



LAKE COUNTY
BOARD OF COUNTY COMMISSIONERS
County Procedure

Title: LEAVE ACCRUAL ADMINISTRATION

Number: ES-6.01.01

Approved: July 7, 2009

Originator: Office of Employee
Services & Quality
Improvement

Review: July 7, 2014

I. PURPOSE AND SCOPE

To establish administrative guidelines for annual leave, sick leave, and incentive days provided in accordance with Lake County Board of County Commissioners (BCC) Policy LCC-88, Leave Accruals. Where specific provisions of a collective bargaining agreement apply to certain employees, the collective bargaining agreement provision controls. This procedure is effective July 5, 2009.

II. DEFINITIONS

N/A

III. PROCEDURES

A. Annual Leave Administration

Annual leave shall be accrued by eligible employees at the applicable rate as established in Lake County BCC Policy LCC-88, Leave Accruals.

1. Accumulation of Leave

Annual leave shall be earned on an hour-by-hour basis commencing on the employee's first day of employment. An employee must be in a pay status to earn annual leave, e.g. regular hours, vacation hours, sick hours, paid administrative leave hours, etc. Annual leave hours will not be accrued for unpaid hours.

2. Use of Leave

Employees shall request authorization to use annual leave as far in advance as practical to allow sufficient time for the employee's department to plan for adequate coverage. Leave shall be requested via a Leave Request Form or other documented means, as deemed appropriate by the supervisor.

Supervisors are responsible for reviewing requests for leave and either approving or denying the leave in accordance with operational demands.

Annual leave may be used in quarter-hour increments. Probationary employees may not use annual leave without the express approval of their Department Director during their first six (6) months of employment.

Employees may not receive pay in lieu of taking annual leave days (e.g. no annual leave sell-back).

Annual leave may be used in lieu of sick leave once sick leave accruals have been exhausted. All accrued leave must be exhausted before going into unpaid status, (except in the case of unpaid furloughs implemented by the County as a result of budgetary conditions).

Employees receiving income replacement benefits (60% of earnings) from the voluntary Short Term Disability program shall use accrued leave, sick then annual in order to receive compensation for the first seven (7) days of a disabling illness/injury (if applicable) and to compensate for the remaining 40% of earnings. Total compensation from all sources shall not exceed 100%. All leaves must be exhausted prior to receiving only compensation from the Short Term Disability insurance carrier. Different rules apply to employees taking leave in accordance with the Family Medical Leave Act (FMLA). Please refer to policy LCC-84, FMLA and procedure ES-6.04.08 for additional information.

3. Annual Leave Limit

Limits for accrual and payout of annual leave have been established in Lake County BCC Policy LC-88, Leave Accruals. Employees may accumulate annual leave in excess of the limits during the year.

The Office of Employee Services and Quality Improvement (Employee Services) shall evaluate annual leave accrual balances at the conclusion of the twenty-sixth payroll period of each year. Hours exceeding the applicable limit will be forfeited by the employee and deducted from their leave balance unless prior written authorization from the employee's Department Director to carry over the excess leave is received by Employee Services by the last day of the twenty-sixth pay period of the year.

4. Annual Leave Payout Administration

Separating employees who are eligible to receive a payout of accrued annual leave subject to the limitations in Lake County BCC Policy LCC-88 may elect to receive eligible annual leave either as a cash payout or into their already-established deferred compensation 457(b) account. Amounts in excess of the

annual limit as prescribed by the Internal Revenue Service (IRS) for the year in which the payout is made will automatically be paid out in a lump-sum cash distribution. Otherwise, payouts cannot be split between options. Applicable taxes will be withheld.

By default, eligible leave will be distributed as a cash payout.

Employees who wish for their annual leave hours to be distributed to their already-established 457(b) account must notify Employee Services in writing (e.g. via email, letter, etc.) of their election no later than the close of business on their last day of work. Failure to provide timely notification will result in the leave being paid out in the default method.

B. Sick Leave Administration

Sick leave shall be accrued by eligible employees at the rate established in Lake County BCC Policy LCC-88, Leave Accruals.

1. Accumulation of Leave

Sick leave shall be earned on an hour-by-hour basis commencing on the employee's first day of employment. An employee must be in a pay status to earn sick leave, e.g. regular hours, vacation hours, sick hours, paid administrative leave hours, etc. Sick leave hours will not be accrued for unpaid hours.

There is no limit to the amount of sick leave that may be accrued.

2. Use of Leave

Employees are eligible to use sick leave for the illness, accident, injury or dental or physician's appointment for the employee or a member of the employee's immediate family.

Immediate family is defined as current spouse, parents, parents-in-law, children, step-children, grandchildren, grandparents, brothers, sisters or persons living in the employee's household.

Sick leave can also be used after bereavement leave is exhausted in the case of death of an immediate family member as defined above, and may additionally be used in case of death of the employee's aunt, uncle, sister-in-law or brother-in-law.

