

Proposed Leave Design for Staff

Executive Summary

A proposed leave design for staff was presented to the Board as an informational item in the June 2022 meeting. Guiding principles that have shaped the project and recommended proposal were developed in partnership with the board.

Guiding Principles:

1. Modernize leave programs to make them more market competitive
2. Improve the effectiveness of the leave programs
3. Realize cost savings
4. Design leave programs that promote work-life balance
5. Explore differentiating leave by staff type and industry

Following the June 2022 Board meeting, a dedicated webpage with resources was made available to employees. The webpage allows employees the ability to submit feedback and questions. Four virtual Information Sessions were held in August. Further details of the Paid Time Off (PTO) design were shared, and employees could submit live questions for response. Leaders also engaged with representative groups, including The Total Rewards Advisory Committee (TRAC) and Intercampus Staff Advisory Council (ISAC).

The feedback received supports that:

- employees are receptive to the flexibility of PTO; and
- short-term disability and parental/caregiver leave were overall viewed as favorable.

The primary areas of concern included:

- the difference of 10 days when comparing PTO to the current traditional design;
- sixty percent income replacement for short-term disability;
- whether intermittent leave was available under short-term disability;
- the original recommendation of limited carryover and full pay out at separation; and
- what would happen to current accruals for vacation, sick, and personal days.

As a result of the feedback, the current recommendation allows for:

- two times the accrual with a maximum of 10 days of accrued PTO paid out at separation;
- more details and options related to honoring accruals for vacation, sick, and personal days;

- supplementing short-term disability with accrued sick leave;
- using accrued sick leave for sick occurrences if PTO and all other available leave is exhausted; and
- exploring an employee paid buy-up option for additional income replacement under short-term disability.

After further market evaluation, the current recommendation also allows for a maximum four weeks paid time off for approved parental leave and two weeks paid time off for approved caregiver leave, within a rolling 12-month period.

The Board action item provides for the Board’s approval of the following Collected Rules and Regulations:

1. New Collected Rules and Regulations (CRRs):
 - a. CRR 340.025 Paid Time Off (PTO)
 - b. CRR 340.015 Parental and Caregiver Leave
 - c. CRR 340.031 Sick Leave – clarifying the treatment of sick leave balances as of the effective date of CRR 340.025 Paid Time Off (PTO)
2. Current Collected Rules and Regulations (CRRs) with redlined changes:
 - a. CRR 340.040 Holidays – adding Juneteenth as an official University holiday
 - b. CRR 340.030 Sick Leave – suspending provisions of CRR as of the effective date of CRR 340.025 Paid Time Off (PTO)
 - c. CRR 340.500 Vacation – suspending provisions of CRR and clarifying treatment of balances as of the effective date of CRR 340.025 Paid Time Off (PTO)
 - d. CRR 340.060 Personal Days – suspending provisions of CRR and clarifying the treatment of balances as of the effective date of CRR 340.025 Paid Time Off (PTO)

Design Proposal

1. Paid Time Off (PTO)
 - a. The PTO structure will be the same for both campus and health care, including a separate leave allowance for University recognized holidays. Eligible employees will accrue PTO days on the following schedule, which the service level continues to increase at 5 and 15 years:

Years of service	Non-Exempt	Exempt
At hire - <5 years	18 days	23 days
5-15 years	23 days	28 days
15+ years	28 days	28 days

- b. Eligible employees will be able to carry a maximum of two times their annual PTO accrual.
- c. Eligible employees will continue to receive paid Winter Break Leave annually. Winter Break paid leave continues to not apply to MU Health Care.
- d. Hourly paid health care staff will be eligible for an annual PTO cash out program. Additional parameters will be developed during implementation for this program.

2. Ancillary Plans

- a. Short-term disability (total of up to 21 weeks)
 - i. Provides paid time off for approved serious health conditions
 - ii. One-week elimination period
 - iii. Sixty percent replacement salary for a maximum duration of 20 weeks
 - iv. Definitions consistent with CRR 340.010 Family and Medical Leave
- b. Parental and Caregiver Leave
 - i. Parental leave is paid time off for the birth of a child or placement of a child with the employee for adoption or foster care.
 - ii. Caregiver leave is paid time off to care for an immediate family member with a serious health condition.
 - iii. Maximum four weeks paid time off for approved parental leave and two weeks paid time off for approved caregiver leave, within a rolling 12-month period
 - iv. Definitions consistent with CRR 340.010 Family and Medical Leave

No. 1

Recommended Action – Approval of Leave Design Plan

It was recommended by Vice President and Chief Human Resources Officer Marsha Fischer, endorsed by President Choi, recommended by the Compensation and Human Resources Committee, moved by Curator _____, and seconded by Curator _____, that the following actions be approved:

Collected Rules and Regulations listed below be amended or added as indicated in the attached documents containing proposed language changes:

New Collected Rules and Regulations (CRRs):

- 340.025 Paid Time Off (PTO)
- 340.015 Parental and Caregiver Leave
- 340.031 Sick Leave

Current Collected Rules and Regulations (CRRs) with redlined changes:

- 340.040 Holidays
- 340.030 Sick Leave
- 340.050 Vacation
- 340.060 Personal Days

Establishment of an employer paid short-term disability program, with one week elimination period and 60 percent of income replacement for up to 20 weeks, for a total leave time of up to 21 weeks.

Non-material changes to related CRRs appropriate for implementation of this recommended action may be made with approval of the Vice President of Human Resources or designee, subject to review and approval by the Office of the General Counsel that the changes do not alter the substantive legal or policy effect of the rules and regulations.

Roll call vote of the Committee: YES NO

Curator Brncic
Curator Holloway
Curator Wenneker
Curator Williams

The motion _____.

Roll call vote of the Board: YES NO

Curator Brncic
Curator Chatman
Curator Graves
Curator Hoberock
Curator Holloway
Curator Layman
Curator Wenneker
Curator Williams

The motion _____.

