

# Bonus Leave

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## Fiscal Year: 2014-2015

During the preparation of the FY14-15 budget bonus leave was issued to all employees who were employed on or before July 1, 2014. The leave allotted was a total of 2.5 days prorated based on full-time equivalent and shift.

The guidelines regarding administration of the bonus leave included:

- To be used prior to the end of the fiscal year.
- Accrued compensatory time must be used prior to bonus leave.

At the end of FY14-15, there was a total of 451.51 hours of unused bonus leave. Employees who did not have the opportunity to take bonus leave were in the Sheriff's Office and Emergency Management; these offices/departments typically have higher rates of accrued compensatory time and these employees were unable to exhaust compensatory time to use the bonus leave.

## Fiscal Year: 2015-2016

During the preparation of the FY15-16 budget bonus leave was issued to all employees who were employed on or before July 1, 2015. The leave allotted was a total of 2.5 days prorated based on full-time equivalent and shift.

Administration of bonus leave was discussed during a previous work session and options in administration of such leave were requested to be researched and findings are below:

Agency	Administration with Other Leave Types	Rollover Provisions	Included in Terminal Payout
State of North Carolina*	Bonus leave shall be used after holiday compensatory time, over-time compensatory time, gap hours compensatory time, callback compensatory time, on-call compensatory time, travel compensatory time, and emergency closing compensatory time.	Any balance of bonus leave on December 31 will be retained by the employee and transferred into the next calendar year. It will not be as part of the maximum 240 hours of vacation that can be retained. Not subject to conversion of sick leave.	Yes.
Transylvania County	Can be used at any time regardless of other available leave types.	No rollover. Must be used by end of calendar year.	No.
Martin County	Prior to the use of annual leave or sick leave an employee must exhaust bonus leave, comp time and holiday pay (in that order).	Not specified.	Not specified.

\* A copy of the Bonus Leave section of the Vacation Policy from the Office of State Human Resources is attached at the end of this document.

## **Recommendations**

As there is concern in the equitable administration in bonus leave there are different ways the bonus leave can be administered to provide employees the opportunity to take the given leave while at the same time limiting the potential financial liability it holds as a terminal payout upon separation of an employee.

### **Option One – Change Order of Leave Usage**

Currently compensatory time is to be exhausted prior to the use of bonus leave. Jackson County could elect to allow bonus leave to be used prior to compensatory time so that employees who have accrued compensatory time will be able to use the provided leave prior to the end of the fiscal year.

### **Option Two – Allow Carryover/Conversion**

Currently compensatory time is to be used prior to the end of the fiscal year or the remaining bonus leave is removed. Jackson County could elect to allow bonus leave to carry over from year to year. As the unused bonus leave is a financial liability as a terminal payout, would recommend setting a limit to the amount of bonus leave that can be carried over and anything in excess of the elected amount would roll over into sick leave. Unused sick leave counts toward service credit within the Local Government Employees' Retirement System.

Example: At the end of each benefit year on January 1, any County employee with accrued bonus leave in excess of 5 days shall have this time converted to sick leave. This converted sick leave shall be used in the same manner as accrued sick leave and may be used for authorized sick leave purposes. And, like regular sick leave, any unused converted sick leave may be counted toward creditable service at retirement up to a maximum of 12 total sick days per year of service.

### **Option Three – Combination of Option One and Two**

A combination of both changing the order to which leave is used and allowing for carryover/conversion would both provide opportunities for all employees to use the bonus leave or if not used still receive benefit from the leave being converted into sick leave, thus converted into creditable service.

## Vacation Leave

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Agencies must retain leave records for all separated employees for a period of at least five years from the date of separation.

If leave records are kept electronically, the agency does not need to keep paper copies.

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### BONUS LEAVE

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#### Amount and Eligibility

The General Assembly has approved the following bonus leave:

Amount of leave	Effective Date	Eligibility
80 hours	September 30, 2002	All employees except: <ul style="list-style-type: none"> <li>• Employees who do not earn leave, and</li> <li>• Employees paid on the Teacher Salary Schedule or the School Based Administrator Salary Schedule.</li> </ul>
80 hours	July 1, 2003	All employees except: <ul style="list-style-type: none"> <li>• Employees who do not earn leave,</li> <li>• Employees of the State Highway Patrol who receive an automatic increase, and</li> <li>• Employees paid on the Teacher Salary Schedule or the School Based Administrator Salary Schedule.</li> </ul>
40 hours	September 1, 2005	All employees except: <ul style="list-style-type: none"> <li>• Employees who do not earn leave, and</li> <li>• Employees paid on the Teacher Salary Schedule or the School Based Administrator Salary Schedule.</li> </ul>
40 hours	September 1, 2014	All employees except: <ul style="list-style-type: none"> <li>• Employees who do not earn leave</li> </ul>

## Vacation Leave

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### Provisions for Part-Time Employment and Leave without Pay

- (1) Full-time employees who work less than 12 months shall receive a pro rata amount.
- (2) Permanent part-time employees (half-time or more) shall receive a pro rata amount.
- (3) Employees on leave without pay, other than workers' compensation leave and leave for reserve active duty, shall be credited with the bonus leave upon their return based on their type of appointment at the time ~~of~~ leave without pay began. If they do not return to work, they are not eligible for the leave.
- (4) Employees on workers' compensation leave and leave for reserve active duty shall be credited with bonus leave for use upon their return to work. If the employee does not return, the bonus leave shall be paid in addition to any other leave, in accordance with the leave policies.

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### Scheduling Bonus Leave

- (1) Bonus leave shall be taken only upon appropriate authorization.
- (2) Bonus leave shall be used after holiday compensatory time, over-time compensatory time, gap hours compensatory time, callback compensatory time, on-call compensatory time, travel compensatory time, and emergency closing compensatory time.
- (3) Bonus leave may be used for any purpose for which regular vacation leave is used.
- (4) Bonus leave shall be charged in units of time consistent with regular vacation leave guidelines.

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### Accounting for the Bonus Leave

- (1) Bonus leave shall be accounted for separately from regular earned vacation leave.
- (2) Any balance of bonus leave on December 31 will be retained by the employee and transferred into the next calendar year. It will not be as part of the maximum 240 hours of vacation that can be retained.
- (3) Bonus leave will not be subject to conversion to sick leave.

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### Transferring Bonus Leave

Any balance of bonus leave will be transferred with the employee who transfers to another State agency eligible for bonus leave.

## Vacation Leave

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### Separation/Status Change

Bonus leave balance will be paid in addition to regular vacation leave if the employee leaves state government or the appointment type changes to a non-leave earning status (such as exempt, part-time, etc.).

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### Miscellaneous Provisions

- (1) Bonus leave may be applied to negative balances of regular earned leave with the approval of the employee and the agency head (or designee).
- (2) Bonus leave is available to be donated as vacation leave under the Voluntary Shared Leave provisions.
- (3) Agencies shall maintain records of bonus leave for each employee.