

# REGULATION

<b>SPDOC No.:</b>  07-14	<b>Effective Date:</b>  October 7, 2007	<b>Index Reference:</b>  Annual, Personal, School, Community Participation Leave	<b>Regulation Number:</b>  <b>5.09</b>
<b>Issued By:</b>  Compensation	<b>Rule Reference:</b>  Rule: 5-10 (Paid Holidays and Leave)		<b>Replaces:</b>  Reg. 5.09 (SPDOC 07-06, May 6, 2007)
<b>Authority:</b> Regulations are issued by the State Personnel Director under authority granted in the Michigan Constitution and the Michigan Civil Service Commission Rules. Regulations are subordinate to the Commission Rules.			
<b>Subject:</b>  <b>ANNUAL, PERSONAL, AND SCHOOL AND COMMUNITY PARTICIPATION LEAVE</b>			

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### 1. PURPOSE

This regulation establishes the standards and procedures for paid annual leave, school and community participation leave, and personal leave.

### 2. CIVIL SERVICE COMMISSION RULE REFERENCE

Note: This Section 2 reprints only selected Commission Rules for quick reference by the reader. Additional Rules (that are not reprinted below) may apply. The complete, current version of the Rules can be found at [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs).

#### *Rule 5-10 Paid Holidays and Leave*

\* \* \*

#### *5-10.2 Paid Leave*

*(a) Leave accrual and accumulation.*

**(I) Annual and personal leave.**

- (A) Initial annual leave grant.** Upon entry into the classified service, an eligible employee is credited with an initial annual leave grant of 16 hours, which is immediately available for use, upon approval of the appointing authority. The 16 hours of annual leave cannot be credited to an employee more than once in a calendar year.
- (B) Annual leave accrual and accumulation.** After completion of 720 hours of paid service in the initial appointment, an eligible employee has annual leave credited in accordance with the following leave table:

1. Years of Service	2. Hours of Annual Leave Accrued (for 80 hours of service)	3. Maximum Accumulation (total hours of annual and personal leave)	4. Maximum Accumulation that may be paid off
Less than 1	4.0	296	256
1 – 5	4.7	296	256
5 – 10	5.3	311	271
10 – 15	5.9	326	286
15 – 20	6.5	341	301
20 – 25	7.1	346	306
25 – 30	7.7	356	316
30 – 35	8.4	356	316
35 – 40	9.0	356	316
40 – 45	9.6	356	316
45 and above	10.2	356	316

- (C) Prorated annual leave.** An employee paid for less than 80 hours in a biweekly pay period is entitled to a prorated amount of annual leave. Paid service in excess of 80 hours in a biweekly pay period is not counted.
- (D) Personal Leave.** In addition to annual leave, an eligible employee with at least 6 months of continuous satisfactory service on October 1 of each year is credited with 16 hours of personal leave.
- (E) Maximum accrual.** An employee may accumulate credited annual and personal leave hours up to the combined maximum authorized in column 3 of the leave table in subsection (a)(1)(B). Any annual or personal leave hours earned above the maximum accrual cannot be credited and the hours are lost.

*(F) **Maximum payoff.** If any employee receives a payoff of all accumulated annual and personal leave hours, the maximum amount that may be paid off is the amount authorized in column 4 of the leave table in subsection (a)(1)(B). Any annual or personal leave hours accumulated above the maximum amount authorized in column 4 are lost if not used before payoff.*

*(2) **School and community participation leave.** An eligible employee who has completed 1,040 hours of satisfactory service is credited with 8 hours of school and community participation leave each October 1. School and community participation leave credits not used by the last pay period of the fiscal year are lost.*

\* \* \*

*(b) **Leave use and limitations.***

*(1) **Crediting and use of annual, personal, and school and community participation leave credits.** An employee is credited with annual, personal, and school and community participation leave in accordance with the compensation plan. An employee may use annual, personal, and school and community participation leave when approved by the appointing authority in accordance with the compensation plan.*

\* \* \*

*(3) **Other limitations.** Annual, personal, school and community participation, and sick leave cannot be authorized, accumulated, or credited in excess of limits established in the compensation plan.*

*(4) **Special credit for annual leave and longevity.** Solely for the purpose of annual leave and longevity credit, a career employee is allowed state service credit for the following:*

*(A) Service in a nonelective excepted or exempted position in a principal department, the legislature, or the supreme court, that immediately precedes entry or return to the classified service.*

*(B) Up to five years of honorable service in the armed forces of the United States completed before entry into the classified service. When an employee who has received additional annual leave and longevity separates from the classified service and subsequently returns, military service previously credited is recognized as prior service, subject to requalification for the benefits of this rule.*

### **3. STANDARDS**

#### **A. Annual Leave.**

**1. Initial Leave Grant.** Upon entry into the classified service a career employee is credited with 16 hours of annual leave. An employee cannot be credited with the initial leave grant more than once per calendar year.

