4. Sick Leave

Sick Leave may be taken whenever an employee is unable to come to work because he or she is medically incapacitated or is being treated by a health care provider.

Eligibility

All regular City employees are eligible for Sick Leave. Use of Sick Leave by employees in AFSCME Local 1453 is governed by the terms of their collective bargaining agreement.

Responsibilities

The Human Resources Director is responsible for the interpretation and administration of the policy and general monitoring of employee leave. Department Directors are responsible for the administration of leave policy within their respective departments and ensuring that leave is not abused.

Immediate supervisors are responsible for granting leave and ensuring that leave is not abused.

Employees are responsible for requesting leave appropriately and providing necessary documentation.

Process

1. Employees who are to be absent due to injury or illness must notify their supervisor or the supervisor's designee within two (2) hours of their assigned reporting time at the beginning of the scheduled shift. In case of a preplanned and approved absence due to hospitalization or prolonged illness, a Medical Certification Form completed by the physician stating the term of required absence will substitute for the daily call-in. All such absences will be recorded on the time sheets.

2. All regular full-time employees will earn 1 1/4 equivalent days of Sick Leave per month of service. There will be no limit on the amount of Sick Leave a regular employee may accumulate. Part-time regular employees will accrue leave on a pro-rated basis determined by their base budgeted hours.

3. The Human Resources Director may require such evidence as deemed necessary to validate Sick Leave. Any employee who is determined to have made a fraudulent request for Sick Leave shall be subject to disciplinary action, which may include immediate dismissal.

4. Sick Leave may be used in connection with personal illness. "Personal illness" justifying the use of Sick Leave means a medical condition which makes the employee unable to perform their duties. There is no limit on the amount of accumulated Sick Leave an employee may use for personal illness. The City can terminate an employee for operational reasons regardless of the amount of Sick Leave the employee has accumulated. Family illness justifying the use of Sick Leave means a personal illness of an employee's relative. The personal illness must be of sufficient severity that the employee's absence from work to care for such family member is reasonably required. "Relative" for Family Sick Leave purposes is defined as including only spouse, child, sibling, parent, parent-in-law, foster parent, grandparent, and grandchild. It may

also include other blood, half, and step relations providing they reside in the employee's household. Employees are eligible for the equivalent of five (5) days of absences for family illness in any one (1) calendar year. Five days is equal to 37.5 hours for those employees who work 75 hours a pay period and 40 hours for those employees who work 80 hours a pay period. Employees who are not in the written stage or higher of a disciplinary process may be eligible for the equivalent of an additional five (5) days of leave for family illness in any one (1) calendar year.

5. Whenever the employee's use of Sick Leave exceeds two (2) consecutive days, or three (3) nonconsecutive days within a thirty (30) day period; or wherever any Sick Leave usage pattern suggests possible abuse, an employee may be required to furnish a verifiable doctor's certificate for all absences charged to Sick Leave utilizing the City's Medical Certification Form.

6. A doctor's certification for Sick Leave must be on the Medical Certification Form and include the type of illness or injury treated; a statement that an employee is or was disabled and therefore unable to perform his or her duties; the inclusive dates or approximate duration of the stated illness or injury; the expected date the employee may return to work; and certify the employee as fit to return to work. The form used for this purpose is the City's Medical Certification Form.

7. The Human Resources Director may require an employee to be examined by a City-appointed physician at City expense to certify as to the employee's fitness for duty.

8. Employees absent from their duties in a Leave Without Pay (LWOP) status are not entitled to use Sick Leave. All employees requesting Sick Leave must be in a regular duty status or approved paid leave status (i.e., Annual Leave) before Sick Leave may be granted.

9. Employees incurring an illness or incapacitating physical condition requiring an extended period of time away from work may request up to six months of Leave Without Pay with the written permission of the City Manager. A maximum of up to an additional six months may be granted if required.

10. Employees will not accrue Sick or Annual Leave, or have the City portion of their group medical, dental or life insurance paid while in a Leave Without Pay status. Employees may continue group medical, dental, and life insurance; however, by arranging with the Human Resources Department in advance for monthly payment of the full insurance premium during their absence in accordance with the terms of the current insurance policies. For purposes of merit increments and probationary periods, when employees return to a duty status, they will have to serve the remainder of these periods before a merit increment is granted or probationary period is considered complete.

11. ~~Upon retirement from the service of the City, an employee hired prior to January 1, 2014 may elect to be paid one (1) day's pay for every four (4) days of sick leave time which has accumulated as of the date of the retirement. Upon any other type of separation from City employment, no payment shall be made for any unused accumulated Sick Leave.~~ Employees are eligible to elect, during the first 30 days of their employment, how to receive compensation with respect to unused sick leave upon termination of employment if they have satisfied the criteria for "early retirement" or "normal retirement" (as defined by the City's Pension Plan) at the time of termination. Such employees may elect to receive a cash payment

or "credited service" under the Pension Plan. An employee electing a cash payment will receive a payment equal to one-quarter of the product of (1) the number of days of unused sick leave at employment termination, multiplied by (2) the employee's daily base salary rate at employment termination. The cash payment will be made promptly upon termination of employment (regardless of when pension benefits begin) and will be subject to tax withholding. An employee electing "credited service" will receive full credit for unused sick leave as described in the Pension Plan. If an employee does not make an election during the first 30 days of employment, the employee will receive "credited service", not cash.

Cash payment or "credited service" are provided only for employees who remain employed by the City until they are eligible for "early retirement" or "normal retirement" (as defined by the City's Pension Plan). Employees who are eligible for "early retirement" or "normal retirement" upon termination of employment qualify, even if they defer payment of their pension benefit. Employees who terminate employment before becoming eligible for "early retirement" or "normal retirement" will not receive cash or "credited service" with respect to unused sick leave.