Collected Rules and Regulations

Personnel

Chapter 340: Employee Absences

340.025 Paid-Time-Off (PTO)

Bd. Min. TBD

- A. Purpose** – Paid Time Off (PTO) is a benefit program that allows eligible employees to use available time off with pay for any reason. Employees are encouraged to plan in advance of the need for time off and submit requests to supervisors for approval prior to being absent. Supervisors have the responsibility of approving or denying time away from work.
- B. Eligibility** - Regular benefit-eligible administrative, service and support positions and certain non-regular academic employees as approved by the Chancellor and President.
- C. Annual PTO**
1. PTO is accrued weekly based on the employee's years of continuous benefit-eligible service as follows (based on 1.0FTE):
 - i. Hourly Paid, Nonexempt Employees
 - 0 – 5 years inclusive: 18 days
 - Over 5 years: 23 days
 - Over 15 years: 28 days
 - ii. Monthly Paid, Exempt Employees
 - 0 – 5 years inclusive: 23 days
 - Over 5 years: 28 days
 - iii. Nurses accrue on the monthly, exempt schedule
 2. Employees working on a basis of 75 percent - 99 percent full-time equivalence will accrue PTO time on a pro-rata basis.
 3. PTO is available for use once it is accrued, subject to appropriate supervisory approval.
 4. Employees shall be permitted to accumulate two times the allowed PTO earned each year.
- D. Cash Out Program** – A cash out program is authorized for non-exempt MU Health Care employees and other similar employees as designated by the President and Vice President of Human Resources, subject to program parameters as established by the President and Vice President of Human Resources.
- E. Separation of Employment** – Upon separation of employment from the University of Missouri System or an employment change to position not eligible for PTO, employees will receive payment of unused accumulated PTO, not to exceed 80 hours (based on

1.0FTE), provided that an employee discharged for willful gross violation of rules, misconduct or similar causes may not receive such payment. For employees working on a basis of 75 percent - 99 percent full-time equivalence, the 80-hour cap will be adjusted on a pro rata basis.

- F. Effective date** – The provisions of this CRR will be effective on or around January 1, 2024 as approved by the President and Vice President of Human Resources.

Collected Rules and Regulations

Personnel

Chapter 340: Employee Absences

340.015 Parental and Caregiver Leave

Bd. Min. TBD

- A. Purpose** – Parental leave is for the birth of a child or placement of a child with the employee for adoption or foster care. Caregiver Leave is to care for an immediate family member, as defined below, with a serious health condition, as certified by a health care provider.
- B. Eligibility** - Regular benefit-eligible administrative, service and support positions and certain non-regular academic employees as approved by the Chancellor and President.
- C. Definition**
1. Parental leave is leave for purposes identified in Collected Rules and Regulation 340.010: Family and Medical Leave section D, paragraph 1.a.
 2. Caregiver leave is leave for purposes identified in Collected Rules and Regulations 340.010: Family and Medical Leave section D, paragraph 1.b.
 3. Rolling 12-month period is defined as the 12-month period measured backward from the date an employee uses parental or caregiver leave. With this “rolling” method, each time an employee uses parental or caregiver leave, the remaining leave entitlement is the balance of the leave which has not been used during the immediately preceding 12 months.
- D. Leave Available** – Eligible employees may receive a total of four (4) workweeks of approved parental leave over a rolling 12-month period and two (2) workweeks of approved caregiver leave over a rolling 12-month period. Leave may be taken intermittently or continuously, as allowed under Collected Rules and Regulations: 340.010: Family and Medical Leave Act.
- E. Compensation**– Approved parental and caregiver leave is paid at 100 percent of the eligible employee’s salary at the time the leave begins.
- F. Effective date** – The provisions of this rule will be effective on or around January 1, 2024 as approved by the President and Vice President of Human Resources.

Collected Rules and Regulations

Personnel

Chapter 340: Employee Absences

340.031 Sick Leave

Bd. Min. tbd

- A. Eligibility** – Regular benefit-eligible administrative, service and support positions and certain non-regular academic employees as approved by the Chancellor and President who have accrued available sick leave balances as of the effective date of Collected Rule and Regulation 340.025 Paid Time Off (PTO).

- B. Beginning Balance** – Beginning sick leave balance is the number of sick hours recorded in the university's central payroll system at the time of implementation of this rule.

- C. Using Sick Leave** – Eligible employees may use sick leave balances under the following circumstances:
 - 1. Short-Term Disability - Payment during the required elimination period may be allowed by the use of Sick Leave or other available paid time off. Use of Sick Leave may also be allowed to make up the difference between what is paid by Short-Term Disability and the employee's regular pay.
 - 2. Workers' Compensation - Payment during the required waiting period may be allowed by the use of Sick Leave or other available paid time off. Use of Sick Leave may also be allowed to make up the difference between what is paid by Workers' Compensation and the employee's regular pay.
 - 3. Illness and Injury, Other – After an employee has exhausted PTO, Short-Term Disability (if applicable), and Parental and Caregiver Leave (if applicable), an employee may use available Sick Leave subject to limits stated in the sick leave policy in effect one day prior to the effective date of this rule.

- D. Separation of Employment** – Upon separation of employment, employees will not receive payment for any unused accumulated sick leave.

- E. Retirement** -- Employees will receive additional creditable service in calculating retirement benefits for all unused accumulated sick leave, subject to the terms of the applicable retirement plan. Sick leave credit is allowed only upon retirement and does not apply to deferred vested benefits.

- F. Effective date** – The provisions of this CRR will be effective on or around January 1, 2024 as approved by the President and Vice President of Human Resources.

Collected Rules and Regulations

Chapter 340: Employee Absences

340.040 Holidays

Bd. Min. 6-28-68; Bd. Min. 12-12-69; Amended Bd. Min. 11-19-71; Amended Bd. Min. 3-23-73; Amended Bd. Min. 9-20-74; Amended Bd. Min. 4-25-75; Amended Bd. Min. 9-9-77; Amended 9-7-79; Amended Bd. Min. 11-13-81; Amended 7-30-82, effective 9-1-82; Bd. Min. 7-15-86; Bd. Min. 1-25-90; Amended 9-26-97; Amended 7-19-02; Amended 10-23-09; Amended 7-23-10; Amended TBD.

A. Observance of Holidays -- The following days have been designated as official University holidays:

- New Year's Day
- Martin Luther King, Jr., Day
- Memorial Day
- Juneteenth
- Independence Day
- Labor Day
- Thanksgiving Day and the Friday following
- Christmas Day
- And other days as may be designated by the President

Holidays are considered to extend over a 24-hour period. When a holiday falls on Saturday, the preceding Friday is observed. When a holiday falls on Sunday, the following Monday is observed. Notwithstanding the foregoing observations for holidays falling on the weekend, units/departments that operate 24 hours a day and/or 7 days a week may choose to observe the holiday on the actual day of the holiday. The holiday schedule for these 24/7 operations will be determined by the unit/department. Employees required to work on the day the holiday is observed in their unit/department and entitled to receive premium pay, as described in Section 340.040C below, will receive holiday pay and premium pay only on the day the holiday is observed in their unit/department.

B. Eligibility – Regular employees entitled to receive pay up to a maximum of eight (8) hours for official University holidays include all full-time Administrative, Service & Support employees, whether or not they are scheduled to work on the holiday, with 99 % to 75% FTE employees to receive holiday pay on a prorata basis.

