

PERSONNEL SERVICES BULLETINS (PSBs)

420-2

Subject: Salary Continuation Program

Supersedes: Personnel Policy and Procedure No. 729-95R

Date: March 21, 1997

BACKGROUND

The Salary Continuation Program, which consists of the Catastrophic Sick Leave Bank and the Dedicated Sick Leave Program, was established by the Mayor to enable managers and other employees in titles not eligible for collective bargaining, in Mayoral agencies, to donate sick leave and/or annual leave to seriously ill or injured covered employees in need, as well as to receive sick leave when needed.

PROGRAM DESCRIPTION

THE CATASTROPHIC SICK LEAVE BANK

The Catastrophic Sick Leave Bank is a pool of sick leave and annual leave voluntarily donated by managers and other employees in titles not eligible for collective bargaining for potential use as sick leave by eligible employees who are also donors to the bank. Eligible recipients may receive up to 90 days of paid sick leave in any one-year period.

Criteria for Recipient Eligibility

1. Employee must be a manager or in a title not eligible for collective bargaining and have at least two years of continuous, full-time City service (including non-managerial service or service in a title eligible for collective bargaining, in any City agency).
2. Employee must have donated at least one day of sick leave or annual leave for the program year in which sick leave is needed.
3. Employee's illness or injury must not be job-related and must require an absence of at least 30 continuous working days. Absence due to illness or injury must be supported by acceptable medical documentation, which will be reviewed by the Catastrophic Sick Leave Panel.
4. An employee covered by the "Leave Regulations for Management Employees" or the "Leave Regulations for Employees Who Are Under the Career and Salary Plan," who is eligible for the advancement of sick leave under Section 5.4 or Section 3.4 of the respective leave regulations, must apply for such advanced leave before making application to the bank.
5. A permanent employee with at least ten years of City service must apply for a sick leave grant under Section 5.5 of the "Leave Regulations for Management Employees" or Section 3.5 of the "Leave Regulations for Employees Who Are Under the Career and Salary Plan," whichever is applicable, before making application to the bank.
6. All annual leave and sick leave, (including managers' vested/sub-managerial leave), compensatory time balances, leave advancements, and sick leave grants must have been exhausted.
7. The date of eligibility for income benefits under the Long Term Disability Program of the Management Benefits Fund must not have passed. Generally, the date of eligibility for this program commences after six months of continuous

disability. Donated sick leave may not be used instead of, or as a supplement to, income benefits under the Long Term Disability Program.

Criteria for Donating Leave

1. Employee must be a manager or in a title not eligible for collective bargaining.
2. There is a minimum donation of one day of annual leave or sick leave each year. The number of hours that comprise a day is determined by the title of the employee. The leave donated by managers will be the most recently accrued sick leave or annual leave.
3. An employee with less than ten years of City service may donate only annual leave.
4. An employee with at least ten years of City service may donate sick leave and/or annual leave. In order to donate sick leave, an employee must have a sick leave balance of at least 24 days. Managers' vested or sub-managerial sick leave balances are counted in determining the 24-day minimum. (See "Program Requirements" below for information on automatic deductions.)

Note: In order to receive a managerial lump sum payment for current sick leave, a manager must have at least 60 days of current sick leave.

