

State of California

M E M O R A N D U M

TO: PERSONNEL MANAGEMENT LIAISONS **DATE:** January 20, 2004
REFERENCE CODE: 2004-003

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Management Liaison
Personnel Officers
Personnel Transactions Supervisors

FROM: Department of Personnel Administration
Policy and Operations Division

SUBJECT: Annual Leave Program - Bargaining Unit 01 (Corrected Information)
and Program Guidelines

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The purpose of this memorandum is to provide corrected information regarding the recently negotiated Annual Leave Program (ALP) for Bargaining Unit (BU) 01 employees, and to provide departments with ALP guidelines.

The ALP for BU 01 employees' effective date of December 1, 2003, provided in Personnel Management Memorandum 2003-045 has been changed to the November 2003 pay period (October 31, 2003). All BU 01 employees who have already enrolled in the ALP effective December 1, 2003, should be provided with an option to backdate their annual leave enrollment effective with the November 2003 (October 31, 2003) pay period. Thereafter, BU 01 employees who elect to enroll in ALP shall be effective the first of the pay period in which the election form is received by the appointing power. For example, an employee who submits an election form during the month of January 2004, would have an effective date for ALP as of the January 2004 pay period.

PLEASE NOTE: Pursuant to the Master Table 2003-2005 contract provision, all employees in BU 01, 14, and 20 may carryover a maximum of 640 hours of vacation credits.

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In order to assist departmental staff in administering the ALP, the attached guidelines and election form may be used to provide employees who are eligible to participate in ALP with program information. Additional information regarding ALP may also found on the DPA Web site at www.dpa.ca.gov.

If your designated personnel office staff person has questions regarding the ALP, he or she may contact Clarice Pace, Personnel Program Analyst, within the Personnel Services Branch, Policy and Operations Division.

Bob Painter, Chief
Policy and Operations Division

Attachments

Annual Leave Program

GENERAL INFORMATION

The Annual Leave Program (ALP) allows for the replacement of traditional vacation and sick leave programs with a more versatile annual leave pool. In addition, the program provides for an increased leave accumulation limit and improves the Non-Industrial Disability Insurance (NDI) benefit to 50% income replacement with the option of replacing up to 100% of income by supplementation. Under the ALP, employees will earn six days of additional annual leave credits (in lieu of the current 12 days of sick leave) by adding four hours of annual leave to the existing monthly vacation accrual schedule.

Advantages of Annual Leave

- More discretionary leave each year (in lieu of sick leave).
- Cash value upon retirement or separation from State service.
- Better income protection in the event of serious nonwork-related injury or illness.

Authority

Government Code Sections 19858.3 through 19859.
Department of Personnel Administration (DPA) Rules 599.752 through 599.753, and 599.766.

ELIGIBILITY

Employees eligible to participate in the ALP include the following:

- Employees designated managerial (E-99);
- Employees designated supervisory (E-98);
- Confidential and all other excluded employees (E-97);
- Represented employees in Bargaining Units (BU) 01, 02, 05, 06, 07, 08, 09, 10, 12, 13, 14, 16, 17, 18, 19, 20, and 21;
- Nonelected members of certain boards and commissions whose salaries are fixed by law (see DPA Rule 599.752.1).

Part-time employees, permanent-intermittent employees, and employees whose appointments are either limited term or temporary are eligible to participate in the ALP if their current appointments and CBIDs are in one of the eligible categories. Employees on T&D assignments are eligible to participate in the program only if their permanent civil service appointments are in one of the eligible categories authorized for annual leave. Statutory exempt and seasonal employees are not eligible to participate.

ENROLLMENT

Enrollment in the ALP is subject to the following conditions except for employees in BU 06 (see BU 06 contract provisions for specific details):

Eligible employees may make an initial voluntary election to change from the Sick Leave/Vacation Program to the ALP. This election is no longer irrevocable. Employees who elect enrollment in the ALP may change to the Sick Leave/Vacation Program after they have been in the ALP for a minimum of 24 months.

