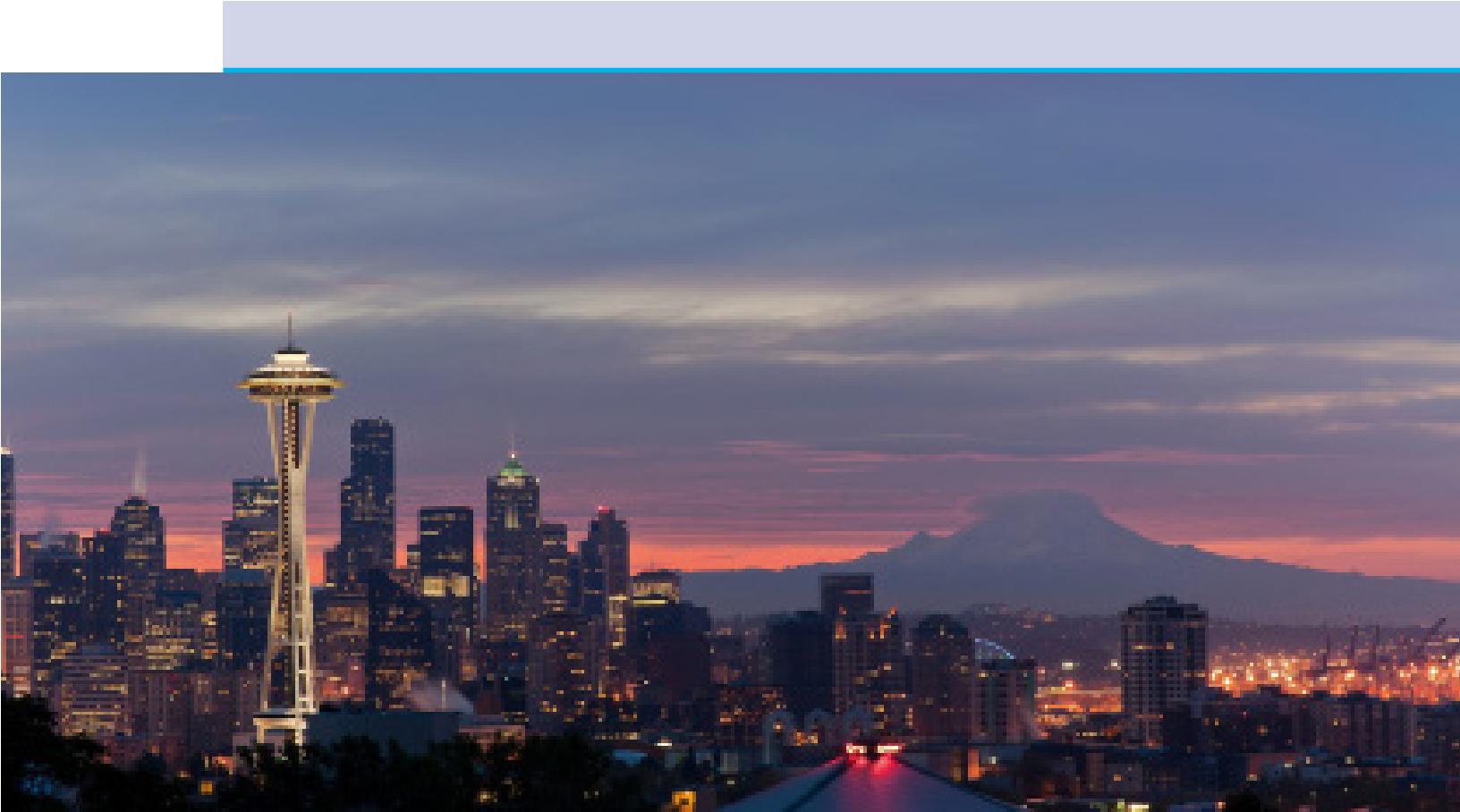




**Seattle Office of
Inspector General**



Source: Dave Morrow, "Seattle Sunrise". www.DaveMorrowPhotography.com

Audit of SPD Extended Sick Leave Use Prior to Retirement

January 22, 2026

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Audit Objective and Scope

Audit Objective

To assess the financial and operational impacts of Seattle Police Department (SPD) employees' use of extended leave prior to retirement.

Audit Scope

This audit assessed the financial and operational impacts of sick leave policy design and implementation for the population of sworn SPD employees who retired directly from a period of extended sick leave¹ between January 2018 and May 2024. This audit did not review medical records that may have included information protected by the Health Insurance Portability and Accountability Act (HIPAA).

Audit Standards

The Office of Inspector General for Public Safety (OIG) conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹ Extended sick leave is defined as a period of leave longer than two weeks.



