

AMEND BOARD REPORT 15-0826-PO1
PAID TIME OFF POLICY

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board amend Board Report ~~15-0826-PO4~~ 15-0826-PO1 Paid Time Off Policy to align language with amendments to state law and existing CPS practices define the order of benefit day exhaustion while on a paid leave of absence, and align the policy to practice.

PURPOSE: This policy provides for the accrual, accumulation and use of paid vacation days, sick days, personal business days and Short-Term Disability benefits by eligible employees in alignment with existing programs and practices, Board Rules and state law.

POLICY TEXT:

This policy applies to CPS employees in a job category listed by the Chief Executive Officer ("CEO") or designee as benefits eligible, including those employees who are subject to a CBA to the extent this policy does not conflict with the terms of the applicable CBA. This policy does not apply to employees in a job category listed by the CEO or designee as not benefits eligible which includes, but is not limited to, part-time, substitute or retiree job categories.

I. Sick Days. Employees are granted sick days for use during the employee's personal illness or illness in the immediate family or household. For purposes of this policy, (i) "illness" means illness, injury, or medical appointment (including appointments for medical procedures, dental and mental health services and other physical and mental health therapy appointments), and (ii) "immediate family or household" means the employee's parent, stepparent, grandparent, child, stepchild, foster child, grandchild, brother, sister, spouse, domestic partner or party to a civil union as defined in Board Rule 4-17, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, nephew, niece, uncle, aunt, and cousin.

Sick days may also be used in accordance with terms of the Board's Bereavement Leave (Board Rule 4-14).

A. *Sick Day Bank* - Sick days are earned by an employee at a rate of one day per full month worked and are maintained in the employee's Sick Day Bank. Teachers who are at the maximum step of the salary schedule and have at least thirteen (13) years of full-time teaching experience receive one (1) additional sick day per year. Teachers who are at Step 13 on the salary schedule and have at least eighteen (18) years of full-time teaching experience receive two (2) additional sick days per year. For new employees hired after the start of the fiscal year, a prorated number of sick days will be maintained in their Sick Day Bank, following a 60 calendar day waiting period that begins on the date of hire.

Effective July 1, 2012, sick days that an employee does not use on or before June 30th of the fiscal year in which the sick days were earned shall be removed from the Sick Day Bank and forfeited. Any days in the Sick Day Bank that an employee does not use on or before the date their employment ends shall be forfeited. If an employee requests to use sick days before they are earned, that request may only be granted if that employee agrees in writing that, in the event the employee resigns or is otherwise separated from employment after having been paid unearned sick days, the CEO or designee may deduct the amount of paid unearned sick days from any final compensation due to the employee, including any final payout of vacation days on separation.

Nothing in this section prohibits the Chief Talent Officer from authorizing additional paid time-off when appropriate in extraordinary cases where an employee's continued illness extends beyond the amount of their available paid time off.

B. *Grandfathered Sick Day Bank.* For employees hired before July 1, 2012 with an existing bank of accumulated unused sick days as of June 30, 2012, such sick days were retained in a Grandfathered

Sick Day Bank for use by the employee. Upon resignation or retirement, unused days remaining in the employee's Grandfathered Sick Day Bank are subject to the payout provisions set out in Section I.H. of this Policy. Employees with a Grandfathered Sick Day Bank who are laid off or who resign and return to service within one year of separation shall have a restoration of their unpaid accumulated sick days in their Grandfathered Sick Day Bank at time of separation.

C. *Transfer of Sick Days Earned at Other Agencies.* Effective July 1, 2012 for new employees, the CEO or designee shall not accept the transfer of accumulated sick days earned as a full-time employee of the City of Chicago, Chicago Housing Authority, Chicago Park District, County of Cook, Cook County Forest Preserve District, Metropolitan Water Reclamation District of Greater Chicago, School Finance Authority, City Colleges of Chicago or the State of Illinois ("other agency"). For employees with an authorized transfer of other agency sick days occurring prior to July 1, 2012, such days are maintained in an Other Agency Sick Bank for use by the employee. Upon resignation or retirement, unused days remaining in the employee's Other Agency Day Bank are forfeited and are not subject to payout.