Employees shall request authorization for scheduled sick leave absences as far in advance as practical to allow sufficient time for the employee's department to

plan for adequate coverage. Leave shall be requested via a Leave Request Form or other documented means, as deemed appropriate by the supervisor. Supervisors are responsible for reviewing leave requests. Scheduled sick leave requests shall be approved unless extenuating operating circumstances dictate otherwise. In such case, the supervisor and employee shall work to find a mutually agreeable alternative leave schedule.

Unscheduled sick leave shall be documented on the employee's time sheet and authorized by the supervisor upon signature of the time sheet. Department Directors may also optionally require that a Leave Request Form is completed for an unscheduled absence after it has occurred.

All accrued leave must be exhausted before going into unpaid status (except in the case of unpaid furloughs implemented by the County as a result of budgetary conditions).

Employees receiving income replacement benefits (60% of earnings) from the voluntary Short Term Disability program shall use accrued leave, sick then annual in order to receive compensation for the first seven (7) days of a disabling illness/injury (if applicable) and to compensate for the remaining 40% of earnings. Total compensation from all sources shall not exceed 100%. All leaves must be exhausted prior to receiving only compensation from the Short Term Disability insurance carrier. Different rules apply to employees taking leave in accordance with the Family Medical Leave Act (FMLA). Please refer to policy LCC-84, FMLA and procedure ES-6.04.08 for additional information.

4. Excessive Use of Sick Leave

Sick leave is extended to employees as a privilege, not as a benefit. Abuse of sick leave is considered unwillingness to perform job functions and may constitute grounds for corrective action, up to and including termination. Abuse is determined on a case-by-case basis; however, some examples of abuse are using unscheduled leave:

- more than three (3) first day of the workweek absences or more than three (3) last day of the workweek absences in any 12-month period
- in a routine pattern taking a sick day as sick leave is earned; or
- in excess of 50% of the employee's total sick leave accrual.

Sick leave used under the provisions of the Family/Medical Leave Act is exempted from being defined as abuse.

Supervisors who suspect that an employee is abusing their sick leave should contact Employee Services to determine if corrective action or other measures

are appropriate given the employee's FMLA status and absence history. With the concurrence of Employee Services, supervisors may require employees to submit written certification from a physician to substantiate absences.

5. Sick Leave Payout Administration

Separating employees who are eligible to receive payout of sick leave subject to the provisions and limitations in Lake County BCC Policy LCC-88 may elect to receive eligible sick leave either as a cash payout, a payout into their already-established deferred compensation 457(b) account (amounts in excess of the annual limit as prescribed by the Internal Revenue Service (IRS) for the year in which the payout is made will automatically be paid out as a lump-sum cash distribution), or as a payout into their already-established Post Employment Health Plan (PEHP) account. Applicable taxes will be withheld.

Payouts cannot be split between options, except as noted above for IRS annual limits.

By default, eligible leave will be distributed as a cash payout.

Employees who wish for their sick leave hours to be distributed to either their already-established 457(b) or their already-established PEHP account must notify Employee Services in writing (e.g. via email, letter, etc.) of their election no later than the close of business on their last day of work. Failure to provide timely notification will result in the leave being paid out in the default method.

C. Incentive Day Administration

The BCC provides eligible employees the opportunity to earn incentive days when sick leave is used conservatively in accordance with Lake County BCC policy LC-88. Incentive days are a conversion of sick leave to annual leave.

Employees who have been employed by the BCC from the first day of the first payroll period of the year through the last day of the twenty-sixth payroll period of the year and who accrue leave are eligible to convert a portion of their sick time, less sick time used during the pay year, to annual leave. The maximum number of hours eligible to be converted is established in LC-88 and is as follows:

<u>Scheduled Work Day</u>	<u>Maximum Number of Converted Hours</u>
4.0	20.0 minus hours used
5.0	25.0 minus hours used
7.5	37.5 minus hours used
8.0	40.0 minus hours used
10.0	40.0 minus hours used
24.0	53.0 minus hours used

Sick leave hours will be converted on an hour-for-hour basis, with a minimum of four (4) hours to be converted.

Example: An eligible employee who works an 8-hour per day shift uses 16.0 hours of sick leave during the year. The employee is eligible to convert 24.0 hours from sick leave to annual leave for that year.

Hours donated to the sick bank or converted from sick to annual leave in the previous year will not be counted as sick leave hours used by the affected employee.

Following the end of the twenty-sixth payroll period of the year, Employee Services will determine eligibility for leave conversion and convert all eligible time unless the eligible employee specifically requests otherwise.

Employees who do not wish to convert eligible sick leave hours to annual leave in accordance with these provisions must provide written notification to Employee Services no later than the close of business on the last day of the twenty-sixth payroll period of the year.

Converted time will be deducted from the employee's sick leave balance and added to the employee's annual leave balance. Newly converted annual leave will be available to the employee on the first payroll period of the next pay year.

IV. RESERVATION OF AUTHORITY

The authority to issue or revise this Procedure is reserved to the County Manager. The County Manager may authorize exceptions to this procedure when deemed appropriate.

Approved By: Cindy Hall, County Manager
Date: 7/7/09