

2016-17 Management/Confidential (M/C) Vacation Exchange Payment-Program Reinstatement (Proposed)

This program ended in 2004 should be statutorily reinstated as part of the next pay bill for MC employees. It is customary that this expense for annual leave (vacation) is currently carried as an employer liability and should have no additional budgetary impact. This benefit when operational had a positive impact on the MC workforce.

Some logistical issues are:

- An application filing period should be established in concert with OSC Payroll Services.
- The new pay bill should provide for a cash payment to M/C employees who earn and accumulate vacation credits and elect to exchange such credits in units of full days up to a maximum of ten (10) days. At the time of such election, the credits must total thirty-five (35) or more days.
- Payment is eligible for inclusion in calculating one's retirement system final average salary (FAS) but cannot result in a benefit greater than that currently available FAS benefit based on 30 allowable days of paid unused vacation
- Eligible employees who were part-time during the filing period and had the appropriate number of prorated vacation credits may have requested to exchange a prorated number of vacation credits, based on the percentage of time worked, in exchange for a Vacation Exchange lump sum payment.

Example: An employee who was 50% during the filing period and who had at least 17.5 days of vacation credits may request a maximum of 2.5 full days of Vacation Exchange.

- Eligible employees, who were on Voluntary Reduction at the time the request was filed, are eligible for a maximum of ten (10) full days of Vacation Exchange.
- The Vacation Exchange payment is based on the salary (including additional salary factors) in effect on the 1st day of the application period provided the employee is Active on the payroll (including employees who are on a Paid Leave of Absence) and in an M/C bargaining unit on that day.
- If an employee is Inactive, on Leave Without Pay, or in a bargaining unit that is other than M/C on the 1st day of the Application Period, the Vacation Exchange payment is based on the salary (including additional salary factors/ geographic differential, hazardous duty etc.) in effect on the last day prior to the 1st day of the Application Period that the employee was last paid from an M/C position.