C. Required Work on a Holiday -- All nonexempt regular benefit-eligible employees required to work on a holiday will receive 1-1/2 times their straight-time wage rate for the hours worked (premium pay) in addition to their holiday pay.

D. Special Religious Holidays -- The observance of special religious holidays may be permitted by the employee's supervisor. In such cases, time off is charged to accumulated ~~vacation leave, personal days~~PTO, compensatory time or leave without pay.

Collected Rules and Regulations

Personnel

Chapter 340: Employee Absences

340.040 Holidays

Bd. Min. 6-28-68; Bd. Min. 12-12-69; Amended Bd. Min. 11-19-71; Amended Bd. Min. 3-23-73; Amended Bd. Min. 9-20-74; Amended Bd. Min. 4-25-75; Amended Bd. Min. 9-9-77; Amended 9-7-79; Amended Bd. Min. 11-13-81; Amended 7-30-82, effective 9-1-82; Bd. Min. 7-15-86; Bd. Min. 1-25-90; Amended 9-26-97; Amended 7-19-02; Amended 10-23-09; Amended 7-23-10; Amended TBD.

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B. Eligibility – Regular employees entitled to receive pay up to a maximum of eight (8) hours for official University holidays include all full-time Administrative, Service & Support employees, whether or not they are scheduled to work on the holiday, with 99 % to 75% FTE employees to receive holiday pay on a prorata basis.

C. Required Work on a Holiday -- All nonexempt regular benefit-eligible employees required to work on a holiday will receive 1-1/2 times their straight-time wage rate for the hours worked (premium pay) in addition to their holiday pay.

D. Special Religious Holidays -- The observance of special religious holidays may be permitted by the employee's supervisor. In such cases, time off is charged to accumulated PTO, compensatory time or leave without pay.

Collected Rules and Regulations

Personnel

Chapter 340: Employee Absences

340.030 Sick Leave

Bd. Min. 7-16-58, p. 13,307; Bd. Min. 6-28-68; amended 9-17-76; amended 9-7-79, amended Bd. Min. 7-30-82, effective 9-1-82; Bd. Min. 7-15-86; Bd. Min. 3-11-94; amended Bd. Min. 9-26-97; amended Bd. Min. 7-17-98; amended Bd. Min. 7-19-02; amended Bd. Min. 7-23-04; amended Bd. Min. 10-23-09, amended Bd. Min 9-13-13; amended Bd. Min. 6-21-18; Amended TBD.

A. Sick Leave - The university provides paid sick leave to eligible employees to encourage time off to care for one's own health, and the health of immediate family members. The following sick leave applies to Regular Administrative, Service and Support employees and certain non-regular academic employees as approved by the Chancellor and President.

B. Accruals

1. Sick leave is accrued from the first day of eligible employment.
2. Eligible employees accrue sick leave at the rate of 12 working days per year accrued over each pay period.
3. Credit for sick leave accumulates during vacations, sick leave, excused absence with pay and any leave of absence without pay granted for an on-the-job injury compensable under Workers' Compensation. Credit does not accumulate when an employee is receiving shared leave. Sick leave accruals will be available to the employee only after returning to work in regular status.

C. Using Sick Leave

1. Sick leave is available for use once it is accrued, subject to appropriate supervisory approval.
2. Eligible employees may use accrued sick leave to cover absences related to:
 - a. the employee's own illness, injury, pregnancy, or preventative care; or
 - b. an immediate family member's illness, injury, pregnancy, or preventative care.
3. Eligible employees also may use accrued sick leave subject to limits stated below to cover absences related to:
 - a. the placement of an adoptive or foster child in the employee's home or care of that child within twelve (12) months after placement; or
 - b. the care of an employee's child within twelve (12) months after birth.
 - c. When used in these instances, the amount of accrued sick leave plus all other forms of paid leave (e.g., vacation, personal) used by an employee may not exceed 480 hours for each instance of placement and associated care of

child or care of child after birth. This 480 hour limit will apply on a basis of 100% full-time equivalence and will be reduced on a pro-rata basis for an employee working on a basis of 75 percent – 99 percent full-time equivalence. In instances where both parents are eligible employees, each will have a 480 hour limit.

D. Separation of Employment – Upon separation of employment, employees will not receive payment for any unused accumulated sick leave.

E. Retirement -- Employees will receive additional creditable service in calculating retirement benefits for all unused accumulated sick leave, subject to the terms of the applicable retirement plan. Sick leave credit is allowed only upon retirement, and does not apply to deferred vested benefits.

F. Sunset – The provisions of this rule will be suspended as of the effective date of Collected Rule and Regulation 340.025 (PTO).

Collected Rules and Regulations

Personnel

Chapter 340: Employee Absences

340.030 Sick Leave

Bd. Min. 7-16-58, p. 13,307; Bd. Min. 6-28-68; amended 9-17-76; amended 9-7-79, amended Bd. Min. 7-30-82, effective 9-1-82; Bd. Min. 7-15-86; Bd. Min. 3-11-94; amended Bd. Min. 9-26-97; amended Bd. Min. 7-17-98; amended Bd. Min. 7-19-02; amended Bd. Min. 7-23-04; amended Bd. Min. 10-23-09, amended Bd. Min 9-13-13; amended Bd. Min. 6-21-18; Amended TBD.

A. Sick Leave - The university provides paid sick leave to eligible employees to encourage time off to care for one's own health, and the health of immediate family members. The following sick leave applies to Regular Administrative, Service and Support employees and certain non-regular academic employees as approved by the Chancellor and President

B. Accruals

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2. Eligible employees may use accrued sick leave to cover absences related to:
 - a. the employee's own illness, injury, pregnancy, or preventative care; or
 - b. an immediate family member's illness, injury, pregnancy, or preventative care.
3. Eligible employees also may use accrued sick leave subject to limits stated below to cover absences related to:
 - a. the placement of an adoptive or foster child in the employee's home or care of that child within twelve (12) months after placement; or
 - b. the care of an employee's child within twelve (12) months after birth.
 - c. When used in these instances, the amount of accrued sick leave plus all other forms of paid leave (e.g., vacation, personal) used by an employee may not exceed 480 hours for each instance of placement and associated care of child or care of child after birth. This 480 hour limit will apply on a basis of 100% full-time equivalence and will be reduced on a pro-rata basis

for an employee working on a basis of 75 percent – 99 percent full-time equivalence. In instances where both parents are eligible employees, each will have a 480 hour limit.

- D. Separation of Employment** – Upon separation of employment, employees will not receive payment for any unused accumulated sick leave
- E. Retirement** -- Employees will receive additional creditable service in calculating retirement benefits for all unused accumulated sick leave, subject to the terms of the applicable retirement plan. Sick leave credit is allowed only upon retirement, and does not apply to deferred vested benefits.
- F. Sunset** – The provisions of this rule will be suspended as of the effective date of Collected Rule and Regulation 340.025 (PTO).