Employees who have been in the ALP may make an initial voluntary election to change to the Sick Leave/Vacation Program. This election is not irrevocable, but may not be changed until the eligible employee has been in the Sick Leave/Vacation Program at least 24 months from the date of election.

Departments are responsible for providing information regarding the program and providing an election form to eligible employees (see Attachment II). It is suggested that employees who have elected to participate in the program receive confirmation of their election. The election form and copies of any other information provided to the employee should be kept in their personnel file.

EFFECTIVE DATE

The effective date of the election shall be the first day of the pay period in which the election is received by the appointing power (i.e., employee submits election form during the month of January the enrollment effective date will be January).

ANNUAL LEAVE ACCRUAL

Under the ALP, eligible employees will earn six days of additional leave in lieu of the current 12 days of sick leave. The accrual rate is calculated by adding four hours to the existing vacation accrual schedule. Managerial, supervisory, confidential, all other excluded employees, and board and commission members whose length of service is less than three years have been provided a higher accrual rate, as noted in the following table. Employees who work less than full time will earn annual leave credits prorated according to their time base. The following tables reflect the Annual Leave accrual rate for full-time employees:

MANAGERIAL, SUPERVISORY, CONFIDENTIAL, ALL OTHER EXCLUDED EMPLOYEES, AND BOARD AND COMMISSION MEMBERS		
Length of Service	Current Vacation Accrual	Annual Leave Accrual
1 month to 3 years	7 hours/month	15 hours/month
37 months to 10 years	11 hours/month	15 hours/month
121 months to 15 years	13 hours/month	17 hours/month
181 months to 20 years	14 hours/month	18 hours/month
241 months to 25 years	15 hours/month	19 hours/month
301 months and over	16 hours/month	20 hours/month

REPRESENTATIVE EMPLOYEES IN BARGAINING UNITS 06 AND 08		
Length of Service	Current Vacation Accrual	Annual Leave Accrual
1 month to 3 years	8 hours/month	12 hours/month
37 months to 10 years	11 hours/month	15 hours/month
121 months to 15 years	13 hours/month	17 hours/month
181 months to 20 years	14 hours/month	18 hours/month
241 months and Over	15 hours/month	19 hours/month

NOTE: BU 08 employees shall accrue one hour less of vacation or annual leave each year on the first day of the February pay period. Additionally, BU 08 employees shall accrue two hours less of vacation or annual leave each year on the first day of the August pay period.

EMPLOYEES IN BARGAINING UNITS 01, 02, 05, 07, 09, 10, 12, 13, 14, 16, 17, 18, 19, 20, and 21		
Length of Service	Current Vacation Accrual	Annual Leave Accrual
1 month to 3 years	7 hours/month	11 hours/month
37 months to 10 years	10 hours/month	14 hours/month
121 months to 15 years	12 hours/month	16 hours/month
181 months to 20 years	13 hours/month	17 hours/month
241 months and over	14 hours/month	18 hours/month

NOTE: BU 05 employees earn an additional 112 hours of holiday credit in lieu of the holidays. This accrued holiday-in-lieu credit is added to the monthly vacation or annual leave accrual rate of employees.

"Excluded" (managerial, supervisory, etc.) employees who elected to participate in the ALP and thereafter transfer into a represented position will accrue annual leave credits on the basis of adding four hours to the existing vacation accrual schedule for represented employees.

USE OF ANNUAL LEAVE

Annual leave can be used to meet an employee's need for paid time off for any management-approved absence that was previously covered by sick leave or vacation. When annual leave is used for sick leave purposes, the appointing power may require the employee to submit substantiation including, but not limited to, a physician statement. Annual leave may be taken in half-hour increments regardless of whether or not it is being used for sick leave, vacation, or other time off.

