

**California Department of Human Resources
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: 2015 Excluded Employee Leave Buy-Back Program	REFERENCE NUMBER: 2015-012
DATE ISSUED: 04/03/15	SUPERSEDES: 2014-009

This memorandum should be forwarded to:

**Personnel Officers
Employee Relations Officers**

FROM: California Department of Human Resources
Labor Relations Division

CONTACT: Personnel Services Branch
(916) 323-3343
Fax: (916) 322-0765
Email: psb@calhr.ca.gov

The California Department of Human Resources (CalHR) and the Department of Finance have authorized an Excluded Employee Leave Buy-Back Program for fiscal year 2014-15.

Leave Buy-Back means that eligible employees in participating departments may receive payment at their regular salary rate in exchange for unused leave credits. For the purpose of the buy-back program, eligible leave may be a combination of vacation leave, annual leave, personal leave [personal leave 1992, 2003, 2010/11/12 and voluntary personal leave (VPLP)], personal holiday, or holiday credit.

Employees designated Exempt, Managerial, Supervisory, Confidential or otherwise excluded from bargaining in one of the below identifier codes are eligible to participate in this program.

- Exempt or Managerial - Exempt/M/E59/E79/E99
- Supervisory - S/E48/E58/E68/E78/E98
- Confidential and otherwise excluded from bargaining - C/E67/E77/E97

Eligible employees may elect to cash out up to a maximum of 40 hours of unused leave. An employee may only participate in this excluded employee leave buy-back program once during this fiscal year.

Departments cannot exceed the 40 hour cash out limit.

Each department's participation is subject to the availability of departmental funds. Thus, all leave hours cashed out by employees must issue from departmental appropriations. The department certification of funding and participation for the Excluded Employee Leave Buy-Back Program for fiscal year 2014-15 is attached. This form must be completed and returned to CalHR prior to program implementation by the department and no later than June 15, 2015.

Departments may participate as early as May 1, 2015, but must issue payments by June 30, 2015.

Departments are to notify their excluded employees whether the department has funds available for the purpose of participating in the leave buy-back program. In those departments that have funds available, excluded employees will also be advised of the number of hours that may be cashed out/bought back.

Excluded employees who wish to participate in the buy-back program must submit a written request (sample attached) to the individual designated by the department.

Departments will "key" payment information on a flow basis, but all payments under this buy back must be issued by June 30, 2015. For tax purposes, payments will be ordinary income in the month that payment is made. Tax withholding rates for this buy back will be: (a) Federal Tax, 25.0%; (b) State Tax, 6.6%; (c) FICA, (if applicable), 6.2%; and (d) Medicare, (if applicable), 1.45%, for wages or compensation in excess of \$200,000 in the calendar year additional Medicare 0.09% will be withheld. Payments under this cash out program are subject to garnishments, if applicable.

Additional details will be issued by the State Controller's Office (SCO) in the near future providing instructions to department personnel offices.

Departments continue to be encouraged, to the extent operationally feasible, to allow employees to use their leave credits as they accrue rather than letting the leave balances accumulate as a future fiscal liability.

For questions related to this PML, state department personnel office designated liaisons should contact CalHR's Personnel Services Branch by emailing questions to psb@calhr.ca.gov or calling (916) 323-3343.

/s/Mary Sue Paul

Mary Sue Paul, Manager
Personnel Services Branch

Attachments

- Department Certification of Funding and Participation for the FY 2014-15 Excluded Employee Leave Buy Back Program
- Sample Excluded Employee Leave Buy-Back Election Request

State of California

MEMORANDUM

TO: D-22
California Department of Human Resources (CalHR)
Personnel Services Branch

DATE: _____

FROM: _____

SUBJECT: Excluded Employee Leave Buy-Back Fiscal Year 2014-15

I hereby certify our department Excluded Employee Leave Buy-Back Program for fiscal year 2014-15 is as described below.

Check applicable statement:

- 1. The department will not participate in the Excluded Employee Leave Buy-Back Program for fiscal year 2014-15.
2. The department will participate in the Excluded Employee Leave Buy-Back Program for fiscal year 2014-15. We will not require supplemental funding.

Implementation date: _____

Exempt, Managerial and related (Exempt/M/E59/E79/E99), Supervisory, Confidential and related (S/C/E48/E58/E67/E68/E77/E78/E97/E98) employees are eligible to buy-back up to: _____ Hours

Projected department cost of buy back for fiscal year 2014-15 is:
\$ _____.

Signature of Agency Head/Representative

Name (printed) _____ Title _____

Address _____

Phone Number _____ Date _____

cc: _____, Department of Finance Budget Analyst

State of California

MEMORANDUM

TO: Department Contact Person
Unit
Department

DATE: _____

FROM: Employee's Name

SUBJECT: Excluded Employee Leave Buy-Back Program for Fiscal Year 2014-15

I hereby elect to participate or not to participate in the Excluded Employee Leave Buy-Back Program for Fiscal Year 2014-15 as described below.

- I elect not to participate in the Excluded Employee Leave Buy-Back Program for Fiscal Year 2014-15.
- I elect to participate in the Excluded Employee Leave Buy-Back Program for Fiscal Year 2014-15 and certify that I have available leave balances in order to participate in this buy-back program.

I elect to buy-back/cash out the below hours of leave.

Vacation Hours: _____ Annual Leave Hours: _____

Personal Leave Hours:

PL 1992: _____ PL 2003: _____

PLP 2010/11/12: _____

Voluntary Personal Leave (VPLP) Hours: _____

Personal Holiday: _____ (converted to hours)

Holiday Credit Hours: _____

Total Leave Hours Elected to Buy-Back/Cash Out: _____ Hours

Employees designated Exempt or Managerial (Exempt/M/E59/E79/E99), Supervisory (S/E48/E58/E68/E78/E98), or Confidential and otherwise excluded from bargaining (C/E67/E77/E97) may elect to buy-back/cash out up to a maximum of 40 hours of unused leave.

Excluded Employee Leave Buy-Back Program for Fiscal Year 2014-15

Payments made in 2015 will be included in W-2 forms for Tax Year 2015. Payments will not be subject to deductions for retirement. Payments will be subject to the following deductions/withholdings.

Federal Tax Withholding:	25.0%
State Tax Withholding:	6.6%
FICA (if applicable):	6.2%
Medicare (if applicable):	1.45%

Note: For wages or compensation in excess of \$200,000 in the calendar year additional Medicare 0.09% will be withheld.

Employees must return the election form to the personnel office by _____ in order to participate in the Excluded Employee Leave Buy-Back Program for Fiscal Year 2014-15. Employees who elect not to participate must also return the form.

I make this election freely and voluntarily and hereby waive any right to change the option selected once processing begins.

Signature of Employee

Date

Name (Printed)

Phone Number

Classification

CBID

Unit

Division/Facility

Work Address

cc: _____, Employee's Supervisor