

AMEND BOARD REPORT 06-0726-PO5
EMPLOYEES' SICK, PERSONAL AND VACATION BENEFIT DAYS POLICY

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Chicago Board of Education ("Board") amend the Employees' Sick, Personal and Vacation Benefit Days Policy.

PURPOSE: To align policy with collective bargaining agreements, existing practices and state law.

POLICY TEXT:

I. Sick Leave Benefit Days. Effective July 1, 2004, all full-time employees, other than day-to-day substitute teachers, CADRE substitute teachers, retired teachers and miscellaneous employees, paid on an hourly, daily, weekly or monthly basis shall be eligible for annual sick days as hereinafter provided:

A. Definitions.

1. "Sick Leave" as used in this Policy means leave for the employee's personal illness, quarantine at home by a duly authorized public health official, serious illness in the immediate family or household, or death of a relative.
2. "Immediate Family or Household" means the employee's parent, grandparent, child, grandchild, brother, sister, spouse, domestic partner as defined hereinafter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, nephew, niece, uncle, aunt, and cousin.
3. "Weekday" as used in this section means any regularly scheduled workday, including holidays.

B. Annual Sick Days – Accrual, Population of Sick Day Bank and Prorating. All employees, other than day-to-day substitute teachers, CADRE substitute teachers, retired teachers and miscellaneous employees, shall earn one sick day for each month of the employee's regular position in the budget up to a maximum of twelve (12) working days per year. The Board shall credit teachers who are at the maximum step of the salary schedule and have at least thirteen (13) years of full-time teaching experience with one (1) additional sick day per year. The Board shall credit teachers who are at Step 13 on the salary schedule and have at least eighteen (18) years of full-time teaching experience with two (2) additional sick days per year. Any employee who begins working after September shall be granted sick days prorated on the above basis. No sick days shall be granted to employees who fill positions opened for the summer month(s) only. New employees shall accrue, but may not use, sick days for the first sixty (60) workdays they are employed. The Chief Executive Officer or designee may populate annual sick day banks on July 1 of each year and, in his/her discretion, permit employees with banks so populated to use those days before they are earned upon request of the employee, provided however, that if an employee requests to use unearned sick benefit days, that request may only be granted if that employee agrees in writing at the time the request is made that, in the event the employee resigns or is otherwise separated from employment after having been paid for unearned sick leave, the Chief Executive Officer or designee may deduct the amount of paid unearned sick leave from any final compensation due to the employee, including any final payout of vacation leave on separation.

C. Transfer of Sick Days Upon Original Appointment. Effective July 1, 1995, the sick day balance of any eligible employee shall be adjusted to reflect the sick days that the employee accumulated 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, upon the written request of the employee to the Chicago Public Schools Department of Human Resources within one year of the original appointment. For the purpose of this section and the following section, eligible employees shall be

defined as those employees who have resigned but are not currently receiving pension benefits from the applicable pension fund of their previous employer, and were not dismissed for cause. For employees eligible for unused sick day pay upon separation from the Chicago Public Schools in accordance with paragraph I (I) of this Policy, the Board shall not pay the cash value conversion of any sick day transferred from any previous employer. Therefore, the total number of sick days transferred will be subtracted from the total number of sick days accumulated prior to pay out of unused sick day pay.

D. *Sick Pay.* Employees who use sick benefit 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. *Maximum Accumulation of Sick Days.* Effective August 19, 2002, the maximum number of sick days an employee may accumulate shall be three hundred and fifteen (315) days. Effective July 1, 2009, the maximum number of sick days an employee may accumulate shall be three hundred and twenty (320) days. Effective July 1, 2011, the maximum number of sick days an employee may accumulate shall be three hundred and twenty-five (325). The total number of unused sick leave days shall appear on the salary check stubs of all employees.

F. *Physician's Certificate.* Any employee who is absent for more than five (5) consecutive 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 leave, he or she 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.

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

H. *Failure of Notice of Return to Service.* When a teacher 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 ($\frac{1}{2}$) day service shall be deducted from the salary of the teacher.