2. **Crediting and Accumulation.** A career employee accrues annual leave for each 80 hours in full pay status in accordance with the annual leave table established by the Civil Service Commission. [See rule 5-10.2(a)(1)(B).]
- a. An employee accrues annual leave with pay in accordance with total (both prior and currently continuous) classified service upon completion of five years (10,400 hours) of currently continuous service. An employee who separates and returns to state service must re-qualify for additional annual leave.
  - b. Paid service in excess of 80 hours in a biweekly work period is not counted.
  - c. When paid service does not total 80 hours in a biweekly work period, leave credits are pro-rated based on hours in pay status for that pay period.
  - d. Temporary layoff time is included in the computation of service hours for annual leave credits in accordance with rule 2-4.4.
  - e. Annual leave is credited at the end of each biweekly work period.
  - f. Career employees eligible for special credit for unclassified or military service for annual leave under rule 5-10.2 are subject to the same standards and documentation requirements as for longevity (see regulation 5.05, Longevity Compensation).
  - g. An employee is not allowed annual leave accumulation in excess of the maximum accumulation listed in column 3 of the annual leave table, except under the following conditions:
    - (1) An employee is assaulted by a resident, client, or member of the general public, if covered by the following public acts: Public Act 293, 1975 (MCL 791.263a, amending P.A. 232, 1953) for the Department of Corrections; Public Act 414, 1976 (MCL 330.1113, amending P.A. 258, 1974) for the Department of Community Health; Public Act 131, 1978 (MCL 400.1, *et seq.*, amending P.A. 280, 1934) for Department of Human Services (formerly Family Independence Agency) Institutional Employees; and Public Act 452, 1978 (MCL 38.1181) for Department of State employees providing direct services to the public.
    - (2) An employee is suspended or dismissed and is subsequently returned to employment with full service benefits.
3. **Use of Annual Leave.**
- a. An employee may use the initial grant of 16 hours immediately upon hire, with the prior approval of the appointing authority.
  - b. An employee cannot use annual leave other than the initial grant until completion of 720 hours in the initial appointment; however, an employee reinstated to state service within 3 years of separation has the 720-hour

- paid service period waived and can use annual leave immediately upon hire.
- c. An employee may use annual leave only with the prior approval of the appointing authority, except that an employee may use accrued annual leave when an insufficient amount of sick leave exists to cover an absence for which sick leave is normally used. In this circumstance, the standards of regulation 5.10 [Sick Leave] pertaining to use of sick leave apply.
  - d. Annual leave is available for use only in biweekly work periods subsequent to the biweekly work period in which it is earned. Annual leave may not be credited or used in anticipation of future leave accruals. In the absence of applicable accrued leave, compensation reductions for lost time will be made for the work period in which the absence occurred.
  - e. Annual leave cannot be used to extend employment.
  - f. An employee allowed annual leave accumulation in excess of the maximums listed in the annual leave table under the exception in standard A.2.g., is allowed up to one year from the date of return to employment to liquidate the amount of annual leave above the maximum by use of paid time off work.
4. **Transfer of Leave.** An employee who moves from one state agency to another may transfer up to 80 hours of accrued annual leave. Annual leave in excess of 80 hours up to the maximum may be transferred with the approval of the appointing authority to whose service the employee moves. An employee is paid in cash at the current rate of pay for unused annual leave that is not transferred. This section does not apply to transfers resulting from an executive reorganization.
5. **Layoff.** An employee separated by layoff, other than a temporary layoff under rule 2-4.4, may freeze annual leave up to the accrued balance at time of layoff or be paid off for it up to the appropriate maximum pay off limitation contained in column 4 of the annual leave table.
- a. If the employee freezes annual leave, the leave balance is retained until the employee elects to be paid off for the balance or until the employee's recall rights expire, whichever occurs first. The payoff amount is calculated at the employee's last rate of pay.
  - b. If an employee elects to be paid off for annual leave at the time of separation by layoff, the employee upon recall may buy back annual leave, subject to the following conditions:
    - (1) An employee recalled to the agency from which laid off may buy back any portion of annual leave up to the amount paid off.
    - (2) An employee recalled to a permanent position in a different agency may buy back any portion of annual leave that had been paid off, up to 80 hours.
    - (3) An employee electing this option must buy back the annual leave at the returning rate of pay.

- (4) Such payment is made to the agency that made the original payoff.
- (5) This option may be exercised only once per recall, and must be exercised during the first 13 pay periods of the recall.

