

EXAMPLES FOR BUY BACK

Scenario 1:

In September, 2015, Open Enrollment employee elects 120 hours for Buy Back in 2016.

On December 31, 2015 it is determined that employee did not qualify for buy back, no tax impact for 2016 (no harm, no foul).

Scenario 2:

In September, 2015, Open Enrollment employee elects 80 hours for Buy Back in 2016.

On December 31, 2015, it is determined that employee qualifies for buy back amounts elected.

Employee cashes out on March 31, 2016 in the amount of 80 hours.

Employee has fulfilled requirement (election). Employee pays taxes on cashed out amount, just as currently.

Scenario 3:

In September, 2015, Open Enrollment employee elects 160 hours for Buy Back in 2016.

On December 31, 2015, it is determined that employee qualifies for buy back amounts elected.

Employee cashes out on April 15, 2016 in the amount of 40 hours.

Employee cashes out on November 15, 2016 in the amount of 40 hours.

Employee does not cash out balance of hours elected for buy back (80), A/C office will cash out balance of hours and pay employee on last check of 2016 to fulfill obligation of irrevocable election.

Scenario 4:

In September, 2015, Open Enrollment employee elects NOT to Buy Back any hours in 2016.

In March, 2016, employee seeks to buy back hours.

Employee is denied cash out of hours because did not make election in Open Enrollment.