Chapter 340: Employee Absences

340.050 Vacation

Bd. Min. 7-16-58, p. 13,307, as amended 6-28-68, p. 33,907; Amended 9-7-79; Amended 7-30-82, effective 9-1-82; Bd. Min. 7-15-86; Amended 9-26-97; Amended Bd. Min. 7-17-98; Amended Bd. Min. 7-19-02; Amended Bd. Min 9-13-13; Amended Bd. Min. 9-26-19, effective 10-1-19; Amended TBD.

A. Eligibility

1. Eligible Employees – Benefit-eligible full-time administrative, service and support employees and certain non-regular academic employees as approved by the chancellor and president who have satisfied appropriate probationary periods shall be eligible for paid vacation time accrued from the date of employment.
2. Ineligible Employees -- Employees with primary titles that are administrative, service and support who are exempt from classification because their positions are primarily directing instructional or research activities are not subject to this policy.

B. Accruals

1. Hourly Paid, Nonexempt Employees – Eligible hourly paid, nonexempt employees accrue vacation time over each pay period at the following rate:
 - 0-5 years inclusive: 12 days
 - Over 5 years: 17 days
 - Over 15 years: 22 days
2. Monthly Paid, Exempt Employees – Eligible monthly paid, exempt employees accrue vacation time over each pay period at the following rate:
 - 0-5 years inclusive: 17 days
 - Over 5 years: 22 days

C. Credit for vacation accumulates during vacations, sick leave, excused absence with pay and any leave of absence without pay granted for an on-the-job injury compensable under Workers' Compensation. Vacation accruals will be available to the employee only after returning to work in regular status

D. Conditions Governing Vacation Accruals

1. Vacation is available for use once it is accrued, subject to appropriate supervisory approval.
2. Extra pay shall not be made in lieu of vacation leave.
3. Employees working on a basis of 75 percent - 99 percent full-time equivalence or more will accrue vacation time on a pro-rata basis.

E. Maximum Accruals -- An employee shall be permitted to accumulate two times the allowed vacation earned each year.

F. Sunset – The provisions of this rule will be suspended as of the effective date of Collected Rule and Regulation 340.025 (PTO). Individuals employed at that time may elect to transfer a portion of their unused vacation time to Paid Time Off (CRR 340.025) in accordance with the policy and processes approved by the Vice President of Human Resources. Any remaining unused vacation will be paid lump-sum.

Chapter 340: Employee Absences

340.050 Vacation

Bd. Min. 7-16-58, p. 13,307, as amended 6-28-68, p. 33,907; Amended 9-7-79; Amended 7-30-82, effective 9-1-82; Bd. Min. 7-15-86; Amended 9-26-97; Amended Bd. Min. 7-17-98; Amended Bd. Min. 7-19-02; Amended Bd. Min 9-13-13; Amended Bd. Min. 9-26-19, effective 10-1-19; Amended TBD.

A. Eligibility

1. Eligible Employees – Benefit-eligible full-time administrative, service and support employees and certain non-regular academic employees as approved by the chancellor and president who have satisfied appropriate probationary periods shall be eligible for paid vacation time accrued from the date of employment.
2. Ineligible Employees -- Employees with primary titles that are administrative, service and support who are exempt from classification because their positions are primarily directing instructional or research activities are not subject to this policy.

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 - 0-5 years inclusive: 17 days
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C. Credit for vacation accumulates during vacations, sick leave, excused absence with pay and any leave of absence without pay granted for an on-the-job injury compensable under Workers' Compensation. Vacation accruals will be available to the employee only after returning to work in regular status

D. Conditions Governing Vacation Accruals

1. Vacation is available for use once it is accrued, subject to appropriate supervisory approval.
2. Extra pay shall not be made in lieu of vacation leave.
3. Employees working on a basis of 75 percent - 99 percent full-time equivalence or more will accrue vacation time on a pro-rata basis.

E. Maximum Accruals -- An employee shall be permitted to accumulate two times the allowed vacation earned each year.

F. Sunset – The provisions of this rule will be suspended as of the effective date of Collected Rule and Regulation 340.025 (PTO). Individuals employed at that time may elect to transfer a portion of their unused vacation time to Paid-Time-Off (CRR 340.025) in accordance with the policy and processes approved by the Vice President of Human Resources. Any remaining unused vacation will be paid lump-sum.

Collected Rules and Regulations

Personnel

Chapter 340: Employee Absences

340.060 Personal Days

Bd. Min. 7-30-82, effective 9-1-82; Bd. Min. 7-15-86; Amended 9-26-97; Amended Bd. Min. 7-17-98; Amended Bd. Min. 7-19-02; Amended Bd. Min. 9-13-13; Amended Bd. Min. 6-21-18; Amended TBD.

A. Eligible Employees -- Regular Administrative, Service and Support employees and certain non-regular academic employees as approved by the Chancellor and President will be granted four personal days each year. The year will be calculated using the employee's beginning employment date. Personal days are to be used at the employee's discretion, subject to supervisory review and approval. Personal days must be taken before the end of the anniversary year and accumulation beyond the year is not permitted.

B. Sunset – The provisions of this rule will be suspended as of the effective date of Collected Rule and Regulation 340.025 (PTO). Unused personal day balances recorded in the University's time-keeping system at that time will remain available for use during approved absences until the employee's next anniversary date. Personal days must be taken before the end of the anniversary year. Accumulation beyond the year and payment at separation are not permitted.

Collected Rules and Regulations

Personnel

Chapter 340: Employee Absences

340.060 Personal Days

Bd. Min. 7-30-82, effective 9-1-82; Bd. Min. 7-15-86; Amended 9-26-97; Amended Bd. Min. 7-17-98; Amended Bd. Min. 7-19-02; Amended Bd. Min. 9-13-13; Amended Bd. Min. 6-21-18; Amended TBD.

- A. Eligible Employees** -- Regular Administrative, Service and Support employees and certain non-regular academic employees as approved by the Chancellor and President will be granted four personal days each year. The year will be calculated using the employee's beginning employment date. Personal days are to be used at the employee's discretion, subject to supervisory review and approval. Personal days must be taken before the end of the anniversary year and accumulation beyond the year is not permitted.
- B. Sunset** – The provisions of this rule will be suspended as of the effective date of Collected Rule and Regulation 340.025 (PTO). Unused personal day balances recorded in the University's time-keeping system at that time will remain available for use during approved absences until the employee's next anniversary date. Personal days must be taken before the end of the anniversary year. Accumulation beyond the year and payment at separation are not permitted.

