



Monterey County

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Board Order

Upon motion of Supervisor Potter, seconded by Supervisor Armenta and carried by those members present, the Board of Supervisors hereby:

- a. Adopted Resolution 15-287 amending Personnel Policies and Practices Resolution No. 98-394 to amend Sections A.25.9; A.30.10; A.30.11 and A.30.12 and to add Section A.30.13 related to the cashing out of certain vacation/annual leave/paid time off hours;
- b. Directed the Human Resources Department to incorporate the changes; and
- c. Authorized the Auditor-Controller to implement such changes in the Advantage HRM system.

PASSED AND ADOPTED on this 13th day of October 2015, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 78 for the meeting on October 13, 2015.

Dated: November 5, 2015
File ID: 15-1079

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Resolution No. 15-287

- a. Amend Personnel Policies and Practices Resolution No. 98-394 to amend Sections A.25.9; A.30.10; A.30.11 and A.30.12 and to add Section A.30.13 related to the cashing out of certain vacation/annual leave/paid time off hours;
- b. Direct the Human Resources Department to incorporate the changes; and
- c. Authorize the Auditor-Controller to implement such changes in the Advantage HRM system.....

WHEREAS, certain employees are afforded the ability to “cash out” and require the County to “buy back” specified amounts of vacation/annual leave/paid time off hours; and

WHEREAS, it has been brought to the County’s attention that the manner in which this ability is processed could expose eligible employees to undesirable tax consequences; and

WHEREAS, it is the County’s intent to maintain existing eligibility requirements for cashing out such time, but to institute procedures related to when and how such requests to cash out time are processed, in order to minimize possible undesirable tax consequences; and

WHEREAS, implementing these changes requires an amendment to the Personnel Policies and Practices Resolution No. 98-394; and

NOW, THEREFORE, the Monterey County Board of Supervisors, effective December 13, 2014, hereby resolved to approve the following:

- a. Amend Section A.25.9 of the Personnel Policies and Practices Resolution No. 98-394 as indicated below:
 - A.25.9 Vacation Cash Out
 - Permanent employees with over one (1) year of service in Unit Z may sell back to the County up to forty (40) hours of their vacation in any calendar year if the following conditions are met:
 - a) The employee has used (taken) at least eighty (80) hours of vacation during the preceding calendar year.
 - b) The employee must have at least forty (40) hours of vacation remaining after the election to "cash out" of some of their vacation pursuant to Section A.30.13.
- b. Amend Section A.30.10 of the Personnel Policies and Practices Resolution No. 98-394 as indicated below:
 - A.30.10 Annual Leave Cash Out: Permanent Employees Over One (1) Year of Service
 - Permanent employees with at least one (1) year of service in Units X and/or Y and one (1) to nine (9) years of service in County employment may sell back to the

County up to one hundred twenty (120) hours of their annual leave in any calendar year if the following conditions are met:

The employee has used (taken) at least one hundred and twenty (120) hours of combined annual and professional leave during the preceding calendar year; provided

The employee must have at least forty (40) hours of annual leave remaining after making an election to “cash out” of some of their annual leave pursuant to Section A.30.13, and

No more than one request for partial payment of a “cash out” may be made in any calendar quarter.

- c. Amend Section A.30.11 of the Personnel Policies and Practices Resolution No. 98-394 as indicated below:

A.30.11 Annual Leave Buy Back: Permanent Employees with Over Ten (10) Years of Service
Permanent employees with over one (1) year of service in Units X and/or Y and over ten (10) years of service or more in County employment may sell back to the County an additional 40 hours of annual leave; up to one hundred sixty (160) hours of their annual leave in any calendar year if the following conditions are met:

The employee has used (taken) at least 120 hours of combined annual and professional leave during the preceding calendar year; provided

The employee must have at least forty (40) hours of annual leave remaining after making an election to “cash out” of some of their annual leave pursuant to Section A.30.13, and

No more than one request for partial payment of a “cash out” may be made in any calendar quarter.

- d. Amend Section A.30.12 of the Personnel Policies and Practices Resolution No. 98-394 as indicated below:

A.30.12 Annual Leave and Vacation Accrual on Class Change to Represented Unit with Lesser Leave or Vacation Accrual Cap

When an Employee is:

Involuntarily demoted or reclassified; or the classification to which he/she is currently assigned is moved into a different representation unit,

AND

The annual leave or vacation accrual cap assigned to the new class or representation unit differs from and is of overall lesser value than the annual leave or vacation accrual cap assigned to his/her former class or representation unit;

The employee may elect to:

Annual Leave:

Request a one-time cash out of the annual leave available on the effective date of the specified personnel action subject to the conditions provided.