I. *Payout of Accumulated Sick Days Upon Certain Qualifying Events.* The Chief Executive Officer or designee shall pay to each eligible employee, as defined by the qualifying events in paragraph I (I) (1) the equivalent of all or part of his/her accumulated sick days in accordance with schedule in paragraph I (I) (2) upon the occurrence of a qualifying event, as defined in paragraph I (I) (1) of this Policy.

1. *Qualifying Events for full or partial Sick Leave Payout.* The following qualifying events shall entitle employees to full or partial sick leave payouts in accordance with paragraph I(I)(2) of this Policy.
 - a. The resignation or retirement of a full-time employee with a minimum of twenty (20) years of service with the Board.
 - b. The resignation or retirement of a full-time employee who will attain the age of sixty-five (65) years before the start of the following school year.
 - c. The death of a full-time employee.
 - d. The granting of an employee's application to participate in the Board's Pension Enhancement Program or other retirement incentive.

2. *Amount of Sick Leave Payout.* Eligible employees shall be entitled to a sick leave payout in accordance with the following schedule.

<u>Qualifying Event</u>	<u>Percentage of Accumulated Sick Leave to be Paid Out</u>
Resignation or retirement with 33.95 or more years of service	100%
Resignation or retirement with at least 20 but less than 33.95 years of service	90%
Resignation or retirement at age 65 with less than 20 years of service	85%
Employee's Death	100%
Participation in pension enhancement program or other retirement incentive adopted by the Board	In accordance with pension enhancement program or retirement incentive

3. *Exclusions from Accumulated Sick Leave to be Paid Out.* This Policy shall not apply to sick days transferred from another public agency. The unused sick pay due to an eligible employee under this Section is subject to, and shall be reduced by, any payouts in connection with an employee's participation in a pension enhancement program approved by the Board.
4. *Payout of Sick Leave 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 unused sick pay 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 sick pay equivalent amount payable under subparagraph b 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 sick leave. 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 subparagraph b of this Policy shall be paid directly to the eligible full-time employee at the time of separation.
5. *Pension Enhancement Program.* Effective ~~February 1, 2004~~ January 1, 2008, the Board establishes for principals, assistant principals and all non-union represented Board employees, a pension enhancement program that allows eligible employees to use designated sick days and/or ~~pensionable RS2~~ vacation days ("~~pensionable~~ eligible benefit days") to increase the value of their pension. Eligible employees are those who (1) are eligible for retirement under the Public School

Teachers' Pension and Retirement Fund or, subject to approval by its governing board, the Municipal Employees Officers and Officials Annuity Benefit Fund; (2) intend to retire on or before June 30, 2007~~12~~; (3) submit an irrevocable notice of their intent to retire and receive accelerated payments of pensionable eligible benefit days in accordance with the schedule set forth below; and (4) have accumulated a sufficient number of pensionable eligible benefit days at the time of such notice or by the time of the first accelerated payment as described below, whichever is later. Benefit days sufficient to fund the eligible employee's participation in the Pension Enhancement Program shall be removed during the year the employee enrolls in the Pension Enhancement Program. Those eligible employees who choose the pension enhancement program shall receive the following accelerated payment(s) for pensionable eligible benefit days prior to their retirement and must comply with the notice dates set forth below:

Pensionable Benefit Days Payout

~~One-Year Payout: employee can increase his/her current salary so it is equal to his/her prior year's salary increased by 20%.~~

~~Two-Year Payout: employee is paid 20% of his/her salary at the time of enrollment in two equal payments paid during the last two years of employment.~~

~~Three-Year Payout: employee is paid 20% of his/her salary at the time of enrollment in three equal payments paid during the last three years of employment.~~

~~Four-Year Payout: employee is paid 20% of his/her salary at the time of enrollment in four equal payments paid during the last four years of employment.~~

Notice Date

~~120 days before date of retirement, but not later than March 1, 2007.~~

~~120 days before one year prior to retirement, but not later than March 1, 2006.~~