Program Requirements

1. An open enrollment period for leave donations will be held for one month each program year and may be extended or reopened at the discretion of the administrator of the bank. The program year is January through December.
2. After initial enrollment, deductions of the type and amount of leave to be made annually will be automatically renewed. Withdrawal from the program, or changes in the amount and/or type of leave to be donated, may be requested in writing by the employee only during the annual open enrollment period.
3. If the sick leave balance of an employee who has elected to donate sick leave has fallen below 24 days at the time the deduction is made, the type of leave deducted will be converted to annual leave.
4. All leave donated to the bank is irrevocable.
5. No withdrawal of leave will be approved which will result in a negative balance to the bank. The Catastrophic Sick Leave Panel may consider the amount of sick leave remaining in the bank in order to make an equitable distribution of sick leave among medically qualified applicants if there is insufficient leave in the bank to grant each applicant the amount of sick leave requested.
6. Leave withdrawn from the bank in excess of the amount actually used by the recipient is to be returned to the bank no later than two pay periods from the date the employee returns to work.
7. Each day of leave donated to the bank will be debited from the donor's leave balance as one full day. However, each day of sick leave donated by a manager will be credited to the bank as one-third of a day and each day of sick leave donated by a non-manager will be credited as one-half day. Each day of annual leave donated will be credited to the bank as a full day.
8. Donated sick leave will be granted to the recipient retroactive to the first day of absence without pay. A recipient utilizing donated sick leave is deemed to be in active pay status as though the employee were using his/her own sick leave. Annual leave and sick leave will therefore be accrued while using catastrophic sick leave, but will not be credited until the employee returns to work.

THE DEDICATED SICK LEAVE PROGRAM

The Dedicated Sick Leave Program enables managers and other employees in titles not eligible

for collective bargaining to voluntarily donate sick leave and/or annual leave for use as sick leave by an eligible employee who has been designated by the donor. Eligible recipients may receive up to 180 days of paid sick leave in any one-year period.

Criteria for Recipient Eligibility

1. Employee must be a manager or in a title not eligible for collective bargaining and have at least two years of continuous, full-time City service (including non-managerial service or service in a title eligible for collective bargaining, in any City agency).
2. Employee need not be a member of the Catastrophic Sick Leave Bank.
3. Employee's illness or injury must not be job-related and must require an absence of at least 30 continuous working days. Absence due to illness or injury must be supported by acceptable medical documentation, which will be reviewed by the Catastrophic Sick Leave Panel.
4. An employee covered by the "Leave Regulations for Management Employees" or the "Leave Regulations for Employees Who Are Under the Career and Salary Plan," who is eligible for the advancement of sick leave under Section 5.4 or Section 3.4 of the respective leave regulations, must apply for such advanced leave before receiving dedicated leave.
5. A permanent employee with at least ten years of City service must apply for a sick leave grant under Section 5.5 of the "Leave Regulations for Management Employees" or Section 3.5 of the "Leave Regulations for Employees Who Are Under the Career and Salary Plan," whichever is applicable, before receiving dedicated leave.
6. All annual leave and sick leave (including managers' vested/sub-managerial leave), compensatory time balances, leave advancements, and sick leave grants must have been exhausted.
7. The date of eligibility for income benefits under the Long Term Disability Program of the Management Benefits Fund must not have passed. Generally, the date of eligibility for this program commences after six months of continuous disability. Donated sick leave may not be used instead of, or as a supplement to, income benefits under the Long Term Disability Program.

Criteria for Donating Dedicated Leave

An employee who wishes to donate annual leave and/or sick leave to a specific individual must meet the criteria established for donors to the Catastrophic Sick Leave Bank, except that the employee need not donate leave each year. Every reasonable effort will be made to keep donors' identities confidential.

Note: In order to receive a managerial lump sum payment for current sick leave, a manager must have at least 60 days of current sick leave.

Program Requirements

1. There is no enrollment period. Donations are made on an "as-needed" basis.
2. All dedicated leave is irrevocable.
3. If the number of days dedicated is more than the number of days actually used by the recipient, the unused days will be credited to the Catastrophic Sick Leave Bank after one year elapses from the date of the recipient's return to work. In the event of a medically documented recurrence of the original illness or injury during this one-year period, the recipient will be permitted, upon approval of the Catastrophic Sick Leave Panel, to utilize the unused balance provided that all other leave balances have been exhausted.
4. Each day of sick leave or annual leave donated will be credited to the recipient at the same value as donations to the Catastrophic Sick Leave Bank, as described

above. The leave donated by managers will be their most recently accrued sick leave or annual leave.