Proposed Leave Program Design



Overview

- Why consider a Paid Time Off (PTO) plan?
- How the proposal was developed
- Recommended design for campuses and MU Health Care
 - Number of PTO days per year
 - Short-Term Disability
 - Parental and Caregiver Leave
- PTO accruals and carryover
- How current plan balances will be honored at transition

Why are we considering changes to our time-off programs?

How did we develop this proposal?

- **Aon**, a national expert in the field, provided expertise and analysis to the project committee, working group, and leadership
- In 2020, a **committee** comprised of faculty and staff representatives across the system evaluated the university's current leave programs. From this evaluation, the committee identified three key areas for improvement:
 - Paid Time Off (PTO) model
 - Short-term disability leave
 - Parental/Caregiver leave
- Following the committee's work, a **working group** of HR, Finance, and campus and health care representatives developed a proposed design
- Review with **representative groups** including Total Rewards Advisory Committee (TRAC) and Intercampus Staff Advisory Council (ISAC) and **university leadership**

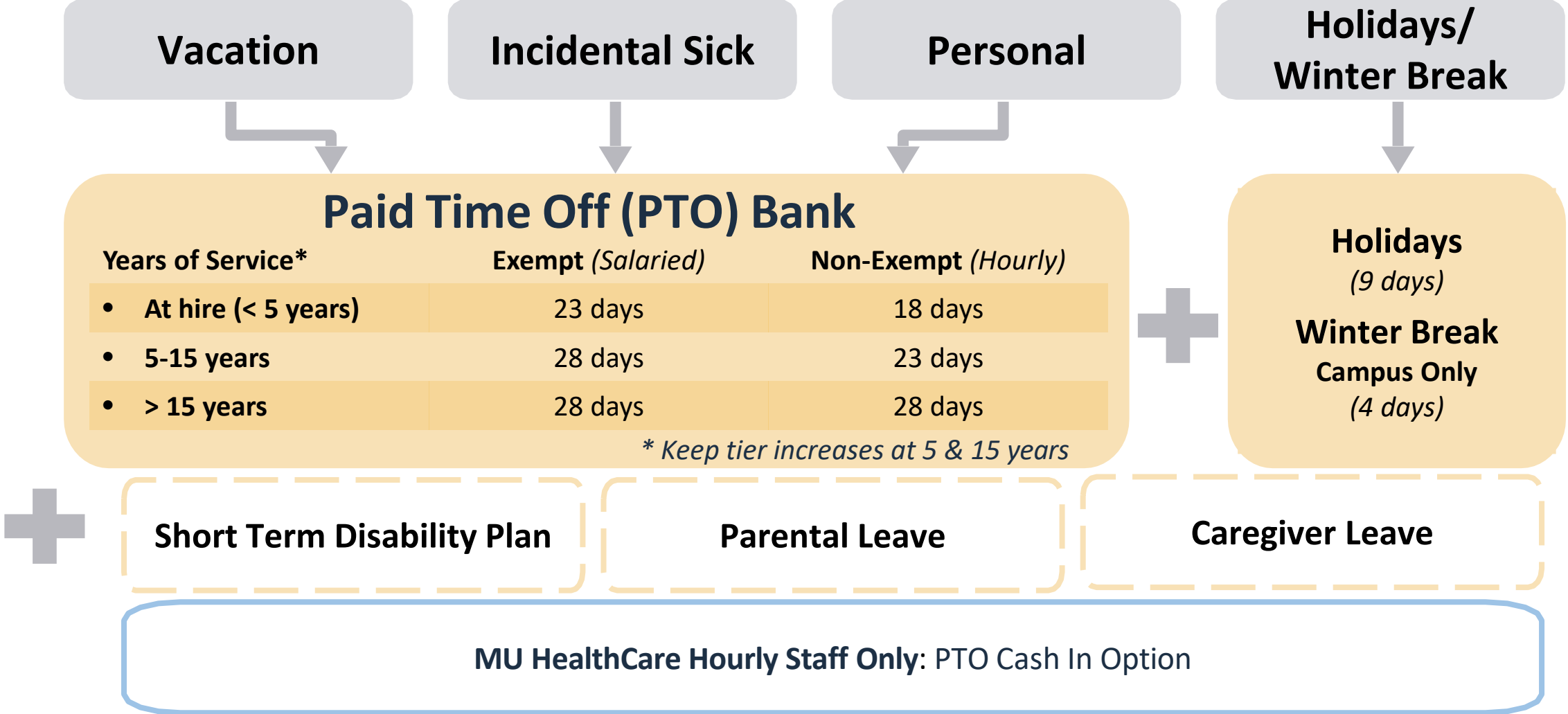
Guiding Principles

1. Modernize leave programs to make them more market competitive
2. Improve effectiveness of leave programs
3. Realize cost savings
4. Design leave programs that promote work-life balance
5. Explore differentiating leave by staff type and industry

