



Accumulated Leave Reserves:

Accumulated absence includes any *sick days, vacation days, personal days*, or other absence time authorized as part of an employer agreement, which are not used by the employee during the allowed period and which are permitted to accumulate over time to the benefit of the employee. State rules have been put in place to provide accountability on the way local units like North Brunswick calculate, certify and disclose accumulated liability. In summary, what would the municipality be on the hook for in every employee left tomorrow.

In 2002, ([LFN2002-1](#)) local units were permitted the option to set-aside reserves for the eventual payment of accumulated absences. Going into 2021, this has now become a best-practice and rating agencies review this balance when grading the financial health of a municipality. It's not expected that the total liability should be 100% funded, but at minimum a balance should be available for planned retirements and unforeseen separation.

New Jersey Municipalities operate on an annual *Line Item Budget* (Salary & Wage and Operating). Funding for this is generated each year within a department's Salary and Wage, which is then permitted to be transferred at the end of a fiscal year to the *Reserve for Accumulated Leave*.

GEN.ADMIN Salary & Wages								
1-01-20-100-000-011	518,286.00	538,727.00	554,413.00	486,241.00	447,517.00	358,776.00	336,298.00	___
	493,919.86	538,389.30	558,130.07	484,562.19	449,098.65			
Transfers	0.00	0.00	0.00	0.00	18,000.00			
GEN.ADMIN Retirement Sick								
1-01-20-100-000-019	6,750.00	6,750.00	6,750.00	8,500.00	8,500.00	8,000.00	8,000.00	___
	7,348.30	5,864.63	8,530.92	5,977.34	7,850.64			
Cable Studio - S & W								
1-01-20-100-000-020	0.00	10,000.00	10,000.00	0.00	0.00			___
	1,236.83	0.00	0.00	0.00	0.00			
GEN.ADMIN. Retirement Vacation								
1-01-20-100-000-021	0.00	0.00	0.00	0.00	4,000.00	14,703.00	14,702.00	___
	0.00	0.00	0.00	0.00	18,157.74			
Control Total	525,036.00	555,477.00	571,163.00	494,741.00	460,017.00	381,479.00	359,000.00	___

Funded within the FY2020 Budget \$515,450.

Funded within the FY2021 Budget \$718,202.

Current Accumulated Leave Liability is approximately \$5.5M

7/1/2020 Reserve Balance \$386,372.43 + \$718,202.00 = \$1,104,572