PPP # 130-10
Procedure on Retirement - Regular Employees

PURPOSE

This Procedure implements the Policy on Retirement (PPP# 130-00) governing regular full-time and part-time administrative, union, and police employees.

GENERAL RULES

Effective Date

Employees may retire on any date after meeting eligibility requirements; however, payments will begin only on the first of any month after meeting all eligibility criteria as outlined in the pension plan document, specifically those relating to age and minimum lengths of service for the plan in which they participate.

Employees should consult the Human Resources Department for information specifically relating to their plan.

Eligibility

To be eligible to participate in a retirement option, an employee must be in a regular full-time or regular part-time position and be eligible for benefits.

Administrative employees hired before April 15, 1986 are covered by the Defined Benefit Plan unless they elected to transfer to the Thrift Plan. Administrative employees hired on or after April 15, 1986, are members of the Thrift Plan.

Union employees hired before December 2, 1986 are members of the Defined Benefit Plan unless they elected to transfer to the Thrift Plan. Union employees hired on or after December 2, 1986 are members of the Thrift Plan.

Sworn police employees are members of the Defined Benefit Plan for police employees regardless of their date of hire.

Contract employees are eligible for retirement plan benefits in accordance with the terms and conditions of their contract.

Temporary and seasonal employees are not eligible to participate in the City's pension plan options.

Plan Types and Contributions

The City of Rockville Pension Plan for regular employees consists of two different plans.

Defined Benefit Plan

The Defined Benefit Plan is a defined benefit plan providing for pre-tax deductions towards a specific benefit at retirement. All administrative and union employees outlined participate in this plan and contribute a fixed pre-tax amount toward their plan.

Police employees participate in the Defined Benefit Plan for all sworn police employees and receive benefits outlined for police employees. All new sworn police officers are placed in the Defined Benefit Plan and contribute a pre-tax amount toward their retirement plan.

The City also contributes to this plan. The City's contribution amount is actuarially determined each plan year by an independent actuarial firm.

Thrift Plan

The Thrift Plan consists of both a defined benefit and a defined contribution portion. Employees in this plan contribute a percentage of their salary (1-5%), on a pre-tax basis, towards their retirement plan. They elect which percentage and where to invest their contributions within the funds offered by the plan. In addition, they receive a defined benefit at normal retirement similar to that received by employees who participate in the Defined Benefit Plan.

The City makes a $0.50 match for each dollar the employee contributes under the defined contribution portion. Employees become entitled to these City contributions based on years of credited service. In addition, the City fully funds the defined benefit portion of this plan.

Participation

Participation in the City's pension plan is mandatory for all regular administrative, union, and police employees. Participation in Social Security (FICA) and Medicare is required by law for all regular administrative, union, police, contract and temporary employees.

Benefits

Benefits of the pension plan vary depending on the plan under which an employee is covered. The benefits for regular full and part-time administrative, union, and police employees are outlined in the City of Rockville Pension Plan which is governed by the Retirement Board.

Benefits are available at termination and retirement. The amount of the benefit varies based on the plan to which an employee belongs, the reason for leaving, and the provisions of the official plan document governing these plans at the time the employee retires.

Retirement eligibility is determined by the terms of the plan under which an employee participates and is governed by the official plan document.

Benefits and terms of the plans are provided and amended only with the approval of the Retirement Board and the final approval of the Mayor and Council of the City of Rockville.

Retirement Board

The Retirement Board exists for the purpose of generally directing the affairs of the City's retirement system, reviewing the plan's structure and investment policy, etc. The members are appointed by the Mayor with the confirmation of the Council. The membership is composed of a member of the Mayor and Council, the City Manager, three City employees below assistant Department Director level, and two persons with previous business

experience, one of whom will serve as Chair. Terms are for two years. The Finance Director is the executive secretary to the Board.

Deferred Compensation

The City of Rockville offers regular full-time, part-time and seasonal (limited benefit) employees the option to participate in a deferred compensation (Section 457) supplemental pension plan.

Participation in this plan is completely voluntary. Pre-tax contributions are made in accordance with the Internal Revenue Code provisions governing these types of plans.

Benefit Review

The Human Resources Department will provide information to any inquiring individual about the benefits to which they will be entitled at retirement and the terms and conditions of the pension plan. Periodically, the Human Resources Department will sponsor training for any interested employee regarding eligibility for and benefits of the pension plan. All new employees receive an overview of their plan during their employee orientation.

Benefit Estimates

Employees who are considering retirement may obtain a personalized estimate of their City pension benefits by completing a request form available in the Human Resources Department. This benefit estimate will be prepared outlining the benefit amounts to which employees may be entitled under the different retirement payment options available to them.

Employees may request only one benefit estimate during a 12-month period. Employees will be asked to provide an estimated retirement date and, for optional payment methods, a spouse's or other beneficiary's birth date. Other plan options depend on the pension plan in which an employee participates.

Retirement Notice

To avoid delay in the payment of retirement benefits, retiring employees should give written notice to their immediate supervisor and the Human Resources Department at least 60 days in advance of their anticipated retirement date. Once notice is received, the Human Resources Department will schedule a meeting with the retiring employee (and beneficiary, if appropriate) to discuss retirement and other benefit options.

Sick Leave Conversion

Employees ~~hired before January 1, 2014~~ may be eligible to convert their accrued, unused Sick Leave ~~at retirement~~ to cash. If a cash payment is elected, employees who are eligible for "early retirement" or "normal retirement" (as defined by the City's Pension Plan) upon termination of employment will receive a payment of one day for every four days of accrued, unused Sick Leave at the time of termination (even if they defer payment of their pension plan). See PPP #120-00, Subsection "4. Sick Leave" for more details~~retirement~~.