

Draft Civil Service Rule Amendments

Rule 5-10.3, Banked Leave Time Program

Draft Revision 1 (January 27, 2010)

Added text is double-underlined. Deleted text is ~~struck-through~~.

5-10 Paid Holidays and Leave

5-10.3 Banked Leave Time Program¹

(a) **Eligibility.** Notwithstanding any other civil service rule or regulation, all employees in career appointments shall participate in the banked leave time program provided in this rule.

(b) **Operation.**

(1) **Work schedule and hours in pay status.** This rule does not alter an employee's work period, work schedule, or the requirement that each employee report all hours in pay status.

(2) **Reduction in pay.**

(A) **October 12, 2003, to October 9, 2004.** Notwithstanding the number of hours in pay status, between October 12, 2003, and October 9, 2004, each employee's gross biweekly pay is reduced by an amount equal to one of the following:

(1) **Reduction for full-time employees.** For employees in full-time appointments, the gross pay reduction is equal to 4 hours of pay, computed at the employee's base rate of pay.

(2) **Reduction for less than full-time employees.** For employees in less than full-time appointments, the gross pay reduction is equal to 5 percent of the hours in pay status, but not exceeding 4 hours, at the employee's base rate of pay.

(B) **January 2, 2005, to October 22, 2005.** Notwithstanding the number of hours in pay status, between January 2, 2005, and October 22, 2005, each employee's gross biweekly pay is reduced by an amount equal to one of the following:

¹ **EDITOR'S NOTE:** The banked leave time program is also referred to as "Part B of the Annual and Sick Leave Program."

1 (1) **Reduction for full-time employees.** For employees in full-time
2 appointments, the gross pay reduction is equal to 4 hours of pay, computed at
3 the employee's base rate of pay.

4 (2) **Reduction for less than full-time employees.** For employees in less than
5 full-time appointments, the gross pay reduction is equal to 5 percent of the
6 hours in pay status, but not exceeding 4 hours, at the employee's base rate of
7 pay.

8 (C) February 21, 2010, to September 4, 2010. Notwithstanding the number of hours
9 in pay status, between February 21, 2010, and September 4, 2010, each employee's
10 gross biweekly pay is reduced by an amount equal to one of the following:

11 (1) **Reduction for full-time employees.** For employees in full-time
12 appointments, the gross pay reduction is equal to 2 hours of pay, computed at
13 the employee's base rate of pay.

14 (2) **Reduction for less than full-time employees.** For employees in less than
15 full-time appointments, the gross pay reduction is equal to 2.5 percent of the
16 hours in pay status, but not exceeding 2 hours, at the employee's base rate of
17 pay.

18 (3) **Conversion of unpaid time to banked leave time.** For each hour or partial hour in
19 pay status that is unpaid as provided in subsection (b)(2), the employee is credited with
20 an equal amount of banked leave time. An employee may accumulate a maximum of
21 ~~188~~ 216 banked leave hours.

22 (4) **Use of banked leave time.** When approved by the appointing authority, an employee
23 may use accumulated banked leave time in the same manner as provided in
24 rule 5-10.2(b)(1) and the applicable regulations for the use of annual leave.

25 (5) **Conversion of unused banked leave time.** If an employee separates or retires from
26 the classified service or dies while employed in the classified service, the value of any
27 unused banked leave time shall be contributed as a non-elective employer contribution
28 to the employee's State of Michigan 401(K) plan account and, if applicable, to the State
29 of Michigan 457 plan account.

30 (A) **Value of contribution.** The amount of a contribution is the product of (1) the
31 number of unused banked leave hours and (2) the employee's last rate of pay for
32 annual leave at the time of separation, retirement, or death.

33 (B) **Location of contribution.** A contribution is first made to the employee's State of
34 Michigan 401(K) plan account. If a contribution, when combined with other
35 projected contributions, would exceed the maximum allowed under §415 of the
36 Internal Revenue Code, any excess is deposited in the employee's State of
37 Michigan 457 plan account.

1 **(6) Relation to other rules and regulations.**

2 **(A) Insurance, leave accruals, and service credits.** Notwithstanding any other civil
3 service rule or regulation or the fact that an employee's pay is reduced under
4 subsection (b)(2), all time in pay status for which an employee receives banked
5 leave time instead of pay is considered creditable time for all purposes, including,
6 but not limited to, the following:

7 **(1)** Satisfaction of the standard 80-hour biweekly work period for full-time
8 employees [rule 5-2.1].

9 **(2)** Compliance with compensation schedules [rule 5-3].

10 **(3)** Eligibility for overtime compensation [rule 5-4.2].

11 **(4)** Computation of service hours for the following:

12 **(a)** Longevity [rule 5-8].

13 **(b)** Annual and personal leave [rule 5-10.2(a)(1)].

14 **(c)** School participation leave [rule 5-10.2(a)(2)].

15 **(d)** Sick leave [rule 5-10.2(a)(3)].

16 **(e)** Holiday pay for less than full-time appointments [rule 5-10.1].

17 **(f)** Completion of a probationary period [rule 3-6.2].

18 **(5)** Eligibility for group insurance plans and benefit levels [rules 5-2.2 and 5-11].

19 **(6)** Computation of total continuous service hours for all purposes, including, but
20 not limited to, employment preference, layoff, recall, step increases, and, if
21 authorized by statute, retirement.

22 **(B) Not a break in service.** An employee does not incur a break in service as a result
23 of participation in the banked leave time program.

24 **(C) Voluntary work schedule adjustment plans.** An employee must use all banked
25 leave time before incurring unpaid Plan A or Plan C hours under the voluntary
26 work schedule adjustment plans [rule 5-2.3].

27 **(D) Annual leave cap.** Banked leave time does not apply to the annual and personal
28 leave maximum provided in rule 5-10.2(a)(1)(B).

1 (c) **Effective dates.** The banked leave time program is in effect from October 12, 2003, to
2 ~~October 22, 2005~~ September 4, 2010, except that any banked leave time unused as of
3 ~~October 22, 2005~~ September 4, 2010, does not expire. After ~~October 22, 2005~~ September 4,
4 2010, an employee may continue to use banked leave time as provided in subsection (b)(4).
5 If, after October 12, 2003, an employee separates or retires from the classified service or
6 dies with unused banked leave hours, the hours shall be treated as provided in subsection
7 (b)(5).
8
9

10
11