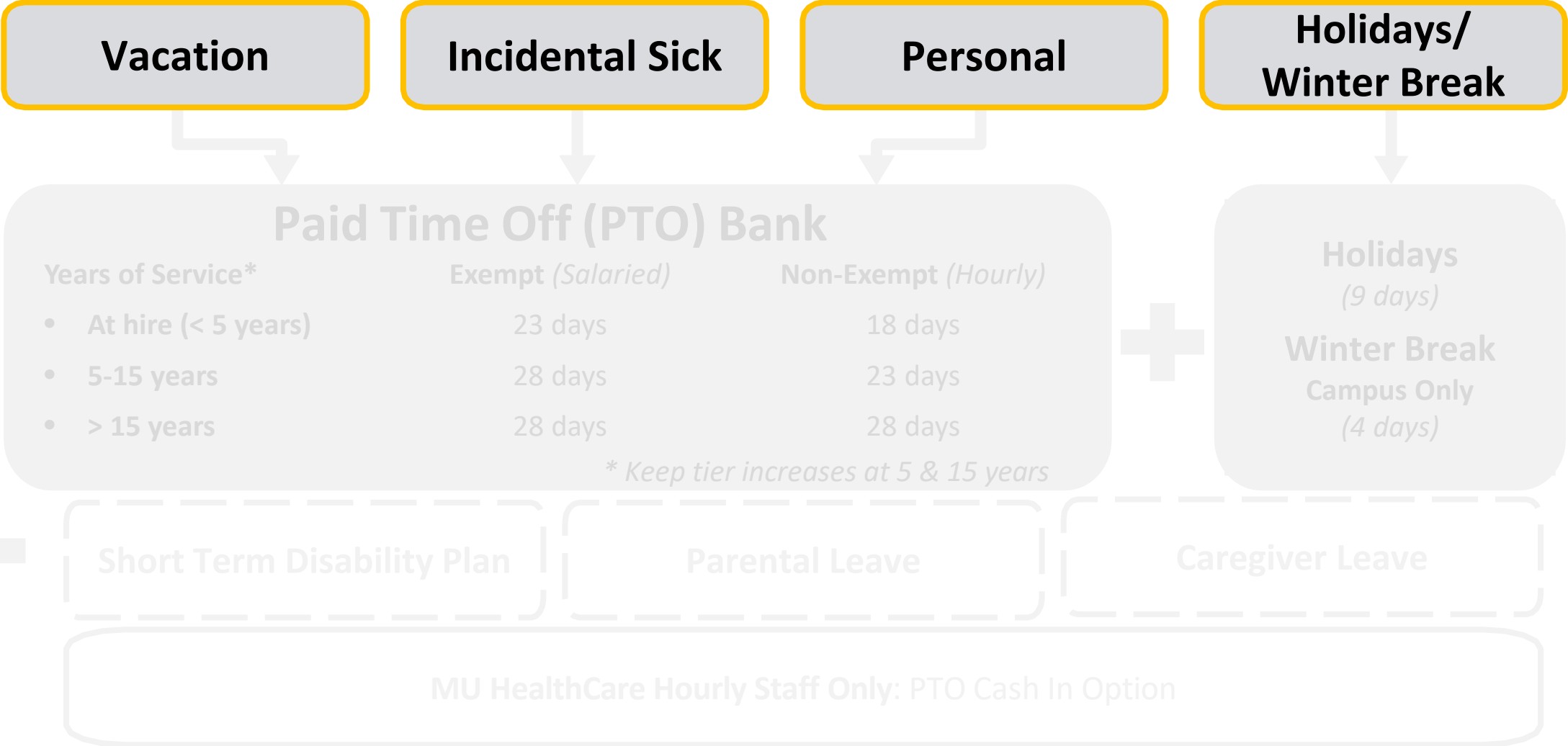
Board Timeline

- June 2021 – Informational: Principles for Change
- November 2021 – Informational: Status Update
- June 2022 – Informational: Proposed Design
- September 2022 – Action: Recommended Design

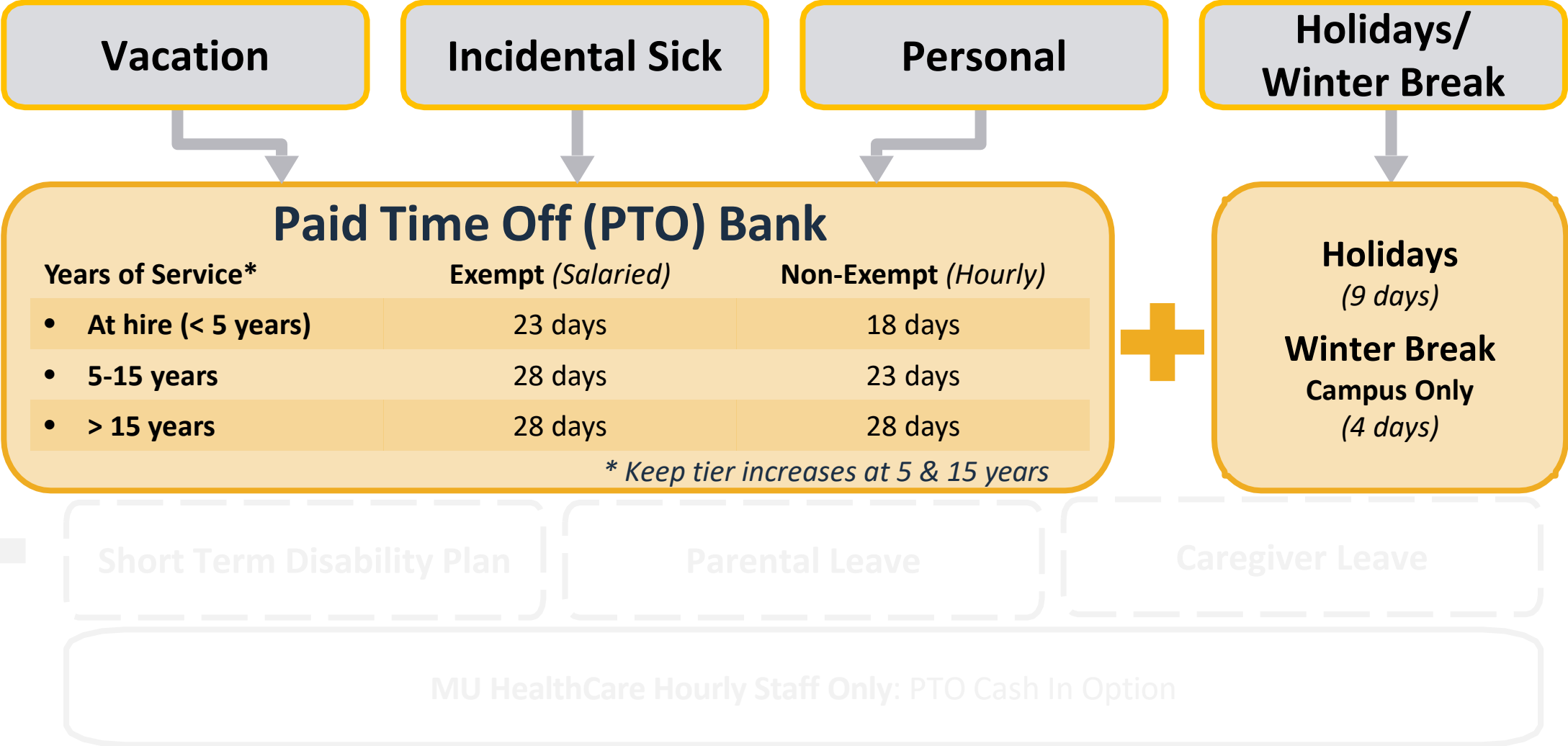
Recommended Design: Campus & MUHC



Recommended Design: Campus & MUHC



Recommended Design: Campus & MUHC



What is a Paid Time Off (PTO) Program?

Paid Time Off (PTO)

PTO combines general leave into a single bank – the **PTO bank**. This type of leave generally includes time off for vacation, incidental illness, and personal time.

How would PTO work?

“How much time can I carryover from year to year?”

Employees would be able to carry a **maximum of 2 times their annual PTO accrual** at any time.

For **example**, if an employee earns **18 PTO days per year**, they can carry a **maximum of 36 days** (18 times 2).