ACCUMULATION

Employees who elect annual leave will be allowed to accumulate up to a maximum of 640 hours of annual leave as of January 1 each year as provided by DPA Rule 599.738 and contract provisions. Exceptions to this limit will only be allowed in extremely unusual situations and must be approved, in advance, by the director of DPA. Annual leave credits are treated like vacation when an employee separates from State service. Upon separation

or retirement, employees in the ALP will receive a lump-sum payment at their current salary rate for their accumulated credits.

VACATION BALANCE

At the time of enrollment, an employee's vacation balance will be converted to annual leave credits. Thereafter, no vacation credits will be accrued and annual leave credits will begin accruing according to the annual leave accrual rate schedule for full-time employees.

SICK LEAVE BALANCE

Sick leave credits will no longer be earned once enrolled in the ALP. However, sick leave balances in existence, at the time of enrollment, will be maintained for use by the employee for approved sick leave purposes or NDI supplementation. At retirement, unused sick leave credits will continue to be converted to retirement service credits at the current formula (2000 hours of sick leave converts to one year of CalPERS service credit).

NON-INDUSTRIAL DISABILITY INSURANCE (NDI)

The NDI benefit, which covers nonjob-related disabilities, will be improved for annual leave participants from its current level of \$135/week for up to 26 weeks to 50% of the employee's gross salary for up to 26 weeks. The requirement to exhaust sick leave credits prior to qualifying for NDI benefits has been eliminated.

NDI benefits for annual leave participants may also be supplemented with annual leave, sick leave, and other leave credits such as compensating time off, or partial employment to provide for up to a 100% income level. At the time of an NDI claim, the employee must elect to choose either the 50% NDI benefit rate or a supplementation level of 75% or 100% of gross pay. Once a claim for NDI has been filed and the employee has determined the rate of supplementation, the supplemental rate shall be maintained throughout the disability period. Employees may choose a different supplementation rate for claims related to subsequent disabilities.

PLEASE NOTE:

1. Employees who enroll in annual leave while receiving NDI, will continue to receive the original NDI benefit for the duration of the claim. The improved benefit would be available on subsequent claims.
2. BU 06 employees shall become entitled to an enhanced NDI benefit (50% of gross salary) upon serving a waiting period of 90 consecutive calendar days. If the employee files a claim for NDI benefits between the effective date of the enrollment in annual leave and the end of the waiting period, the standard NDI benefit shall be payable. This waiting period does not apply to any employee who was enrolled in the ALP upon appointment in a position requiring mandatory participation.

NDI Documentation

Please refer to the Personnel Procedures Manual (PPM), Section E 100, for documentation requirements and instructions on calculating NDI benefits for an employee in the ALP.

ANNUAL LEAVE - SICK LEAVE/VACATION ELECTION FORM

Employee Name _____ Unit # _____

Social Security Number _____

Department/Location _____

Phone Number _____ (Check One) CBID
Excluded

I elect to participate in the following leave program:

- Annual Leave
- Sick Leave/Vacation

The effective date of the election shall be the first day of the pay period in which the election form is received by the appointing power.

In Annual Leave, I understand that the accrual rate and usage provisions differ in the Annual Leave and Sick Leave/Vacation Programs. Further, if I am a current employee, I understand that when I change from one program to another, all provisions of the program I enter apply upon the effective date. However, the annual leave, sick leave, or vacation balances that I have on the date I choose a new program will continue to be available to me to use. If I have a sick leave balance upon retirement, I may convert it to service credit. I understand that I may change from Annual Leave to Sick Leave/Vacation or visa versa no more often than every 24 months.

I make this election freely and voluntarily.

Signature _____

Date _____

NOTE: New Employees – If this election form is not returned to the Personnel Office, it will be deemed an election for the Sick Leave/Vacation Program.

FOR PERSONNEL OFFICE USE ONLY After processing election, place in employee's personnel file.	
Date Election Received	Received By: