

MEMORANDUM

TO: Personnel, Legislative and Public Affairs

SUBJECT: Amendment to Sick Leave Policy

DATE: April 21, 2008

FROM: John Winkler, Pat Teer, Dick Sklenar, & Jack Lawless

For several years employees have inquired about the possibility of compensation for unused sick leave, especially at voluntary resignation or at retirement. In January, 2006, the former General Manager appointed a committee of 10 staff members to discuss the issue and acquire information from other governmental entities. The investigation (attached) revealed that many governmental entities, especially in the metro area, do provide some compensation, and most of those have a buy-back in the 25-50% range.

The Employee Committee tasked three members (Jack Lawless, Dick Sklenar and Pat Teer) to meet informally with members of the Personnel, Legislative and Public Affairs Subcommittee to review the employee's proposals and to determine if there was any support to pursue this issue. Due to management issues/changes, work on this issue was suspended.

At the request of employees, GM Winkler gave the green light to continue work on this proposal. Since that time, staff members and the General Manager have visited with members of the PLPA Subcommittee to review the methodology to use to establish a buy-back program for unused sick leave days accumulated by the employee. After several meetings and reviewing several methods for the buy-back, it was determined that it would be best to keep it simple. Therefore, the proposal is a 25% buy-back of unused sick leave days at retirement, termination in good standing or death.

General Manager John Winkler endorses the proposal as a valuable management tool in the hiring of future employees in a competitive and shrinking labor pool.

The following examples are provided should the revision be approved;

Example 1: Employee making \$22.82/hr with 65 hours of accumulated sick leave at date of retirement, termination in good standing or death

Buy-back 65 hr x \$22.82/hr x 25% =	\$370.83
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Example 2: Employee making \$70,726.50/year (\$36.27/hr.) with 1,350 hours of accumulated sick leave at date of retirement, termination in good standing or death

Buy-back 1350 hr x \$36.27/hr x 25% =	\$12,241.13
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The yearly cost would be determined on how many people leave the District during any given year; but, we estimate the cost to be \$15,000 per year.

Also attached the P-MRNRD Sick Leave policy and suggested changes.

- **It is recommended that the PLPA Subcommittee recommend to the Board that the P-MRNRD sick leave policy be amended to provide that each full time employee will be compensated for unused sick leave upon retirement, termination in good standing or death at the rate of 25% of salary, no payment of accumulated sick leave will be made to an employee in the event of termination for cause or resignation prompted by an action of the employee that could result in disciplinary action, and that the P-MRNRD Sick Leave Policy is amended to read as follows:**

SICK LEAVE:

Each full time employee will accrue one and one-half (1-1/2) days per month sick leave. This leave may only be used in the case of actual sickness and/or for actual, necessary visits to doctors or dentists.

It is the purpose and intent of this plan to provide for eligible employees when they suffer the misfortune of an extended illness or disability. Therefore, to avoid possible abuse of this benefit, a physician's statement will be required by the District as verification of illness or accident, before sick leave benefits are paid when an employee has been absent for three (3) consecutive working days. Sick leave pay benefits for work related injury/accidents will be coordinated with Worker's Compensation benefits received by the employee.

The General Manager has the authority, in his discretion, to permit an employee to utilize sick leave to tend to the needs of his/her spouse and "immediate family." The term "immediate family" is defined to include spouse, children and parents of the employee and children and parents of employee's spouse. The use of sick leave for this purpose will require approval by the General Manager. An example of approved sick leave under this situation would be where an employee's spouse is ill and children require attention until other adequate arrangements can be made. The illness of a spouse requiring a doctor's attention would be a second example.

Accrued but unused sick leave may be carried forward from year to year, up to a cumulative total of 180 days. For those employees who have over 180 days of accumulated sick leave, their cap will be set at the amount of accumulated sick leave as of June 30, 1994. If an employee whose cap is over 180 days drops below 180 days of sick leave as of June 30th of any given year, that employee's cap would be re-established at 180 days.

~~No pay allowance will be granted for accrued but unused sick leave upon separation from employment. Sick leave is neither an earned benefit that has independent cash value, nor a form of deferred compensation. Rather, it is an income protection program only for those employees who, while employed by the District, are absent from work due to the reasons stated in this policy. Therefore, conversion of sick leave accruals to pay in lieu of sick leave is not permitted. Likewise, no sick leave benefits are paid upon termination of employment for any reason.~~

Abuse of this sick leave policy may result in loss of the sick leave benefit and/or discharge.

Part-time and temporary employees are not eligible for sick leave.

Wellness Benefit: Each full time employee will be compensated for unused sick leave upon retirement, termination in good standing or death at the rate of 25% of salary. No payment of accumulated sick leave will be made to an employee in the event of termination for cause or resignation prompted by an action of the employee that could result in disciplinary action.

Amended: February 8, 2007; May 8, 2008

Sick Leave Policies for NRD's and Local Government Entities
January 2006

Governmental Entity	Days Per Year	Max Days	Policy for Buy Back
Blair (City of)	9	105	At death or retirement - 50%; upon resignation in good standing 5% - 50% based on years of service
Central Platte NRD	12	90	Buy Back Annually July 1st @ 50% hours over 720
City of Omaha	15.27	312.5	2500 hrs. At 800 hrs receive added 1.9 hrs pd AL. Retire/term buy back based on hours
City of Lincoln	13	247	At retire/death 55% of SL pd 1/3 cash 2/3 PEHP. At seperation w/15 yrs 50% pd at 1/3 cash 2/3 PEHP
Douglas County	14	180	Credited toward length of service when calculating benefits
Lewis & Clark NRD	9	45	No Buy Back...excess of 45 lost on January 1st of each year.
Little Blue NRD	12 to 30	180	25% at retirement or upon death 25% to beneficiary
Lower Big Blue NRD	12	120	25% at termination
Lower Elkhorn NRD	12	90	No Buy Back LEAVE DONATION (one time employee negotiation of 50% at retirement)
Lower Loup NRD	12	60	No Buy Back
Lower Niobrara NRD	10	40	No Buy Back
Lower Platte North NRD	13	90	over 720hr pd \$7.50 into 457 plan IF matched by employee At retire/sep pd 100% on hours over 360.
Lower Platte South NRD	12	90	No Buy Back
Lower Republican NRD	12	120	No Buy Back
Middle Republican NRD	12	90	No Buy Back
MUD	PTO 5	20 (15 carry over)	No Buy Back. Use PTOS for sick leave up to 8 day then supplemental kick in. Runs between 26-52 weeks @ 50-100%, long term disability
Nebraska Assn of Resources Districts	12	Unlimited	No Buy Back
OPPD	Years Svs	N/A	No Buy Back. Days vary between 10-52 weeks based on service. Reconstitute if 16 wks w/o absents @ 6 weeks to graduated scale
Papio-Missouri River NRD	18	180*	* some employees grandfathered at 1994 rate. at No Buy Back
Plattsmouth (City of)	12	90	At retirement, death or resignation, 50% buy back of sick leave
Sarpy County	13	120	At retire/separation less 10 yrs pd 25% up to 240 hrs/10 yrs+ pd 50% up to 480 hrs
State of Iowa	18	Unlimited	At 241 hours may in lieu AL 1 AL to 3 SL when SL not used during that month. Up to 96 hours/12 days
State of Nebraska	12 to 30	180	At age 55+ or less if meets criteria retirement or at death @ 25%
Tri-Basin NRD	12	60	At termin pd 100% up to 480 hrs/60 days. LEAVE DONATION
Twin Platte NRD	12	90	No Buy Back
US Dept of Labor	N/A	N/A	Federal law does not require sick leave. No buy back obligation. FMLA to 12 wks unpaid for certain situations.
Upper Big Blue NRD	12	60	25% at retirement or upon death 25% to beneficiary
Upper Elkhorn NRD	10 to 24	90	At retire, death, resign. % based on years service up to 25%. LEAVE DONATION
Upper Loup NRD	12	36	No Buy Back
Upper Republican NRD	13 to 22.75	90	At retire, death, resign. % based on years service up to 25%.

Note: Although not included in the survey most school districts in the metro area offer some form of payment for unused sick leave.