D. *Sick Pay.* Employees who use their sick days (whether Sick Days, Grandfathered Sick Days or Other Agency Sick Days) shall be paid their regular daily rate of pay for the sick day at the time the sick day is taken. Teachers on extended programs, including 8-hour day positions and regularly scheduled classes authorized on an overtime basis (but not including classes established after regular school hours to supplement the regular program, such as after-school classes in reading and arithmetic, driver training programs, evening school programs and social center programs), will be entitled to extended-day pay when absent if entitled to sick pay for the normal school day under the provisions of this policy.

E. *Physician's Certificate.* Any employee who is absent for more than three (3) consecutive work days shall provide a certificate of treatment from a physician, or if the treatment is by prayer or spiritual means, from the advisor or practitioner of such employee's faith as condition of his/her return to work. If a supervisor has a reasonable suspicion that an employee is abusing sick days, s/he may demand that the employee provide a certificate that the employee has received treatment from a physician, advisor or practitioner regardless of the number of days of absence.

F. *Returnees from Military Leave.* Employees who return from military leaves within sixty (60) days after they are honorably discharged shall receive credit for the purpose of sick day allotment for the period of their military leave, as if they had been continuously in the service of the Board.

G. *Failure of Notice of Return to Service.* When a teacher, or other employee category where a substitute is assigned, reports for duty after a temporary absence without giving notice to the school by 2:00 p.m. the day prior to his/her return to duty and a substitute has been sent to the school, the amount paid to the substitute for one-half (½) day service shall be deducted from the salary of the teacher.

H. *Payout of Grandfathered Sick Day Bank Upon Qualifying Event.* The CEO or designee shall pay an eligible employee all or part of his/her Grandfathered Sick Day Bank as set out below.

1. *Qualifying Event and Payout Percentage.* An employee is eligible to receive a full or partial payout of their Grandfathered Sick Day Bank based on a qualifying event as follows:

Qualifying Event	Percentage to be Paid Out
Resignation or retirement with 33.95 or more years of Board service	100%
Resignation or retirement with at least 20 but less than 33.95 years of Board service	90%
Resignation or retirement at age 65 with less than 20 years of Board service	85%
Employee's Death	100%

2. *Payout of Grandfathered Sick Day Bank to 403(b) Tax Deferred Compensation Plan for Certain Eligible Employees.* Effective July 1, 2004, in lieu of the amount payable to an eligible employee who (i) separates from service with the Board and who, upon such separation, is eligible to receive a service retirement pension pursuant to Section 17-116 of the Illinois Pension Code or an annuity pursuant to Sections 8-130, 131, or 132 of the Illinois Pension Code, and (ii) who has the equivalent of two thousand (\$2,000.00) dollars or more in his/her Grandfathered Sick Day Bank at the time of separation, the Board shall contribute on behalf of an eligible employee to the Chicago Public Schools 403(b) Tax Deferred Compensation Plan (the "Plan") an amount equal to the lesser of (i) the applicable unused Grandfathered Sick Day Bank pay equivalent amount payable under Section I.H. of this Policy, or (ii) \$80,000 (the "Contribution"). If the eligible employee has not contributed to the Plan at the time of his or her separation, the Board shall select a Plan Service Provider pursuant to its established guidelines. Because of the limitations imposed by Section 415 of the Internal Revenue Code of 1986, as amended ("IRC"), the Contribution in the year of separation shall be the lesser of (i) the IRC limit less any amount of elective deferrals that the eligible employee may have made to the Plan in the year of separation, or (ii) the total unused days in the employee's Grandfathered Sick Day Bank. If the full Contribution cannot be made to the Plan in the year of separation, then additional installments of the Contribution (up to the IRC limit for each year) shall be made no later than March 31 of each succeeding calendar year following the calendar year in which separation occurs, up to five years, if necessary. The amount of each installment shall not exceed the amount allowable under IRC Sections 403(b) and 415. Any amount in excess of the Contribution or below the minimum Contribution amount that would be payable under Section I.H. of this Policy shall be paid directly to the eligible employee at the time of separation.

