



STATE OF IDAHO

OFFICE OF THE ATTORNEY GENERAL

BOISE 83720

JIM JONES  
ATTORNEY GENERAL

TELEPHONE  
(208) 334-2400

November 2, 1988

The Honorable Joe R. Williams  
State Auditor  
700 West State Street  
Boise, Idaho 83720

THIS CORRESPONDENCE IS A LEGAL GUIDELINE OF THE  
ATTORNEY GENERAL SUBMITTED FOR YOUR GUIDANCE

Re: Calculation of Credited State Service

Dear Mr. Williams:

This is in response to your request for an interpretation of provisions of H.B. 419 enacted by the legislature in 1988. The act amends Idaho Code § 67-5332 to change the formula by which credited state service is calculated.

You have asked if credited state service for overtime work should be calculated on the basis of time worked or on the basis of the time and one-half pay rate. For example, should an employee working eight hours of overtime and receiving time and one-half pay (12 hours pay) be credited with eight hours of credited state service or 12 hours of credited state service. You have also asked if employees who terminate and receive a payoff of accrued vacation leave balances should accrue credited state service on such balances for purposes of sick and vacation leave.

Idaho Code § 67-5332 provides that the credited state service provisions of the section shall be used "For the purposes of payroll, vacation or annual leave, sick leave and for other applicable purposes. . . ." The only exception to the calculation provisions of the section deals with retirement system entitlements. 1988 legislative amendments to the section were made in subsections (3) and (5) as follows:

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(3) One (1) hour of credited state service shall be earned by each eligible state officer or employee for each hour, or major fraction thereof, that the officer or employee *is present for duty/ receives pay, whether for hours worked or on approved leave as provided in subsection (4) of this section.*

(4) Credited state service shall be earned when on approved leave with pay, on approved vacation leave, approved military leave, on approved sick leave, and holidays.

(5) *Work in any kind of overtime situation shall not be credited state service for the purposes of this section.*

The amendments shown above change the basis upon which credited state service is earned from "hours present for duty" to hours for which the employee "receives pay." The amendments also repeal the prohibition against receiving credited state service for overtime pay.

The effect of the amendments is to calculate credited state service based upon hours for which employees receive pay rather than on the hours they are present for duty. Thus, an employee receiving time and one-half overtime pay, e.g., 12 hours of pay for an eight hour shift, would now accrue credited state service based upon the 12 hours of pay received. Hours present for duty is no longer the relevant standard and the prohibition against receiving credited state service for the overtime pay is no longer applicable. As noted above, calculation rules apply for purposes of payroll, vacation or annual leave, sick leave and other applicable purposes. The calculation rules do not apply to retirement system calculations pursuant to Idaho Code § 67-5332(5).

You have also asked if employees who separate and receive a payoff of vacation leave accruals would accrue additional credited state service as a result of the payoff. Additional credited state service would not be earned from a payoff of vacation leave. Idaho Code § 67-5332(3) provides that employees receive credited state service for hours they receive pay "for hours worked or on approved leave." An employee receiving a payoff is

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neither working nor "on approved leave." Thus, an employee should not receive credited state service for a payoff of vacation leave.

Sincerely,



David G. High  
Deputy Attorney General  
Chief, Business Regulation  
and State Finance Division

DGH/scw