~~120 days before two years prior to retirement, but not later than March 1, 2005.~~

~~120 days before three years prior to retirement, but not later than March 1, 2004.~~

<u>Eligible Benefit Days Payout</u>	<u>Retirement Date, on or before:</u>	<u>Notice Date, on or before:</u>
<u>One-Year Payout:</u> <u>20% over the prior year's salary (includes regular salary increase)</u>	<u>06-30-08</u>	<u>120 days before date of retirement, but not later than 03-01-08</u>
	<u>06-30-09</u>	<u>120 days before date of retirement, but not later than 03-01-09</u>
	<u>06-30-10</u>	<u>120 days before date of retirement, but not later than 03-01-10</u>
	<u>06-30-11</u>	<u>120 days before date of retirement, but not later than 03-01-11</u>
	<u>06-30-12</u>	<u>120 days before date of retirement, but not later than 03-01-12</u>
<u>Two-Year Payout:</u> <u>10% each of the 2 prior years (in addition to regular salary increases)</u>	<u>06-30-09</u>	<u>120 days before date of retirement, but not later than 03-01-08</u>
	<u>06-30-10</u>	<u>120 days before date of retirement, but not later than 03-01-09</u>
	<u>06-30-11</u>	<u>120 days before date of retirement, but not later than 03-01-10</u>

<u>Eligible Benefit Days Payout</u>	<u>Retirement Date, on or before:</u>	<u>Notice Date, on or before:</u>
	<u>06-30-12</u>	<u>120 days before date of retirement, but not later than 03-01-11</u>
<u>Three-Year Payout:</u> <u>6.6% each of the 3 prior years (in addition to regular salary increases)</u>	<u>06-30-10</u>	<u>120 days before date of retirement, but not later than 03-01-08</u>
	<u>06-30-11</u>	<u>120 days before date of retirement, but not later than 03-01-09</u>
	<u>06-30-12</u>	<u>120 days before date of retirement, but not later than 03-01-10</u>
<u>Four-Year Payout:</u> <u>5% each of the 4 prior years (in addition to regular salary increases)</u>	<u>06-30-11</u>	<u>120 days before date of retirement, but not later than 03-01-08</u>
	<u>06-30-12</u>	<u>120 days before date of retirement, but not later than 03-01-09</u>

This program will be operated in accordance with and limited by all applicable federal and state law. Principals, assistant principals and area instruction officers who wish to enhance their pension under this program must retire at the end of the designated school year as described in the table above or at the termination of their contract, whichever occurs first. Any employee who has given notice of retirement under this program but who retires prior to his or her designated date of retirement will not be eligible for any accelerated payment of pensionable eligible benefit days subsequent to such retirement. Any employee who has given notice of retirement under this program but who is involuntarily separated from employment other than for cause will be eligible for one accelerated payment of the remainder of his or her pensionable eligible benefit days at the time of his or her separation.

An employee who is involuntarily terminated for cause will not be eligible for any future benefits or accelerated payments of pensionable eligible benefit days under this program after the date of termination. Employees are responsible for paying the entire pension contribution on any accelerated payments they receive for pensionable eligible benefit days under this program.

Accelerated payments of eligible benefit days will be made to employees in salary adjustment checks issued each year, in the case of multiple year payout, or, in the case of a one-year payout, in a single salary adjustment check. Salary adjustment checks will be issued to the employee on or before June 30th. The Department of Human Resources will develop procedures for timing of and issuance salary adjustment checks. for those retiring in Fiscal Year 2003-2004 will be made in a salary adjustment check on or after April 1, 2004, or as soon after the employee's retirement date as reasonably possible; for those employees retiring between July 1, 2004 and December 31, 2004 and for those retiring in 2005, 2006, and 2007 a salary adjustment check will be made within 120 days of the respective anniversary dates each year prior to retirement or as soon thereafter as reasonably possible