5. Dedicated sick leave will be granted to the recipient retroactive to the first day of absence without pay. A recipient utilizing dedicated sick leave is deemed to be in active pay status as though the employee were using his/her own sick leave. Annual leave and sick leave will therefore be accrued while using dedicated sick leave, but will not be credited until the employee returns to work.

6. A prospective recipient's consent should be obtained before efforts are made to secure donations of leave. Every reasonable effort will be made to maintain confidentiality of employee medical information.

PROCEDURE FOR DONATING LEAVE TO THE CATASTROPHIC SICK LEAVE BANK

1. An employee who wishes to donate annual leave and/or sick leave to the Catastrophic Sick Leave Bank must complete Form DP-2506, "Application to Donate Leave to the Catastrophic Sick Leave Bank" (copy attached), and return it to his/her agency Personnel Officer during the enrollment period.

2. The Personnel Officer must review the application and determine the accuracy of all statements in accordance with agency records and the records of the Office of Payroll Administration. Once an employee is determined to be eligible to donate, the Personnel Officer must make the appropriate adjustment in the Payroll Management System and complete the appropriate section of the application, stating when the deduction of leave will be reflected on the employee's pay stub. The Personnel Officer must return the application within 5 working days from receipt to the employee, stating whether he/she is eligible or ineligible. If the employee is eligible, the Personnel Officer must send a copy of the application to the Office of Special Programs.

3. The Personnel Officer must keep a file on employees who are members of the Catastrophic Sick Leave Bank, updating it each enrollment period. After the initial donation, the Office of Payroll Administration will automatically deduct leave each year during the month following the enrollment period, unless the employee withdraws in writing during an open enrollment period.

PROCEDURE FOR DEDICATING SICK LEAVE

1. An employee who wishes to donate annual leave and/or sick leave to a designated employee must complete Form DP-2507, "Application to Dedicate Sick Leave Under the Salary Continuation Program" (copy attached), and return it to his/her agency Personnel Officer as soon as possible. Please note that the donor's identity is confidential and may not be released to the recipient.

2. The following steps are to be taken when the employee dedicating leave and the employee receiving leave are employed in the same agency.

Upon receipt of an application to dedicate leave, the Personnel Officer must review the application, determine the accuracy of all statements in accordance with agency records and the records of the Office of Payroll Administration, and complete the appropriate section. The application of an employee who is ineligible to donate dedicated sick leave must be returned to the applicant with the disposition within 5 working days of receipt. If the employee is deemed eligible to donate dedicated leave, and the recipient has been deemed eligible to receive donated leave, as in paragraph (2) of the Procedure For Receiving Sick Leave Under The Salary Continuation Program, then the Personnel Officer is to send both the donor's application and the recipient's application, with medical documentation attached, to the Office of Special Programs within 5 working days from receipt of either the donor's or the recipient's application, whichever is received later. Within 5 working days of a determination by the Catastrophic Sick Leave Panel, the Office of Special Programs will notify the Personnel Officer and the Office of Payroll Administration of the determination. If both employees are eligible to participate,

the Personnel Officer will be requested by the Office of Special Programs to make the appropriate adjustment in the Payroll Management System and notify both the donor and the recipient, respectively, of the number of days to be debited or credited and when such debit or credit will occur. Such notification to employees must be sent simultaneously with a copy to the Office of Special Programs. If the Office of Special Programs or the Catastrophic Sick Leave Panel determines that the recipient is ineligible to receive donated leave, the Office of Special Programs will request the Personnel Officer to notify both employees accordingly.

3. The following steps are to be taken when the employee dedicating leave and the employee receiving leave are employed in different City agencies. The same time frames apply as above.