Executive Summary

OIG initiated this audit at the request of the Mayor's Office to assess SPD use of extended sick leave prior to retirement. This audit found that from January 2018 through May 2024, most employees retired from the Department directly from a period of extended sick leave lasting at least two weeks.

OIG would like to acknowledge the full and timely assistance of SPD while conducting this audit.

Key Findings

- Spending down sick leave prior to retirement is a common practice within SPD.
- SPD Human Resources (HR) does not meaningfully apply the City sick leave policy requiring personnel to provide verification of reasons for sick leave.
- Until recently, collective bargaining agreements (CBAs) incentivize sworn personnel to save their sick leave until the end of their employment.
- Seattle Police Officers' Guild (SPOG) CBA does not provide for a Voluntary Employee Benefits Account (VEBA) option as an alternative to spending down sick leave.
- The practice of spending down sick leave creates millions of dollars in additional costs for the City while officers await retirement.

Matter for Consideration

- Use of extended sick leave prior to retirement impacts SPD recruitment, staffing, and promotional opportunities.

Background

City Sick Leave Policy

SPD employee use of sick leave is regulated by City Personnel Rules, which state that employees may accumulate sick leave with no maximum balance and no carry-over limit from one year to another. Sick leave can be used for an employee's own mental or physical illness, injury, or health condition, as well as the mental or physical illness, injury, or health condition of a family member. Upon retirement from the City, an employee's unused sick leave will be paid out to the employee at the rate of 25 percent of the employee's sick leave value.

The City's collective bargaining agreements with SPOG and Seattle Police Management Association (SPMA) provide a 25 percent payout consistent with the City sick leave policy.

Extended Leave

When an SPD employee enters a period of leave lasting two or more weeks, SPD transfers them to a unit designated as "unavailable personnel" and informs SPD management that they cannot be added to upcoming schedules. Employees on this list may be there for a variety of reasons, including periods of Family Medical Leave, Workers Compensation, and Washington State Paid Leave. Payroll records for employees on the 'unavailable' list often show multiple types of leave over the relevant period.

During the period covered by this audit, 441 sworn employees retired from SPD. Out of those 441



employees, OIG confirmed that 276 (63%) retired directly from a period of extended leave lasting at least two weeks.^{2,3} Among these, the median employee was assigned to the ‘unavailable’ unit for 226 days. City-issued Sick Leave was the predominant pay code used by employees over this period of time. 245 employees used at least 80 hours of City paid sick leave. The table below demonstrates how much more sick leave was taken than other leave types while employees were on the unavailable list.

Leave Type	Hours
Sick	264,299
Vacation	46,577
Family Medical Leave	32,414
Worker’s Comp	27,162

Excluding 52 sworn employees who used any form of Family Medical Leave, Worker’s Comp, or Washington State Paid leave during their time on the unavailable list, the ratio of sick to vacation leave used remained constant:

Leave Type	Hours
Sick	238,015
Vacation	39,010

Audit Findings

SPD HR Could More Meaningfully Apply the City Sick Leave Policy

City of Seattle Personnel Rule 7.7.6(B) states:

“The City shall require reasonable verification that the employee’s use of sick leave is for an authorized purpose for absences of more than four consecutive workdays. The employee must provide verification to the City in a reasonable time period during or after the employee returns from leave.”

SPD applies this policy by asking employees to provide verification of their reason for taking sick leave (i.e. a doctor’s note) after they return from leave. However, as explained by SPD staff, if an employee goes out on sick leave and retires instead of returning to work, there is no practical means or reason for the policy to be applied at that point. SPD HR has generally not attempted to collect doctors’ notes from staff who have retired or are anticipated to retire.

OIG recognizes that a doctor’s note alone is not an effective control against potential abuse of sick leave. However, a change in procedure to require verification during a person’s absence would be a cost-effective control to, at minimum, establish an expectation that sick leave be taken for authorized purposes.

- 2 This number is higher for retirements after 2020. 72% of sworn employees who retired in 2021-2024 did so directly after a period of extended leave, compared to 50% in 2018-2020.
- 3 Over the same period, 63 civilian employees retired from SPD and ten of those retirements were from periods of extended leave.



Recommendation 1**Provide Verification of Authorized Purpose**

SPD should require that employees, within a reasonable time period during their leave, provide verification that sick leave use exceeding four days was for an authorized purpose.