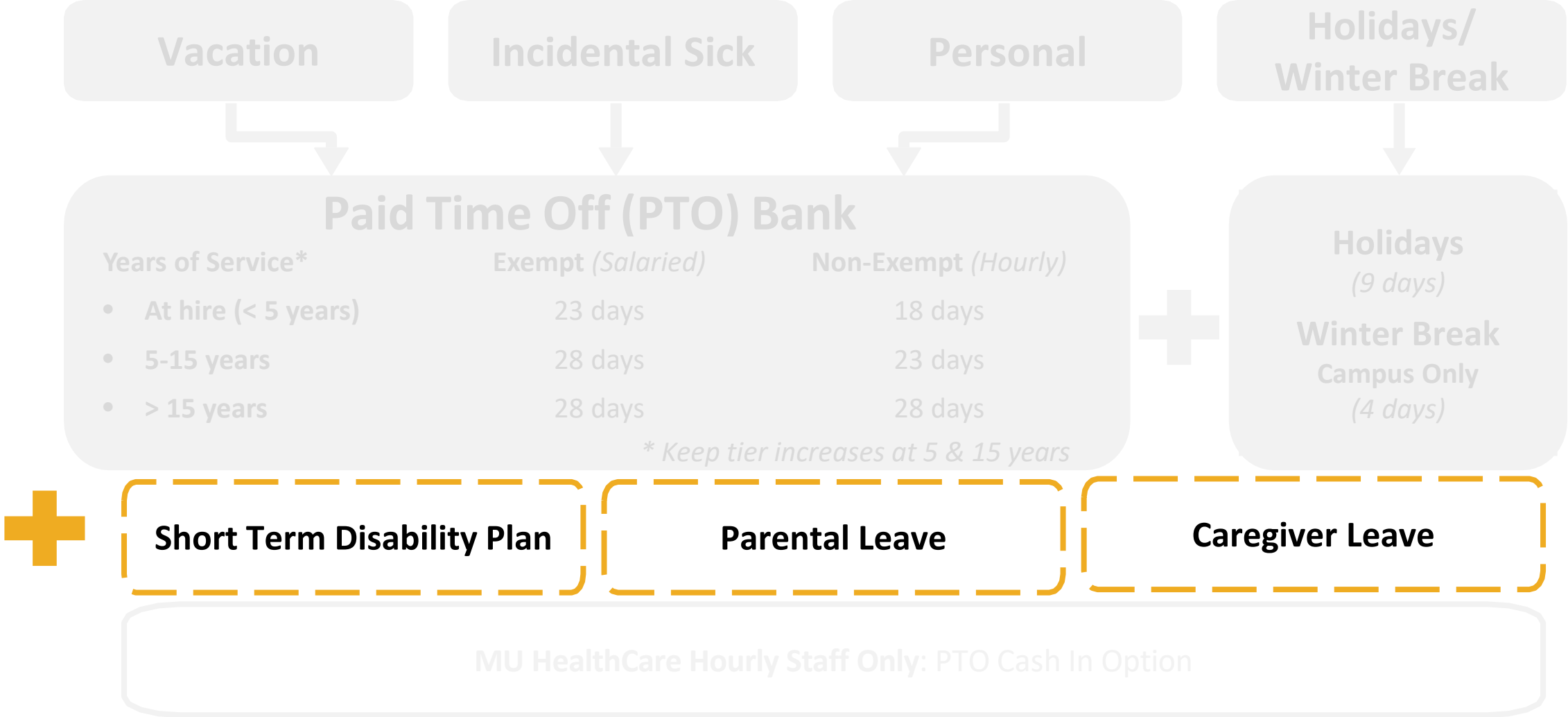
“How will I earn PTO days each year?”

Employees will **continue to accrue** their leave time in hours **on a weekly basis** based on their annual PTO allotment.

“Will the new PTO plan payout unused time if I leave the university?”

Employees **who leave the University** after transition to the PTO plan will receive a **maximum of 10 days of unused PTO paid out**.

Recommended Design: Campus & MUHC



What is Short-Term Disability?

60% income replacement,
for up to 20 weeks.

For an employee's qualifying
medical event.

Some examples may include:

- birth of a child, or
- hospitalization, or
- serious health conditions such as cancer.

Elimination Period:
7 calendar days
(5 working days)

Employees may utilize PTO or banked sick leave to cover
elimination period and income up to 100%.

What is Parental Leave?

100% income replacement for up to **4** weeks in a rolling 12-month period.

Provides paid time off for employees to welcome a new child into their home as defined under our FMLA rule.

Qualifying Events:

- The birth of a child, or
 - placement of a child with the employee for adoption or foster care;
- Leaves for birth, adoption, or foster care must be taken with 12-months of the event.

What is Caregiver Leave?

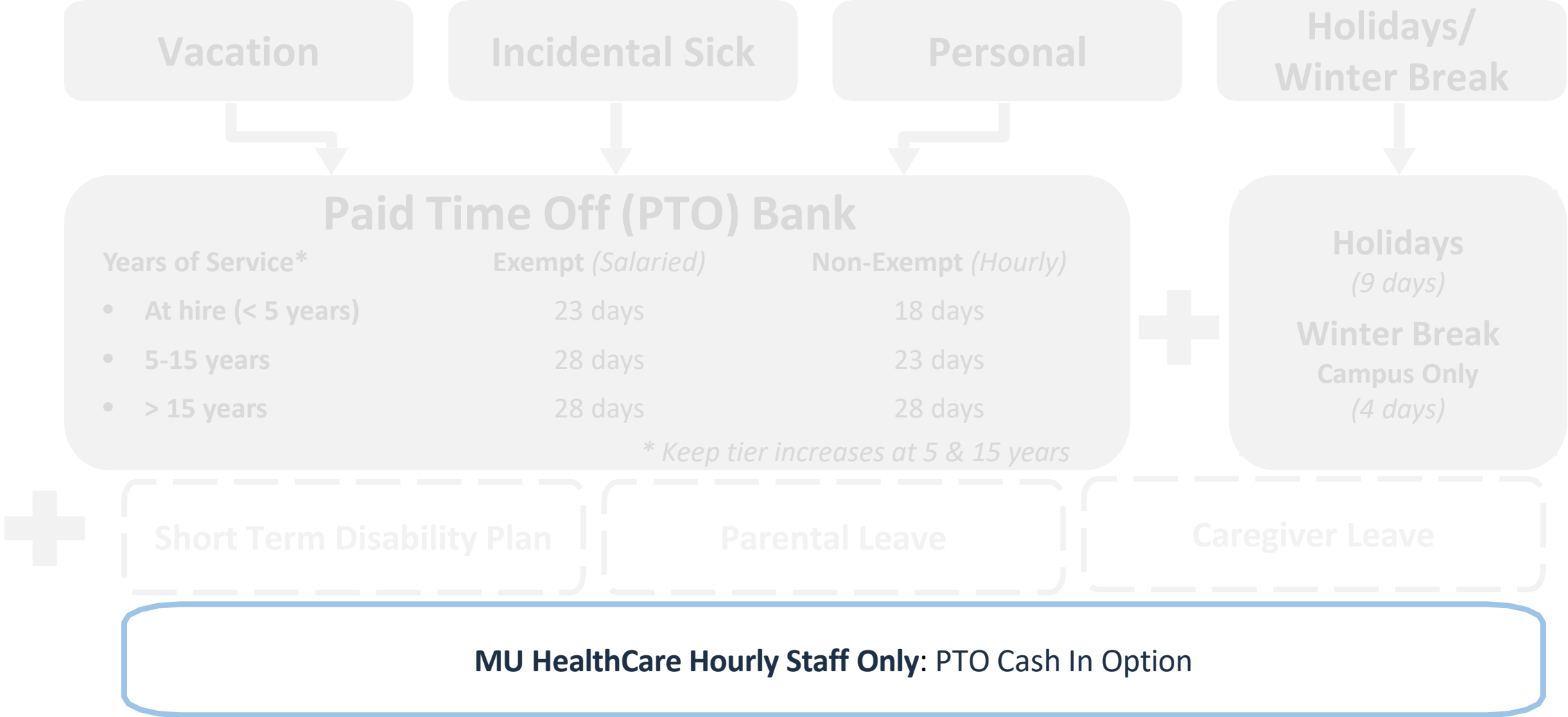
100% income replacement for up to **2** weeks in a rolling 12-month period.