Updated: April 16, 2008

SIMPLE PLAN (25%)

		12/31/2007		Balance	Maximum	Net Sick			Pay 25%
Year of	Birth	Age	Emp	Date	12/31/2007	180 Days	Leave	Hourly	on balance
			Number	Hired	Hours	(in hours)	after cap	Rate	(max 180 days)
									on Termination
41	67		225	8/1/1990	65.00		65.00	22.82	370.83
42	66		125	7/8/1988	1559.08	1440.00	1440.00	30.78	11,080.80
43	65		58	10/30/2006	128.20		128.20	13.09	419.53
43	65		120	12/14/1981	751.00		751.00	23.62	4,434.66
43	65		137	9/5/1989	1567.54	1440.00	1440.00	22.85	8,226.00
44	64		220	12/3/1973	2135.76	1440.00	1440.00	29.26	10,533.60
44	64		265	10/4/1993	1495.04	1440.00	1440.00	23.89	8,600.40
44	64		300	4/1/1970	1579.30	1350.00	1350.00	40.92	13,810.50
46	62		161	11/24/1997	389.00		389.00	19.02	1,849.70
47	61		85	6/29/1992	234.45		234.45	23.15	1,366.88
48	60		30	2/13/1984	1450.20	1350.00	1350.00	36.27	12,241.13
49	59		80	9/27/1976	1473.20	1350.00	1350.00	39.39	13,294.13
49	59		170	9/23/1996	1030.30		1030.30	29.11	7,498.01
49	59		260	1/1/1974	2370.55	1350.00	1350.00	50.93	17,188.88
49	59		400	5/8/1974	1952.05	1350.00	1350.00	40.40	13,635.00
50	58		480	10/15/1979	1290.00		1290.00	34.26	11,048.85
52	56		25	2/6/1984	1221.75		1221.75	37.17	11,353.11
52	56		485	2/6/1992	1450.60	1440.00	1440.00	20.10	7,236.00
52	56		500	2/27/1978	1988.25	1440.00	1440.00	27.10	9,756.00
54	54		690	2/10/2003	188.40		188.40	18.99	894.43
55	53		230	1/1/1989	145.00		145.00	22.41	812.36
56	52		55	10/3/1984	1418.30		1418.30	24.42	8,658.72
56	52		60	11/30/1978	1892.30	1350.00	1350.00	42.22	14,249.25
56	52		91	6/2/1997	309.56		309.56	15.90	1,230.50
58	50		450	11/4/1993	513.30		513.30	28.04	3,598.23
60	48		221	11/10/1997	0.00		0.00	22.25	0.00
61	47		90	7/1/1989	1437.20	1350.00	1350.00	23.03	7,772.63
62	46		155	10/13/1986	1064.80		1064.80	19.49	5,188.24
62	46		235	7/15/2002	460.90		460.90	26.78	3,085.73
63	45		680	2/21/1983	1014.80		1014.80	25.30	6,418.61
64	44		240	3/28/1988	1426.70	1350.00	1350.00	23.76	8,019.00
65	43		246	3/17/2003	434.00		434.00	16.19	1,756.62
66	42		270	4/18/1999	913.58		913.58	16.56	3,782.22
66	42		378	10/6/1992	1451.88	1440.00	1440.00	23.82	8,575.20
66	42		600	12/1/2006	145.60		145.60	57.93	2,108.65
72	36		375	5/11/1992	132.04		132.04	18.26	602.76
74	34		99	11/5/2007	20.80		20.80	30.53	158.76
74	34		146	1/4/2006	20.13		20.13	14.16	71.26
74	34		231	5/30/2000	154.14		154.14	14.89	573.79
75	33		280	5/12/1997	61.60		61.60	25.49	392.55
76	32		111	8/27/2002	438.80		438.80	30.82	3,380.95
78	30		492	4/1/1996	675.36		675.36	16.21	2,736.90
79	29		650	1/7/2002	543.70		543.70	33.54	4,558.92
80	28		510	9/19/2000	462.50		462.50	16.45	1,902.03
81	27		243	3/28/2005	5.20		5.20	12.96	16.85
		TOTAL			39461.87			26.32 Avg	254,479.13

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