Upon receipt of an application to donate dedicated leave, the Personnel Officer must determine the eligibility of the donor, as above, and send the application of the eligible donor to the Office of Special Programs. If the Office of Special Programs is in receipt of an "Application to Receive Sick Leave under the Salary Continuation Program" for the designated recipient, and the Catastrophic Sick Leave Panel determines that the recipient is eligible to receive dedicated leave, the Office of Special Programs will request the donor's Personnel Officer to make the appropriate adjustment in the Payroll Management System to debit the donor's leave balance(s) and notify him/her of the number of days to be debited and when such debit will occur. Such notification to the donor must be sent simultaneously with a copy to the Office of Special Programs in order that the recipient may receive the dedicated leave as expeditiously as possible. Once the Office of Special Programs receives the above notice from the donor's Personnel Officer, it will notify the Personnel Officer of the agency employing the recipient to make the appropriate adjustment in the Payroll Management System to credit the recipient's leave balances. The Personnel Officer must then notify the recipient of the number of day(s) to be credited and when such credit will occur, sending simultaneous notice to the Office of Special Programs.

Note: Applications of additional donors should be forwarded to the Office of Special Programs within 5 working days from their receipt, and the same procedures as above should be followed. Form DP-2509, "Determination of Catastrophic Sick Leave Panel" (informational copy attached) will be used to notify Personnel Officers of determinations of medical eligibility.

PROCEDURE FOR RECEIVING SICK LEAVE UNDER THE SALARY CONTINUATION PROGRAM

1. The employee must complete Form DP-2508, "Application to Receive Sick Leave under the Salary Continuation Program" (copy attached), include medical documentation, and forward the application to his/her agency Personnel Officer. Where practicable, applications should be submitted when the employee has been absent for 20 continuous working days but anticipates being absent in excess of 30 continuous working days and will not have sufficient leave to cover the projected period of absence beyond the 30 days.

2. The Personnel Officer must review the application, determine the accuracy of all statements in accordance with agency records and the records of the Office of Payroll Administration, and complete the appropriate section. All discrepancies must be resolved with the employee before making a determination. The application of an employee ineligible to receive leave from the Catastrophic Sick Leave Bank and the Dedicated Sick Leave Program must be returned to the applicant with the disposition within 5 working days of receipt. The Personnel Officer must send the application and medical documentation of an eligible employee to the Office of Special Programs within 5 working days of receipt.

3. Upon receipt of an eligible employee's application to receive sick leave from the Dedicated Sick Leave Program or the Catastrophic Sick Leave Bank, the Office of Special Programs will request the Catastrophic Sick Leave Panel to review the application and the medical documentation. If the Office of Special Programs is in

receipt of approved request(s) to dedicate leave to the employee, and the panel approves his/her application, the Personnel Officer will be notified of the amount of leave dedicated within 5 working days of the panel's determination. Otherwise, based on the amount of sick leave in the Catastrophic Sick Leave Bank and the number of other eligible applicants, the panel will make a determination and the Office of Special Programs will notify the Personnel Officer of the panel's determination within 5 working days of the determination. If the employee is to receive donated sick leave in either case, the Personnel Officer must make the appropriate adjustment in the Payroll Management System immediately upon notification, informing the recipient, and if leave is dedicated, the donor(s), when such leave will be credited and/or debited. Agency notice of the panel's determination must be sent to the employee simultaneously with a copy to the Office of Special Programs. Denial of eligibility will be subject to reevaluation by the panel upon written request of the employee to the Office of Special Programs, accompanied by additional medical documentation. Such request must be received within 15 working days from the date of agency notice of the panel's determination.

Where leave is dedicated, and the recipient and the donor are employed in different City agencies, the applicable steps described in paragraph (3) of the Procedure For Dedicating Sick Leave must be followed to credit the recipient's sick leave balance and to provide appropriate notification to the donor and the recipient.

Note: Form DP-2509 will be used to notify Personnel Officers of determinations of medical eligibility.

The Office of Payroll Administration's User Bulletins #95-05, dated May 15, 1995, and #95-12, dated November 20, 1995, established procedures in the Payroll Management System and designated corresponding event codes to be used for the Salary Continuation Program.

William J. Diamond
Commissioner