

## **AFSCME Article 17.06 Sick Leave Cash Out or Conversion**

1. **Option #1 – Sick Leave Cash Out Upon Termination:**  
Upon death, termination or retirement, an employee (or a deceased employee's beneficiary or estate) shall receive payment equal to twenty-five percent (25%) of such employee's then accrued and unused sick leave hours at the employee's last hourly rate of pay; provided, however, that under no circumstances may an employee's payment for accumulated sick leave exceed sixty-four (64) hours. The twenty-five percent (25%) payment will not be made for unused sick leave if an employee leaves the City during his or her new-hire probationary period.
  
2. **Option #2 - Annual Sick Leave Cash Out/Conversion:**  
After achieving a certain minimum sick leave balance, employees are able to cash out or convert to vacation leave ten percent (10%) of sick leave earned but not taken during a calendar year. The percentage of unused sick leave eligible to be cashed out/converted will increase to twenty-five percent (25%) and then to fifty percent (50%) upon achieving a significantly higher sick leave balance. Sick leave cash out/conversion is elective. It is the employee's choice whether to participate in the sick leave cash out/conversion program. The employee shall make his/her election of cash out or conversion to vacation leave during the annual election period in January of each year.

**Note:** Once an employee utilizes Option #2 to participate in the annual sick leave cash out/conversion program, he/she will not be eligible for sick leave cash out under Option #1 (upon termination or retirement).

a) **10% Cash Out:**

Upon achieving a sick leave balance of one-hundred (100) hours, an employee shall be eligible to cash out or convert to vacation leave ten percent (10%) of the sick leave he/she accrued but did not use during the previous calendar year. If cash out is selected by the employee, the employee shall be paid for the unused sick leave at his/her base rate of pay in effect as of December 31 of the year for which sick leave hours are cashed out, and the employee's sick leave balance will be reduced by the amount of sick leave cashed out. If leave conversion is selected by the employee, the employee's vacation leave shall be credited (added) by the same number of hours by which his/her sick leave bank is debited (deducted).

b) **25% Cash Out:**

Upon achieving a sick leave balance of three-hundred (300) hours, an employee shall be eligible to cash out twenty-five percent (25%) of the sick leave he/she accrued but did not use during the previous calendar year. If cash out is selected by the employee, the employee shall be paid for the unused sick leave at his/her base rate of pay in effect as of December 31 of the year for which hours are cashed out, and the employee's sick leave balance will be reduced by the amount of leave cashed out. If leave conversion is selected by the employee, the employee's vacation leave shall

be credited (added) by the same number of hours by which his/her sick leave bank is debited (deducted).

c) **50% Cash Out:**

Upon achieving a sick leave balance of seven-hundred twenty (720) hours, an employee shall be eligible to cash out fifty percent (50%) of the sick leave he/she accrued but did not use during the previous calendar year. If cash out is selected by the employee, the employee shall be paid for the unused sick leave at his/her base rate of pay in effect as of December 31 of the year for which hours are cashed out, and the employee's sick leave balance will be reduced by the amount of leave cashed out. If leave conversion is selected by the employee, the employee's vacation leave shall be credited (added) by the same number of hours by which his/her sick leave bank is debited (deducted).



## MEMORANDUM

Date: February 5, 2010  
To: All Non-Represented Employees  
Through: Todd Cutts, Acting City Manager *TC*  
From: Anh Hoang, Human Resources Director *AH*  
Re: **Sick Leave Cash Outs for Non-Represented Employees**

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The purpose of this memorandum is to revise the Employee Handbook, page 14, Sick Leave section, as it applies to non-represented ("NR") employees. The current Employee Handbook, Sick Leave section, paragraph 3, states that employees who separate from City employment will "...receive payment equal to 25% of your accrued and unused sick leave, provided that the total cash-out of sick leave does not exceed 64 hours. This cash-out does not apply to any employee who leaves employment during the new hire probationary period."

By this executive order, cash-out of sick leave for NR employees shall be modified as follows:

### **Payment of Accumulated Sick Leave**

NR employees shall have the choice of one of the following two options for the cash-out of their accrued and unused sick leave. On an annual basis, NR employees shall have an opportunity to make their selection for sick leave cash out. If the NR employee does not make a selection choice amongst the two options below, his/her selection will be defaulted to Option #1. Once the employee selects Option #2 below, the employee will no longer be eligible for sick leave cash-out under Option #1 (cash-out upon separation of employment).

#### **1. Option #1 – Sick Leave Cash Out Upon Separation of Employment:**

Upon death, termination or retirement, an employee (or a deceased employee's beneficiary or estate) shall receive payment equal to twenty-five percent (25%) of such employee's then accrued and unused sick leave hours at the employee's hourly rate of pay at the time of separation; provided, however, that under no circumstances may an employee's payment for accumulated sick leave exceed sixty-four (64) hours. The twenty-five percent (25%) payment will not be made for unused sick leave if an employee leaves the City during his or her new-hire probationary period.

2. **Option #2 - Annual Sick Leave Cash Out:**

After achieving a certain minimum sick leave balance, NR employees are eligible to cash out a percentage of the sick leave they have earned but not taken during the calendar year. The percentage of accrued and unused sick leave eligible to be cashed out will increase incrementally upon the achieving higher sick leave balances. Sick leave cash out is elective. It is the employee's choice whether to participate in the sick leave cash out program. All sick leave hours cashed out will be deducted from the employee's accrued sick leave balance.

a. **10% Cash Out:**

Upon achieving a sick leave balance of one-hundred (100) hours by December 31, an employee shall be able to cash out ten percent (10%) of the sick leave he/she accrued but did not use during that calendar year. The employee shall be paid for the unused sick leave at his/her base rate of pay in effect as of December 31 of the year for which the sick leave hours are accrued and cashed out. The employee's sick leave bank will be reduced by the amount of sick leave cashed out.

b. **25% Cash Out:**

Upon achieving a sick leave balance of three-hundred (300) hours by December 31, an employee shall be able to cash out twenty five percent (25%) of the sick leave he/she accrued but did not use during that calendar year. The employee shall be paid for the unused sick leave at his/her base rate of pay in effect as of December 31 of the year for which sick leave hours are accrued and cashed out. The employee's sick leave bank will be reduced by the amount of leave cashed out.

c. **50% Cash Out:**

Upon achieving a sick leave balance of seven-hundred twenty (720) hours by December 31, an employee shall be able to cash out fifty percent (50%) of the sick leave he/she accrued but did not use during that calendar year. The employee shall be paid for the unused sick leave at his/her base rate of pay in effect as of December 31 of the year for which sick leave hours are accrued and cashed out. The employee's sick leave balance will be reduced by the amount of leave cashed out.

Other than the modification to NR employees' sick leave cash-out as specified above, all other provisions, policies and practices regarding sick leave accumulation and use shall remain in full force and effect for NR employees.

All employees who have questions regarding Sick Leave or any City policies should refer those questions to the Human Resources Department.