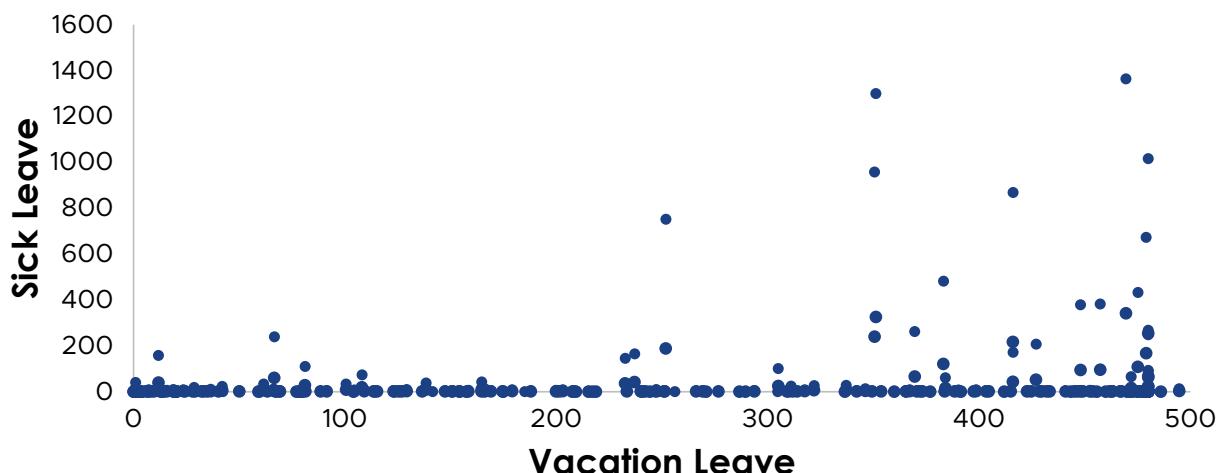
SPD Response

■ Concur Do Not Concur

Spending Down Sick Leave Prior to Retirement is a Common Practice Within SPD

Of the 276 sworn employees retiring from extended leave status, 219 (79%) used every full day of sick leave they had accrued. 224 (81%) did not appear to take a state-approved leave such as workers comp. The same employees generally did not spend down their vacation hours – which unlike sick leave, is paid out at 100%. The median SPD employee retiring from extended leave cashed out 251 hours of remaining vacation and only 3.68 hours of sick leave.⁴

Figure 1: Leave Balances at Retirement - SPD Sworn



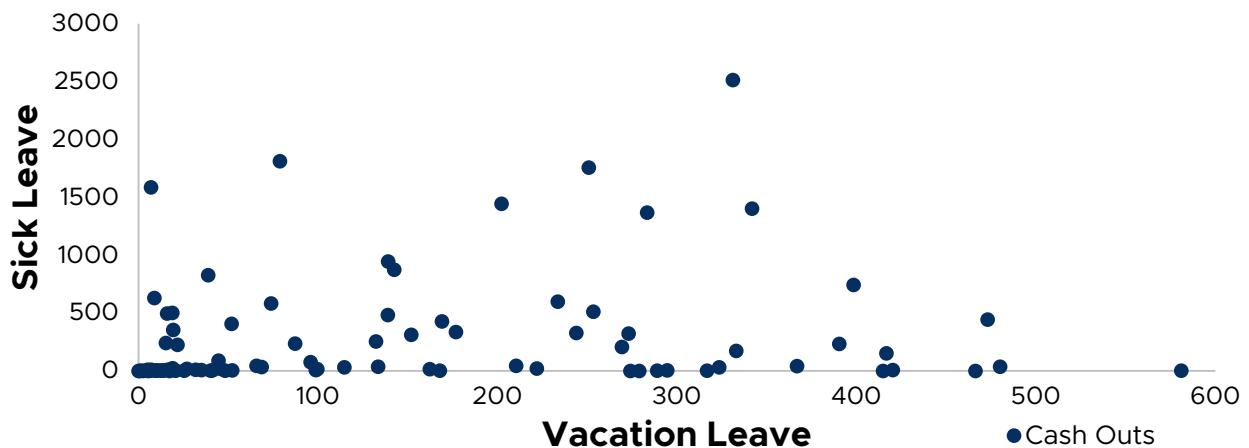
Scatter plot showing that employees generally retired with little sick leave but significant amounts of vacation leave.

OIG surveyed other City departments to understand if the practice of spending down sick leave was as common outside SPD. Payroll records for 86 employees in six departments for the year 2024 showed that the median employee retired with 32 hours of sick leave. 36% cashed out less than one full day of sick leave.⁵ This indicates that the practice of retiring with minimal sick leave payout is not exclusive to SPD, yet only 5% of City retirees reviewed had a significant period of sick leave prior to retirement.⁶ This trend suggests that City employees generally take more leave during their employment, while SPD employees save it until the end of their career.

