

# Town of Meredith - Administrative Regulation

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Revision Date: December 23, 2009                  Supersedes: January 15, 2008  
Approved By: Phillip L. Warren, Jr.

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## **SUBJECT: SICK LEAVE BANK & TRANSFER OF SICK LEAVE**

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### **I. PURPOSE**

This Administrative Regulation establishes a “Sick Leave Bank” and “Transfer of Sick Leave” Administrative Regulation to assist an employee, in order to protect their income by remaining in a paid status in the event of a major or catastrophic illness or disability. The Sick Leave Bank can be accessed after an employee has utilized all accrued sick and vacation leave and has been authorized for leave under FMLA (Family Medical Leave Act). This Administrative Regulation recognizes that absences may be consecutive or periodic.

### **II. ELIGIBILITY**

Membership in the Sick Leave Bank shall be voluntary and open to all employees who accrue sick leave.

### **III. DEFINITIONS**

- A. FMLA – Family Medical Leave Act of 1993 – FMLA entitles eligible employees to take up to 12 weeks of unpaid, job-protected leave in a 12-month period for specified family and medical reasons providing specific qualifications are met. (Reference the Town of Meredith’s Personnel Policy for more information).
- B. Sick Leave – Earned, paid leave granted to an eligible employee for periods of absence due to illness, injury, medical quarantine, medical, dental or optical examinations and treatment.
- C. Major or Catastrophic Illness/Injury - A non-job related personal illness or disability requiring absence from work for a period in excess of 30 consecutive working days. For the purpose of applying for Sick Leave Bank benefits, absences due to illnesses or disability of family members are not covered.
- D. Sick Leave Contribution – The transfer of accrued sick leave from the leave balance of an employee to the Sick Leave Bank. The value transferred will be the number of hours times the employee’s current rate of pay at the time of transfer.
- E. Contract Year – The initial contract year was January 1 through December 31, 2005. Thereafter, the contract year will be January through December, and will continue as such on an annual basis until rescinded.
- F. Qualification – An employee must be on FMLA before applying to the Sick Leave Bank. An employee wishing to request benefits from the Sick Leave Bank must be a voluntary member of the Sick Leave Bank.

- G. Sick Leave Bank - The Sick Leave Bank will be made up of the 8 (eight) hours members donate each January plus donated sick leave that has not been used by a designated recipient.

#### **IV. ADMINISTRATION OF SICK LEAVE BANK**

- A. Application for Benefits – An application for sick leave benefits must be submitted to the Town Manager’s Office who shall then verify information before forwarding to the Town Manager for approval. Approval will be granted if the application is consistent with the spirit and intent of the regulation.
- B. Utilization – Members utilizing sick leave from the Bank shall not have to replace the time taken.
- C. Confidentiality - All medical and leave information relating to a member of the Bank shall be treated as confidential information and will be kept at the Town Manager’s Office with the employee’s personnel records.

#### **V. ENROLLMENT PROCEDURE**

- A. Enrollment – An eligible employee must complete the **Sick Leave Bank Enrollment Form** with the Town Manager’s Office. By enrolling, the employee agrees to contribute 8 (eight) hours of their accumulated sick leave for that contract year.
- B. Open Enrollment – Each calendar year, employees must authorize participation in the Sick Leave Bank during open enrollment. Participating employees will be assessed 8 (eight) hours every January as their annual contribution to the Sick Leave Bank.
- C. New Employees – A new employee may enroll in the Sick Leave Bank during an open enrollment period upon completion of their six-month probationary period. **HOWEVER**, the employee is not to be eligible to draw from the bank until they have been employed with the Town for 12 (twelve) months.

#### **VI. ELIGIBILITY CRITERIA**

- A. The following criteria must be met:
1. The recipient must be a current member of the Sick Leave Bank.
  2. The recipient has used all accumulated sick leave, annual leave, or other compensated leave on record.
  3. The recipient will have made an application through the Sick Leave Bank for each separate illness or accident.
  4. The recipient shall have a continuing disability resulting from personal illness or injury and be unable to work.
  5. The recipient shall not be receiving any other form of compensation such as workers compensation, social security

disability or long or short-term disability payments, nor shall have received benefits from such a plan concurrent with the use of sick, annual or other compensated leave.

- B. Certification – Before an employee is eligible to apply to the Sick Leave Bank they must meet all FMLA requirements and have the necessary documentation on file. Once an employee has completed all FMLA requirements, the employee is eligible to receive up to 40 (forty) business days of leave for which they would otherwise be without pay.
- a. The recipient's status will be reviewed by the Town Manager's Office every 5 business days.
  - b. Recipients shall continue to accrue leave and service in accordance with the provisions of the Town of Meredith's Personnel Policy.