II. Short Term Disability Benefits. Effective January 1, 2013, in the event an employee is unable to work due to the employee's non-occupational injury, sickness or pregnancy the employee may apply for a Short-Term Disability ("STD") benefit. Under the STD plan, an employee may continue to receive a full or partial salary for up to 90 calendar days in a rolling 12-month period. An employee's eligibility for STD benefits is subject to the applicable conditions and prerequisites specified in the STD plan issued by the CEO or designee including those related to the use of sick days, filings under the Family and Medical Leave Act, physician documentation and coverage exclusions. For new employees, STD eligibility begins on the first calendar day of the month following a 60 calendar day waiting period that begins on the date of hire.

III. Personal Business Days. Beginning July 1, 2012, employees are granted an allotment of three (3) personal business days ("Personal Day(s)") annually during the first payroll period of the fiscal year in July. New employees shall be granted three (3) Personal Days prorated according to their date of hire as follows: those beginning employment between July 1 and September 30, three (3) days; those beginning employment between October 1 and March 31, two (2) days; those beginning employment between April 1 and May 31, one (1) day; and, those beginning employment between June 1 and June 30, zero (0) days. New employees will receive their allotment of Personal Days following a 60 calendar day waiting period that begins on the date of hire. The Personal Days that are not used by the employee within the same fiscal year in which they are granted shall be forfeited.

IV. Vacations Days.

A. Accrual of Vacation Days.

1. *Teachers and Employees Employed For Less Than 52-weeks.* Teachers and employees employed for less than 52-weeks, including appointed and temporarily assigned teachers, shall receive up to ten (10) days of paid vacation per year, five during the Winter Recess and five during the Spring Recess as designated in the Academic Calendar. A new teacher or employee in a position with an employment period of less than 52-weeks per year, less than 12 calendar months per year or less than 13 school months per year, shall be eligible for three (3) paid vacation days for Winter Recess based on formulas in applicable collective bargaining agreements. Vacation days under this section shall be used and shall not accumulate.
2. *Educational Support Personnel and Officers.* Effective July 1, 2014, educational support personnel and certificated administrators shall accrue vacation days each pay period at the

accrual rate set forth below unless the employee has reached his/her maximum accrual amount. Effective September 6, 2015, the General Counsel, the Board Secretary, Executive Officers and Officers shall accrue vacation days each pay period at the accrual rate set forth below unless the employee has reached his/her maximum accrual amount.

<u>Years of Service</u>	<u>Accrual Rate</u>	<u>Maximum Accrual</u>
For service up to and including ten (10) years	.058 days per day paid, not to exceed three (3) weeks or fifteen (15) days per year	20 days
For service eleven to twenty (20) years inclusive	.077 days per day paid, not to exceed four (4) weeks or twenty (20) days per year	25 days
For service for twenty-one (21) or more years	.097 days per day paid, not to exceed five (5) weeks or twenty-five (25) days per year	30 days

Once the applicable maximum accrual of vacation days has been reached, no additional vacation days will be accrued by the employee until the balance of unused vacation days falls below the applicable maximum accrual.

B. Vacation Day Use and Pay. Vacation shall be taken at a time approved by the employee's department head or designee. Employees shall be paid their regular daily rate of pay for their Vacation Days at the time the vacation is taken.

C. Years of Service and Adjustments to Service Credit. The calculation of an employee's years of service with the Chicago Public Schools is based on full-time service only and shall be subject to the accounting procedures and requirements established by the CEO or designee. The following adjustments shall apply when determining an employee's years of service for vacation accrual purposes.