- 4 Of the five retirees who “cashed out” the most sick leave prior to retirement, four had ongoing OPA investigations at the time of separation.
- 5 For comparison, at least 50% (219 of 441) of SPD sworn employees retired with less than one day of sick leave. This percentage may be higher, but OIG did not review payroll records for 165 employees who retired without going on extended leave status.
- 6 Due to variations in how departments produced payroll reports, OIG received records for 151 employees, seven of whom had been on a period of leave prior to retirement.



Figure 2: Leave Balances at Retirement - Other City Employees



Scatter plot showing sick and vacation leave balances for other City employees.

This interpretation is supported by SPD staff who explained it is common for officers to delay medical treatments or procedures until the end of their career. One interviewee explained that when an employee has a large sick leave balance at the end of their career, this is generally seen as an indication of someone who was available when the Department needed them, and who did not take leave even when they could. This practice appeared recognized by SPD HR staff who in some cases placed employees onto 'unavailable' status with explanations such as "[employee name] is now on Unavailable list as he is burning time and will not be returning to the department".

Collective Bargaining Agreements Incentivize Sworn Personnel to Save Their Sick Leave Until the End of Their Employment

Until recently, both SPOG and the SPMA contracts include sick leave incentive programs that reward officers for not taking sick leave throughout a given year. The SPOG contract signed on December 9, 2025 eliminated this program for most sworn personnel, but the program continues in the SPMA contract. Under these sick leave incentive programs, officers who do not use any sick leave during the year are credited 16 hours of additional sick leave. Officers who use two or fewer sick days receive 12 hours, and officers who use four or fewer days receive eight hours.

Sick incentive hours could not be used until all other sick leave has been exhausted and could not be cashed out when an officer separated from the Department. For officers to recognize this benefit, they must first use up all their accrued sick leave and then use all their incentive leave.

203 out of 276 (74%) SPOG and SPMA retirees within the period reviewed used a total of 35,333 sick incentive hours during their period of extended leave, and of those, 53% used more than four weeks (160 hours) of incentive leave. To accrue that many incentive hours, those officers would have worked ten years without taking a sick day, 20 years of fewer than four sick days, or some mix thereof. Sworn personnel started extended leave with a median of 862 hours of combined sick and incentive leave hours, which is equivalent to five working months.

On December 9, 2025, the Seattle City Council approved contracts for the Seattle Police Officers Guild (SPOG) and the Seattle Police Management Association (SPMA). The new SPMA contract removed language requiring officers to exhaust all sick leave prior to using sick incentive leave



hours, and the new SPOG contract eliminated the sick leave incentive program altogether. Due to these developments, there is no recommendation related to this finding.

SPOG CBA Does Not Provide for a VEBA Option

A Voluntary Employee Benefits Account (VEBA) is one alternative that many City unions provide employees. A VEBA account allows employees to cash out their unused leave balances upon retirement for post-retirement healthcare costs as allowed under IRS regulations. Among City employees OIG reviewed, 59% of them rolled their sick leave into VEBA.

SPMA has a VEBA provision in their CBA which takes a tiered approach, where the percentage of VEBA contributions increases with the number of sick leave hours available at separation. The provision also stipulates that employees must notify the Department of their plan to retire six months in advance.

At this time, SPOG employees do not have a VEBA option as an alternative to spending down all available leave balances.

Recommendation 2

The City Should Consider Bargaining Parameters

The City should consider including bargaining parameters regarding a VEBA option in future bargaining with SPOG.

SPD Response

- Concur Do Not Concur

The Practice of Spending Down Sick Leave Creates Additional Costs for the City

Over the reviewed period, the City paid approximately \$3 million per year in sick leave salary to sworn employees who were functionally retired. Additionally, while employees are on extended leave, the City continues to make medical and retirement contributions. For the 276 sworn employees included in this audit, the City paid an average of \$900,000 per year in combined medical and retirement contributions attributable to sick leave pay while they were on extended leave.⁷

Because this audit was unable to assess what proportion of sworn employees' sick leave was for authorized purposes, it is not possible to calculate how much of the \$3.9 million in annual combined sick leave and employer contributions were attributable to legitimate uses of sick leave.

Employees reviewed by this audit accrued 18,950 additional sick leave hours while on extended leave, equivalent to \$1.2 million, and 32,444 hours of additional vacation leave, equivalent to \$2.1 million. In a hypothetical scenario where the City was able to avoid these continuing leave accruals and their directly attributable costs (employer contributions and additional accruals) by paying sworn employees 100% of their sick leave to retire instead of going on extended leave, the City would have saved an average of at least \$1.7 million per year.