## **VII. DRAWING DOWN FROM THE SICK LEAVE BANK**

- A. Once an employee has been approved by the Town Manager to draw from the Sick Leave Bank, the necessary paperwork will be forwarded to the Administrative Services Department.
- B. Leave requests will be completed and forwarded to the Administrative Services Department by the employee, or their supervisor, each pay week.
- C. Payroll will take the amount of hours needed to pay an employee for a full week and transfer the hours from the Sick Leave Bank to the employee's sick leave. This will be recorded under the employee's sick leave earned time.
- D. Payroll will then take the number of hours needed to pay the employee for a full week, multiply the time by the employee's current rate of pay, and deduct the gross amount from the Sick Leave Bank funds.

## **VIII. CRITERIA FOR DONATING LEAVE**

- A. Donating Directly to Another Employee – A donating employee (Donor) and the employee receiving the donation (Recipient) are not required to be members of the Sick Leave Bank. In order to donate sick leave, the Donor shall be required to leave a minimum balance of 10 (ten) sick days. In order to receive a donation, the Recipient must meet all FMLA requirements.
- B. Number of Donations – An employee may donate more than one time to a single individual. However, the employee may not donate more than ½ (one-half) of their leave balance in effect at the time of the initial transfer. For example, an employee with a leave balance of 200 hours may donate up to 100 hours.
- C. Donations are Calculated as follows:

Donated Hours = Days Donated x 8 hours x Donor's Current Rate of Pay  
DIVIDED BY Recipient's Rate of Pay

*Example:*  $\frac{5 \text{ days} \times 8 \text{ hrs.} \times \$20.00}{\$16.50} = 48.48 \text{ Hours Donated}$

## **IX. PROCEDURAL GUIDELINES**

In order to facilitate sick leave transfers between employees, the following procedures must be followed:

- A. The donating employee must complete a **Sick Leave Bank Donation Agreement Form** stating the name of the recipient and the amount of leave being donated. This form must be signed and witnessed by 2 (two) employees of the Town.
- B. Upon verification of the following information, the form will be approved by the Town Manager:
  1. The donating employee has sufficient sick leave to cover the donation, and
  2. The amount to be donated does not exceed one-half the donor's current balance, and
  3. The recipient is eligible for FMLA.
  4. The use of donated time is consistent with the intent of the Sick Leave Bank regulations.

A copy of the form will be placed in both the donor and recipient's personnel files. The original will be retained by the Town Manager's Office and copies will be forwarded to the Administrative Services Department for proper recording of donations and utilization of leave.

- C. Only the amount of sick leave needed to cover each pay period will be transferred at any given time. For example; if an employee has donated 10 (ten) days and only 4 (four) days are required for the current pay period, only 4 (four) days will be deducted during the current pay period for the specified recipient. The remaining days will be deducted at the appropriate time as the disability continues. Donated time that is not used shall be returned to the donor.
- D. If the Donor terminates employment, retires, transfers to another municipality, or has an insufficient sick leave balance to meet eligibility criteria, or passes away, the Donor loses all rights to donate leave.
- E. The decision to donate sick leave to another individual should be a choice made freely by each employee. Any person attempting to unduly influence another employee to donate leave shall be subject to disciplinary action and any prior agreement made to donate leave under these conditions shall be voided.

## **X. LIMITS**

- A. Sick Leave Bank days are to be granted in increments so that the recipient shall continue to receive a full week of pay with as little delay as possible.
- B. Sick Leave Days from the Sick Leave Bank will **NOT** be granted under the following conditions:
  - 1. Recipient becomes eligible for Social Security disability; long or short term disability payments, or has received payments concurrent with the use of accrued sick, annual, or other leave.
  - 2. Recipient accepts retirement.
  - 3. Recipient returns to a full-time work status.
- C. Participating employees may receive a maximum of 40 (forty) business days of leave per calendar year from the Sick Leave Bank or from the Transfer of Sick Leave.

## **XI. TERMINATION**

Upon termination of employment or membership in the Sick Leave Bank, a participating employee may not withdraw any days/hours that have been contributed to the Bank.

## **XII. LOSS OF SICK LEAVE**

- A. Employees that have reached the maximum number of sick leave hours (480 hours) may choose to donate the hours not accrued above the maximum to the Sick Leave Bank. A separate agreement will need to be provided to authorize this transfer.
- B. An employee shall be required to provide reimbursement for the monetary equivalent of granted hours, if the employee recovers damages for lost wages in a civil suit, or if the employee receives disability, social security, workers compensation or any other monetary compensation for the period covered.
- C. An employee shall be required to provide reimbursement for the monetary equivalent of granted hours, and subject to discipline, if the Town Manager discovers the employee utilized hours from the Sick Leave Bank, or time donated by another employee, through fraudulent actions or statements.

## **XIII. ANNUAL REVIEW**

This document shall be reviewed, at least annually, by the Town Manager to make changes as necessary.

Phillip L. Warren, Jr.  
December 23, 2009

\* SEE **APPENDIX A** FOR FORMS RELATED TO THIS ADMINISTRATIVE  
REGULATION.