



LEAVE DONATION PROGRAM POLICY

(Chapter, Section, Code – Added by Administration)

Adopted:

Amended:

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A. SCOPE

This policy applies to all full-time, benefits eligible employees of the City of Shakopee.

B. PURPOSE

This policy establishes a leave donation program, through which eligible employees may voluntarily donate a portion of their accrued sick or vacation time to a bank to be converted to assist another employee who has exhausted all forms of paid leave due to a medical emergency.

C. DEFINITIONS

1. Medical emergency

A physician's diagnosis of a major life threatening event of an employee or immediate family member that will require the employee to be absent a prolonged period from their employment duty.

2. Immediate family

For the purposes of this policy, immediate family shall include employee's spouse, children, parents, and includes the children, parents, of the employee's spouse.

3. Qualifying major life-threatening event

Includes but is not limited to heart attack, stroke, cancer, organ transplant, life threatening illness or condition as defined by a physician's diagnosis using the FMLA medical certification of the catastrophic health problem.

D. POLICY

In accordance with the terms and conditions of this policy, employees having accrued vacation and sick time can donate a portion of accrued leave to a bank of hours to be used to assist fellow employees experiencing a medical emergency. The City Administrator has the right to deny or limit use of donated leave if it is determined to be in the best interest of the city. City Administrator may delegate responsibilities under this policy.

Nothing in this policy will be construed to limit or extend the maximum allowable absence under the Family Medical Leave Act (FMLA). This program is to run concurrently with FMLA.

E. ELIGIBILITY

1. Donors

Donor employees must be benefit eligible to participate in the leave donation program. Donors must have more than 120 total hours of accrued vacation, sick and compensatory time available after the donation.

2. Recipients

Recipient employees must be benefit eligible to participate in the leave donation program. Recipients must have a documented medical emergency and must have a combined balance of less than 40 hours in accrued sick, vacation and compensatory time. Employees receiving workers' compensation benefits from city-related injuries or illnesses are not eligible to receive donations.

F. CONDITIONS

The terms and conditions governing the Leave Donation Program are as follows:

1. Requests for leave donation

Requests and donations must be submitted to Human Resources. The approval of a request remains valid until the employee notifies Human Resources to annul the approval or the employee becomes ineligible to participate in the program.

2. Participation

Participation is voluntary and no employee shall pressure or otherwise attempt to influence another employee to donate accrued time. Human Resources may post information and general request information to inform employees of the program,

and inform employees if there is a need for donated leave hours. All donations will be kept confidential and the city will not inform the recipient of the names of those donating hours or the number of hours which have been donated. No provisions of this policy or its administration shall be subject to review under the grievance or arbitration provisions of any collective bargaining agreement.

3. Recipient

An employee is eligible to receive donated leave only for time lost from normal work hours and only to make them financially whole once their own paid leave banks have been exhausted. The Leave Donation Program wages shall be limited to the amount equal to that individual's regular gross earnings per pay period (i.e. current hourly base pay rate multiplied by regularly scheduled hours of work per pay period).

Leave donations can be made only after an employee is forced by a medical emergency to be absent from work for more than five scheduled working days. Transfers of leave hours will be on an hour-by-hour basis; each hour of donor leave will be credited as an hour of leave for the recipient, paid at the recipient's current wage, regardless of any differences in pay levels. The IRS has ruled that these payments are considered wages and taxable income for the recipient.

An employee may not receive more than a total of 40 work days or 320 hours of donated leave in a rolling calendar year, for any major life threatening disease or condition.

All employees using donated leave will not accrue leave, including sick, vacation and compensatory time.

Receipt of donated leave will not be allowed once an employee is judged to be disabled by the major-medical condition and will not be returning to work. Donated time cannot be used for severance pay, deposited into a sick leave bank, paid to an employee in the form of cash or used in any other manner other than what is stated in this section of the policy.

4. Donor

An eligible employee who donates vacation and/or sick time understands this time is a "gift" and that the donated leave will be irrevocable, that the donating employee does not control the employee receiving the donated leave once donated, and any receiving employee has no obligation to pay it back. The IRS has ruled that the employee donating the leave realizes no income and incurs no tax-deductible expense or loss, either upon donation of leave or payment to the recipient.

Donation of accrued time must be in whole hours, and will be donated to a bank. An employee may donate no more than 40 hours of leave per calendar year. Donated leave hours will be processed in the order of the date the donated leave was received by the bank, with the earliest date processed first. Donated leave will be held until the following pay period(s), when it is needed, and processed at that time. Once donated time has been transferred to the donated leave bank the donor may not revoke the transaction, even if it has not yet been paid.

G. EXCEPTIONS

Exceptions to these requirements must be approved by the City Administrator, and will only be granted in rare and unusual circumstances. Any questions regarding this program should be directed to Human Resources.

The city specifically retains the right to administer the program in the manner it deems to be in the best interest of the city, including the right to amend, to alter, to further limit or to eliminate the program.