

Michelle Mahowald

Subject: FW: [EXTERNAL] City of Northfield Family & Parental leave question

From: Paula Itaoka <pitaoka@shorelinewa.gov>

Sent: Wednesday, October 24, 2018 1:08 PM

To: Michelle Mahowald <Michelle.Mahowald@ci.northfield.mn.us>

Subject: RE: [EXTERNAL] City of Northfield Family & Parental leave question

Hi Michelle –

With our policy, only those who 1) qualify for an FMLA leave and 2) have less than 80 hours of their own paid leave, would be able to dip into the supplemental paid leave. We have found that this is very few people and of those who took the benefit, we did not have to backfill them, so ... there wasn't really any added cost so long as they remained employed (just a loss of productive hours.) However, if they resign after using the benefit, there is an added cost of vacation cash out that otherwise would not have been paid. I don't think either the Council or Leadership anticipated that employees would only work here a year or two when they adopted this benefit – that means only 9 months of work for a full time salary.

I just did an analysis of the usage since adoption and found the following:

SUPPLEMENTAL PAID FAMILY LEAVE – STATUS REPORT.

On 2/27/17, resolution 402 of the City Council, adopted a new policy providing supplemental paid family leave. This is an interim status report through 8/30/18.

SUMMARY

It's clear there is an unintended windfall of vacation cash out when people of short tenure use the supplemental leave in lieu of vacation, leave the organization and cash out vacation. HR has suggested to the City Manager that we adopt some type of policy modification that prevents unintended financial gain. Perhaps "vacation cash out upon separation shall be offset by supplemental leave granted for employees with less than 5 years' service ..."

2 cases used the benefit, left early in their tenure and cashed out their vacation banks.

- One person worked just long enough to use the benefit of 355 hours of supplemental parental leave. They worked a total of 1.64 years and when leaving to take a job elsewhere cashed out 110 hours of vacation worth \$5,754.
- One person worked a little over two years, used a benefit of 74.50 hours of supplemental leave for a family members' illness. They worked a total of 3.64 years and when leaving cashed out 31.5 hours of vacation for worth \$1,345.

4 cases used the benefit but are still here as follows.

- One has 1.7 years' service, used 21.15 hours supplemental leave (own serious illness). Current vacation balance is 77.65, cash out value is \$4,058 if they left.
- One has 3.17 years' service, used 465.9 hours supplemental leave (family member and own serious illnesses). Current vacation balance is 135.8, cash out value is \$7,098 if they left.
- One has 3.42 years' service, used 480 hours supplemental leave (parental). Current vacation balance is 39.15, cash out value is \$1,427 if they left.
- One has 14.53 years' service, used 63.43 hours supplemental leave (own serious illness). Current vacation balance is 82.87, cash out value is \$2,670 if they left.

2 active cases

1 case is active, it's too soon to know how much leave may be used. Current vacation balance is 19.88 hours, cash out value is \$896 if they left.

1 case was approved but the person hasn't yet needed to access the benefit.

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