**6. Payoff on Retirement, Death, or Separation After Completion of 720 Hours.**

- a. When employment is terminated for any reason after the employee has completed 720 hours of creditable service, the employee or beneficiary is paid for the balance of unused annual leave at the employee's last rate of pay.
- b. Payment for unused annual leave is limited to the applicable maximum listed in the annual leave table of unused credited annual leave. This includes employees who, under the exceptions in standard A.2.g., were permitted to accrue more than the maximum.
- c. Payment for unused annual leave in excess of 240 hours at retirement is not included in final average compensation for calculating the level of retirement benefits.

**7. Payoff on Death or Separation Before Completion of 720 Hours.** When employment is terminated for any reason before the employee has completed 720 hours of creditable service, the employee or beneficiary is paid for the balance of any unused hours of the initial 16 hour grant at the employee's last rate of pay.

**8. Deferred Hours.** Deferred hour credits are administered in the same manner as annual leave.

**9. Annual Leave Transfer.** A direct leave transfer process and a central leave bank are available to assist nonexclusively represented employees facing financial hardship due to serious injury or prolonged illness of the employee or the employee's dependent spouse, child, or parent:

**a. General Provisions.**

- (1) An employee may receive a direct transfer of annual leave from employees within their employing agency, or through the central leave bank, subject to the following conditions:
  - (a) The receiving employee must have successfully completed the initial probationary period.
  - (b) The receiving employee must have exhausted all leave credits.
  - (c) The receiving employee's absence must have been approved.
- (2) An employee may receive a combined maximum donation of 240 hours per calendar year.
- (3) Donations of annual leave (either by direct transfer or to the central leave bank) are irrevocable and are limited to a combined

maximum of 40 hours in a calendar year. Donations must be in whole hour increments.

- (4) Unused donated annual leave must be forwarded to the central leave bank.

**b. Direct Leave Transfer.**

- (1) Direct leave transfers must be made before or concurrent with the employee's absence.
- (2) The right to donate and receive hours through direct transfer is not limited to nonexclusively represented employees when a collective bargaining agreement provision allows for similar direct transfer donation of annual leave.
- (3) Direct leave transfer requires a completed direct leave transfer form approved by the appointing authority.

**c. Central Leave Bank.**

- (1) The central leave bank is administered by the Department of Management and Budget, Financial Services.
- (2) Donations of leave to the bank and requests for annual leave from the bank require a completed central leave bank transfer form approved by the appointing authority.

**B. Personal Leave.**

On October 1 of each year, career employees with at least 6 months of continuous satisfactory service are credited with personal leave. These leave hours are credited to an employee's annual leave balance and may be used in accordance with normal requirements for annual leave.

1. A full-time employee receives 16 hours. A less than full-time employee receives proportionate credit based on the average hours in pay status during the six full bi-weekly work periods preceding October 1.
2. An employee covered by other paid personal leave credit provisions under a collective bargaining agreement who subsequently moves to a position that is excluded from representation or not covered by a bargained agreement receives appropriate paid personal leave credit immediately upon transfer out of the unit, unless a similar grant was received in the same fiscal year under the bargained agreement.
3. A full-time employee on a leave of absence on October 1 receives the full grant as described in B.1 above, upon return to active employment status. A less than full-time employee on a leave of absence on October 1 who has completed less than six bi-weekly work periods receives a partial grant based on the average hours in pay status since return from leave. Any leave grant must be manually added when the employee returns.
4. An employee recalled from layoff is credited with the personal paid leave credit on a prorated basis for the balance of the fiscal year.

**C. School and Community Participation Leave.**

A nonexclusively represented career employee who has completed 1,040 hours of satisfactory service is credited annually with 8 hours of school and community participation leave to be used in accordance with the following provisions:

1. An employee may use the leave to participate in any school sponsored activity including, but not limited to, tutoring, field trips, classroom programs, school committees, assisting with athletic or music programs, theater and school clubs. The leave may also be used for active participation in any structured secular community activity sponsored by a governmental agency, or a non-profit community organization or agency, and not for mere attendance at school or community events.
2. School and community participation leave may be used only in increments of one hour, and only for qualifying events occurring during an employee's scheduled work time.
3. An employee must obtain prior approval to use school and community participation leave on a form provided by the appointing authority.
4. School and community participation leave is credited to employees on each October 1 and will not carry forward beyond the fiscal year.

**CONTACT**

Questions regarding this regulation should be directed to Compensation, Civil Service Commission, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909; by telephone, at 517-335-7862 or 1-800-788-1766; or by e-mail to [MDCS-Compensation@michigan.gov](mailto:MDCS-Compensation@michigan.gov).