1. **Military Service.** Employees who have returned from military service and who resume work with the Chicago Public Schools within sixty (60) days after a discharge other than dishonorable shall be considered as having been continuously in the service of the Chicago Public Schools during the period of such leave. An employee shall earn no vacation days during the period of the employee's military leave of absence.
2. **Outside Public Agency Service.** Effective July 1, 2012, service credit adjustments shall not be made for new employees who were previously employed by the City of Chicago, Chicago Housing Authority, Chicago Park District, County of Cook, Forest Preserve District, Metropolitan Pier and Expositions Authority, Metropolitan Water Reclamation District of Greater Chicago, School Finance Authority, Chicago Transit Authority, City Colleges of Chicago or the State of Illinois. Any service credit adjustment for prior employment with the above-noted agencies authorized for an employee prior to July 1, 2012 in accordance with the rules and policies then in effect shall be maintained until the employee separates from employment. Employees with previously-approved service credit adjustments who are laid off or who resign and return to service within one year of separation shall have a restoration of their prior service credit adjustment.
3. **Prior Board Service.** Employees who are laid off or who resign and return to Board employment within one year of separation shall have a restoration of their prior Board years of service for vacation accrual purposes.

D. Final Payout of Accumulated Reserve Vacation Benefit Days. An employee with unused and accumulated reserve vacation benefit days and/or RS2 vacation benefit days that were awarded to the employee under prior policies and rules (collectively referred to as "Reserve Days") shall be paid for such accumulated Reserve Days at the employee's prevailing salary with such final payout occurring as part of the last full pay period of FY2014. Upon payment, Reserve Days will no longer be awarded or held in a benefit day bank for employee use.

E. *Payout Unused Vacation Benefit Days.* If an employee separates from Board service s/he shall be entitled to receive payment after separation for all unused vacation days at the employee's prevailing salary. An appointed teacher or temporary assigned teacher who is displaced shall be paid out any earned and unused vacation pay in accordance with formulas and eligibility criteria set forth in applicable collective bargaining agreements. In the event of an employee's death, the surviving spouse or estate shall be entitled to receive payment for all of the employee's unused vacation days at the employee's prevailing salary. An employee transferring either from a school month to a calendar position or from a calendar to a school month position shall receive payment for accumulated vacation days at the rate of pay immediately prior to the transfer.

F. **Exhaustion Hierarchy While on a Paid Leave of Absence.** For any applicable paid leave or paid leave benefit where employees are required to use benefit days, the following chart outlines the order in which benefit days must be used (note that if employees are not eligible for the type of benefit day listed, the next type will be used).

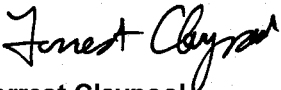
<u>Supplemental Benefit Day Exhaustion for Short-Term Disability Standalone</u>	<u>Supplemental Benefit Day Exhaustion for Family and Medical Leave (FMLA)</u>
<ol style="list-style-type: none"> 1. <u>SCK - Sick</u> 2. <u>SCU - CTU Sick</u> 3. <u>SKG - Grandfather Sick</u> 4. <u>OAS - Other Agency Sick</u> 5. <u>VAC - Vacation</u> 6. <u>SKD - Donated Sick</u> 	<ol style="list-style-type: none"> 1. <u>SCK - Sick</u> 2. <u>SCU - CTU Sick</u> 3. <u>SKG - Grandfather Sick</u> 4. <u>OAS - Other Agency Sick</u> 5. <u>PBD - Personal Business Day</u> 6. <u>VAC - Vacation</u> 7. <u>SKD - Donated Sick</u>

Legal References: Illinois Employee Sick Leave Act (820 ILCS 191/10)

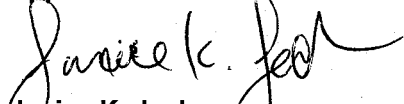
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