Provides paid time off for employees to care for an immediate family member with a serious health condition as defined under our FMLA rule.

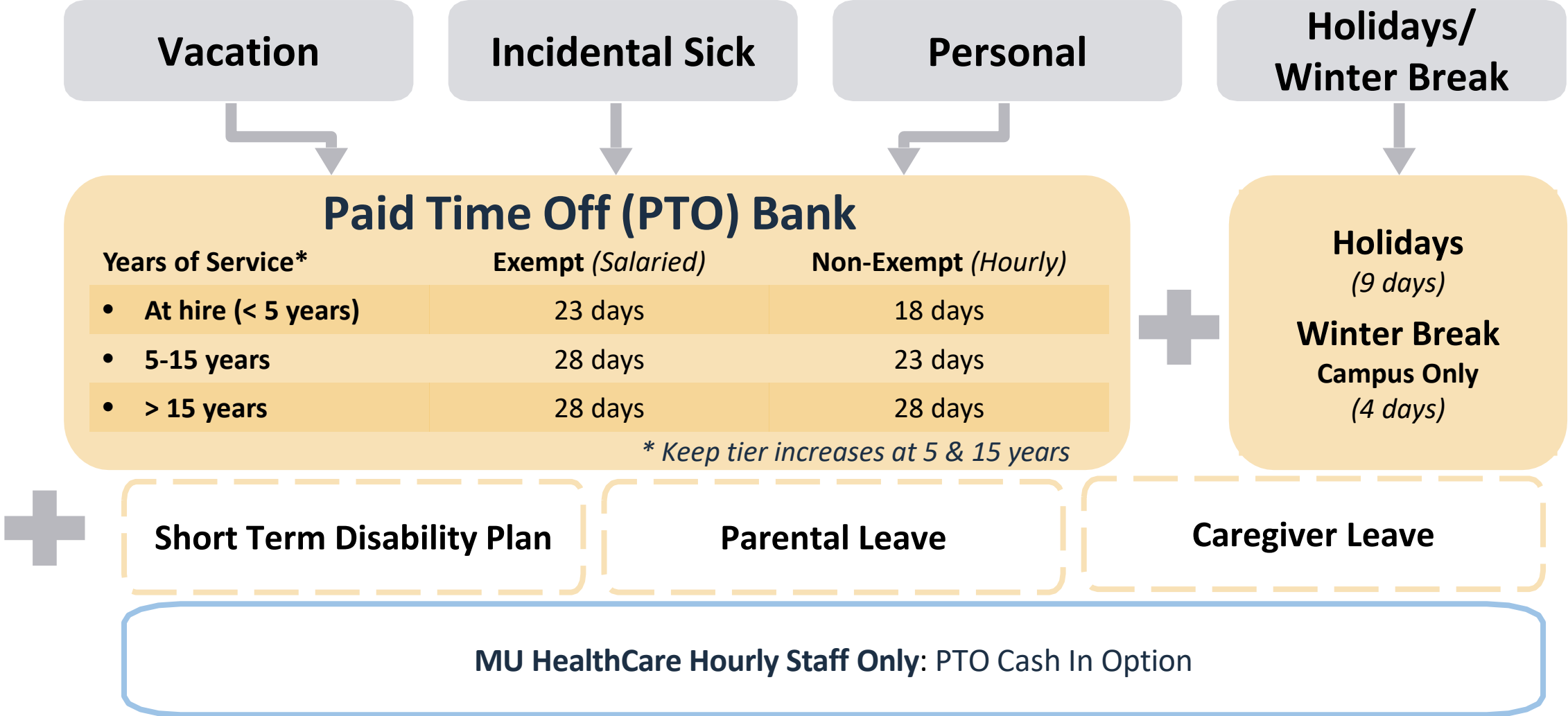
Examples may include:

To care for the employee's spouse, child, or parent, with a serious health condition, as certified by a health care provider.

Recommended Design: Campus & MUHC



Recommended Design: Campus & MUHC



How current plan balances will be honored at transition

Vacation

Options under review:

- Ability to transfer vacation to PTO
- Payout vacation at a specific point in time
- Combination of the two above options

Sick

Banked balances:

- Continue to be eligible for service credit at retirement
- Supplement University paid Short-term Disability
- If PTO bank and other leave options exhausted, use for sick leave occurrences

Personal

No new accruals after transition:

- Employees will have until their anniversary date in 2024 to use or lose remaining personal days

Employee Feedback

- Feedback collected through:
 - Virtual Informational Sessions Aug. 19, 23, 25 and 29
 - Portal to submit feedback available on dedicated webpage
 - Engagement with representative groups including TRAC and ISAC
- As a result of the feedback, current recommendation allows for:
 - two times the accrual with a maximum of ten days of accrued PTO paid out at separation;
 - more details and options related to honoring accruals for vacation, sick, and personal days;
 - supplementing short-term disability with banked sick leave;
 - using banked sick leave if PTO and all other available paid leave is exhausted; and
 - exploring an employee paid buy-up option for additional income replacement under short-term disability.

Proposed Timeline



Dedicated webpage available at umurl.us/ModernizeLeave