AMOUNT	% Used	Full Value	Projected to be Used	Projected Payout
35.00%	54,949.88	37,750.35	324,852.50	69%	\$ 324,852.50	\$ 223,172.38	\$ 101,680.12
40.00%	63,383.45	52,553.00	215,193.50	83%	\$ 215,193.50	\$ 178,422.98	\$ 36,770.52
45.00%	91,435.14	75,765.37	450,592.86	83%	\$ 450,592.86	\$ 373,372.15	\$ 77,220.71
50.00%	88,129.88	76,743.38	287,848.85	87%	\$ 287,848.85	\$ 250,658.39	\$ 37,190.46
100.00%	654,887.62	586,873.65	1,924,405.43	90%	\$ 1,924,405.43	\$ 1,724,544.49	\$ 199,860.94
Grand To	952,785.97	829,685.75	3,202,893.14			\$ 2,750,170.39	\$ 452,722.75
					SS & Med	\$ 210,388.03	
						\$ 2,960,558.43	\$ 452,722.75

Total Compensated Absences Liability \$ 28,915,466.42

Simple Alternative

<u>Past Practice</u>	<u>Acceptable Alternative</u>
35%	35%
40%	40%
45%	45%
50%	50%
100%	65%

Sick Leave

Row Label	Sum of SICK EARNED	Sum of SICK USED	Sum of SICK AMOUNT	% Used	Full Value	Projected to be Used	Remaining Amount for Payout	Projected Retirement Rate	Full Value of Projected Payout
35.00%	318,462.78	238,752.81	741,412.20	75%	\$ 2,118,320.57	\$ 1,588,113.34	\$ 530,207.23	35.00%	\$ 185,572.53
40.00%	398,548.93	307,866.95	1,043,248.96	77%	\$ 2,608,122.40	\$ 2,014,695.38	\$ 593,427.02	40.00%	\$ 237,370.81
45.00%	383,932.73	296,188.95	1,287,762.13	77%	\$ 2,861,693.62	\$ 2,207,683.70	\$ 654,009.92	45.00%	\$ 294,304.47
50.00%	395,166.74	306,375.70	1,409,968.66	78%	\$ 2,819,937.32	\$ 2,186,318.29	\$ 633,619.03	50.00%	\$ 316,809.52
100.00%	1,860,981.60	1,387,610.35	15,858,493.20	75%	\$ 15,858,493.20	\$ 11,824,624.86	\$ 4,033,868.34	100.00%	\$ 4,033,868.34
Grand To	3,357,092.78	2,536,794.76	20,340,885.15			\$ 19,821,435.57			\$ 5,067,925.66
					SS & Med	\$ 1,516,339.82		SS & Med	\$ -
						\$ 21,337,775.39			\$ 5,067,925.66

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45.00%	91,435.14	75,765.37	450,592.86	83%	\$ 450,592.86	\$ 373,372.15	\$ 77,220.71
50.00%	88,129.88	76,743.38	287,848.85	87%	\$ 287,848.85	\$ 250,658.39	\$ 37,190.46
100.00%	654,887.62	586,873.65	1,924,405.43	90%	\$ 1,924,405.43	\$ 1,724,544.49	\$ 199,860.94
Grand To	952,785.97	829,685.75	3,202,893.14			\$ 2,750,170.39	\$ 452,722.75
					SS & Med	\$ 210,388.03	
						\$ 2,960,558.43	\$ 452,722.75

Total Compensated Absences Liability \$ 29,818,982.22

Sick Leave

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100.00%	1,860,981.60	1,387,610.35	15,858,493.20	75%	\$ 15,858,493.20	\$ 11,824,624.86	\$ 4,033,868.34	65.00%	\$ 2,622,014.42
Grand To	3,357,092.78	2,536,794.76	20,340,885.15			\$ 19,821,435.57			\$ 3,656,071.74
					SS & Med	\$ 1,516,339.82		SS & Med	\$ -
						\$ 21,337,775.39			\$ 3,656,071.74

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100.00%	654,887.62	586,873.65	1,924,405.43	90%	\$ 1,924,405.43	\$ 1,724,544.49	\$ 199,860.94
Grand To	952,785.97	829,685.75	3,202,893.14			\$ 2,750,170.39	\$ 452,722.75
					SS & Med	\$ 210,388.03	
						\$ 2,960,558.43	\$ 452,722.75

Total Compensated Absences Liability \$ 28,407,128.31

Questions?