Employees will have sixty (60) days to exercise this option from the effective date of the specified personnel action. The maximum amount that may be cashed out shall not exceed the maximum amount allowable under the annual leave buyback policy applicable to the employee prior to the specified personnel action and shall be paid at the employee’s rate of pay prior to the specified personnel action. Any remaining balance shall be retained in a legacy annual leave bucket separate from vacation and sick leave. The legacy annual leave bucket may be used at the election of the employee and in the

same manner as vacation or sick leave. This legacy annual leave bucket shall be a closed bucket; meaning that no additional hours may be added and can only be cashed out when the employee separates from employment in the same manner as other accruals.

OR

2) Do nothing. If the employee chooses not to cash out any annual leave, the entire annual leave balance will be retained in a legacy annual leave bucket separate from vacation and sick leave. The legacy annual leave bucket may be used at the election of the employee and in the same manner as vacation or sick leave. The legacy annual leave bucket shall be a closed bucket; meaning that no additional hours may be added and can only be cashed out when the employee separates from employment in the same manner as other accruals.

Where a benefit such as the sick leave bank requires the exhaustion of all accruals as a condition of eligibility, the legacy annual leave bucket shall be treated as other accruals.

Vacation:

1) Request one-time cash out of the vacation leave available on the effective date of the specified personnel action subject to the conditions provided. Employees will have sixty (60) days to exercise this option from the effective date of the specified personnel action. The maximum amount that may be cashed out pursuant to this provision shall not exceed 40 (forty) hours below the accrual maximum assigned to the new class and shall be paid at the employee's rate of pay prior to the specified personnel action.

- e. Add Section A.30.13 to the Personnel Policies and Practices Resolution No. 98-394 as indicated below:

A.30.13 Election to Cash Out of Vacation/Annual Leave/Paid Time Off

In order to "cash out" or otherwise require the County to buy back vacation, annual leave or paid time off, the employee must first meet the eligibility criteria set forth in the applicable provision of the PPPR. If such criteria are met, only then the employee may request and be granted compensation in lieu of vacation/ annual leave/PTO for up to the amounts set forth in the PPPR, under the terms set forth below. If such criteria are not met as of December 31 of the calendar year in which the election is required to be made, then the employee has no right to election to "cash out" accrued time in the next calendar year.

- a) An eligible employee may elect to pre-designate an irrevocable cash-out amount of up to the maximum number of hours of vacation/annual leave/PTO for the upcoming calendar year as set forth for his/her respective class. Requests for cash out must be made prior to December 1 of the calendar year before the cash out will be made (for example, requests for the 2016 calendar year will be made before December 1, 2015).
- b) Cash-out designations shall be made in hours, not dollar amounts, and must be in increments of 8 hours.

Any such request will be subject to the following:

- i. Any employee utilizing this provision will be required to submit an irrevocable election by December 1st of the calendar year prior to the calendar year in which the vacation/annual leave/PTO hours to be cashed out are earned.
 - ii. An employee who elected to receive the cash-out as set forth above, may request a full or a partial payment of the cash-out at any time in the designated calendar year, but only once per calendar quarter. For requested cash-out occurring in 2016, a full or partial cash out payment is not guaranteed in the month of January.
 - iii. For employees who have pre-designated cash-out amounts and who have not requested actual payment(s) of the entire designated "cash out amount" by December 1st of that calendar year, the County will automatically pay out the pre-designated amount (or remaining amount designated but not paid) by the last paycheck of the calendar year.
 - iv. Employees who have not elected to pre-designate a cash out by the applicable deadline (December 1st of the prior calendar year) will be deemed to have waived their right and will not be eligible to cash out any vacation/annual leave/PTO in the following calendar year (for example, if no designation is made by December 1, 2015, no cash out is available in 2016).
- f. Direct the Human Resources Department to implement such changes in the Advantage HRM system as may be necessary to implement the amendments.
 - g. Authorize the Auditor-Controller to implement such changes in the Advantage HRM system as may be necessary to implement the amendments

PASSED AND ADOPTED upon motion of Supervisor Potter seconded by Supervisor Armenta carried this 13th day of October 2015, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 78 for the meeting on October 13, 2015.

Dated: November 5, 2015
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Gail T. Borkowski, Clerk of the Board of Supervisors
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