⁷ There are additional added costs associated with filling an unavailable officer's position with another officer in an acting role, however this audit did not attempt to calculate those.



Matter for Consideration: Practice of Spending Down Leave Creates Delays in Backfilling Supervisory Positions

35% of employees OIG reviewed occupied supervisory positions while on extended leave. These employees were out on extended leave for an average of over nine months, however SPD policy only requires employees to provide two weeks' notice prior to their last day of work.⁸ Before this notification takes place, even if management is aware of an officer's intent to spend down sick leave prior to retirement, the Department cannot move forward with promoting another officer into the vacant position. Consequently, the Department can either leave the position unfilled, which this audit found to be the case 71% of the time, or fill it with an officer working as an acting employee.⁹

The potential operational impacts of months' or even years' long gaps in supervisory positions are difficult to quantify and may be a subject for further examination, as are potential equity implications related to the assignment of acting roles.

Conclusion

This audit found several factors that contribute to SPD officers' use of extended leave prior to retirement, including policies that offer incentives to not use sick leave throughout their employment, a general practice of delaying medical procedures until just before retirement, and a lack of alternatives to the 25% sick leave cash out rate for SPOG members.

Offering alternatives to the 25% sick leave cash out rate, such as VEBA, may be beneficial to both SPD and individual officers by reducing the impacts of extended leave on SPD recruitment, staffing, and promotional opportunities.

⁸ 2.030-POL-1(2)

⁹ In the course of this audit OIG spoke with individuals who expressed concern about equity in the assignment of acting roles, of which, positions examined in this review are only a subset.



Appendix A: Department Response

Recommendation 1

Provide Verification of Authorized Purpose

SPD should require that employees, within a reasonable time period during their leave, provide verification that sick leave use exceeding four days was for an authorized purpose.

Management Response

- Concur Do Not Concur

Yes. As a part of the recent settlement of the collective bargaining agreement between the City and the Seattle Police Officers' Guild (see: Seattle Police Officers' Guild Contract effective through December 31, 2027, Appendix G), the parties agreed to meet and finalize revisions to the sick leave policy. The revised sick leave policy has been drafted and City labor relations personnel and department representatives recently met with both the Guild and the Seattle Police Management Association to bargain final language. When finalized, the revised policy will require employees to provide certification from a healthcare provider for short-term absences upon return to work, and for long-term absences during the pendency of their leave.

Estimated Date of Implementation: Resolving sick leave bargaining issues has been fast tracked and the department's Policy Unit is working to update related forms. Estimated implementation will occur in the second quarter of 2026.

Recommendation 2

The City Should Consider Bargaining Parameters

The City should consider including bargaining parameters regarding a VEBA option in future bargaining with SPOG.

Management Response

- Concur Do Not Concur

Yes. The department supports consideration of a VEBA option in the next round of Guild negotiations. Please note that bargaining parameters are set by the City's Labor Relations Policy Committee, which is comprised of City Council members and Mayor's office representatives.

Estimated Date of Implementation: Bargaining parameters are generally set beginning in the May of the year of the current contract expiring. Based on this schedule, parameter discussions will begin in early 2027.



Appendix B: Methodology

OIG strives to make objective, well-informed findings and recommendations as part of the audit process. Audit staff conducted the following investigatory steps to inform audit findings:

- Interviewed SPD Deputy Director of Human Resources, SPD management, payroll supervisor, and Director of Labor Relations.
- Analyzed payroll records for periods of extended leave for SPD employees who retired between January 2018 - May 2024.
- Analyzed payroll records for City employees who retired in 2024.
- Analyzed employee position history and extended leave data from SPD Employee Movement Tracker (EMT), Police Employee Data System (PEDS), and case management system (IA Pro).
- Reviewed RCW 49.46.210 – Paid Sick Leave – Authorized Purposes – Limitations, SMC Chapter 14.16 – Paid Sick Time and Paid Safe Time, City HR Personnel Rule 7 – Leaves, SPD Policy Manual Title 4 – Human Resources, and SPOG & SPMA collective bargaining agreements.
- Reviewed SPD Promotional Rosters 2016 – 2023.





Seattle Office of Inspector General

The Office of Inspector General for Public Safety (OIG) was established in 2017 via Ordinance 125315 to help ensure the fairness and integrity of the police system in its delivery of law enforcement services. OIG provides independent auditing of the management, practices, and policies of the Seattle Police Department and the Office of Police Accountability. Additionally, OIG oversees ongoing fidelity to organizational reforms implemented pursuant to the goals of the 2012 Consent Decree and Memorandum of Understanding.

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