II. Personal Leave Benefit Days. All employees, except substitute teachers, retired teachers and miscellaneous employees, shall be granted three (3) personal leave benefit days during the first payroll period of each calendar year which eligible employees may use during the calendar year to conduct personal business without loss of pay or deduction from sick leave on the basis of and during the period set up for their position in the budget. Substitute teachers, retired teachers and miscellaneous employees shall not be awarded personal leave benefit days. Newly hired employees who are eligible for personal

leave benefit days shall be granted personal leave benefit days prorated according to their date of hire as follows: those beginning employment between January 1 and March 31, three (3) days; those beginning employment between April 1 and September 30, two (2) days; those beginning employment between October 1 and November 30, one (1) day; and, those beginning employment between December 1 and December 31, zero (0) days. Employees who use personal benefit days shall be paid their regular daily rate of pay for the personal day at the time the personal day is taken. With respect to teachers or Educational Support Personnel who have regular extended days, personal day benefit pay shall include pay for the extended day. Employees may not use three (3) personal leave benefit days in succession.

Employees may not use personal leave benefit days during their first sixty (60) work days of employment except for religious holidays occurring during their first sixty (60) work days of employment. Employees may not use personal leave benefit days during the first or last week of school or on the day before or the day after a school holiday, except: 1) to attend the graduation exercise of a child or spouse; 2) for a religious holiday; or, 3) to attend to an emergency, proof of which is to be filed with the employee's supervisor immediately upon return from the leave. Personal leave benefit days that are unused at the end of the calendar year shall be converted to sick leave benefit days and rolled over into the employee's sick leave benefit day bank.

III. Vacations Leave Benefit Days. Employees shall accrue and accumulate regular vacation leave benefit days as set forth below. The Chief Executive Officer may award reserve vacation leave benefit days as set forth below. RS2 vacation benefit days are no longer awarded but accumulated RS2 vacation days shall be paid out as set forth below.

A. Accrual of Regular Vacation Leave Benefit Days. Employees, other than substitute teachers, retired teachers and miscellaneous employees shall have vacation leave benefit days as set forth in this section. Substitute teachers, retired teachers and miscellaneous employees shall not have vacation leave benefit days.

1. **Officers.** Statutory officers, the General Counsel, the Board Secretary and ~~chiefs of~~ Executive Officers and Officers of departments shall accrue paid regular vacation benefit days per payroll period, at rate of five (5) weeks or twenty-five (25) days per year. Unused vacation benefit days granted under this section shall accumulate up to the maximum amounts set forth in Section III.A.4.
2. **Employees Employed For Less Than 52-weeks.** Employees employed for less than 52- weeks, ~~less than 12 calendar months, or less than 13 school months,~~ including appointed and temporarily assigned teachers, shall receive up to ten (10) days of paid regular vacation per year, five during the Winter Recess and five during the Spring Recess as designated in the Academic Calendar. A new 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 benefit days under this section shall be used and shall not accumulate.
3. **Educational Support Personnel.** Educational support personnel paid on a per diem basis in positions set up in the budget for at least 250 working days, employees paid on a weekly basis in positions set up in the budget for fifty-two (52) weeks or twelve (12) calendar months and employees who are paid on a school month basis in positions set up in the budget for 13 school months a year shall accrue regular vacation leave benefit days per pay period as follows:

.058 vacation days per day paid, not to exceed three (3) weeks or fifteen (15) vacation benefit days per year for employees with less than ten (10) years of service;

.077 vacation days per day paid, not to exceed four (4) weeks or twenty (20) vacation benefit days per year for employees with at least eleven (11) but less than twenty-one (21) years of service inclusive;

.097 vacation days per day paid, not to exceed five (5) weeks or twenty-five (25) vacation benefit days per year for employees with twenty-one (21) or more years of service.

Unused vacation benefit days granted under this Section shall accumulate up to the maximum amounts set forth the Section III.A.4.

4. *Maximum Accrual.* The maximum accrual of unused regular and RS2 vacation days shall be limited to the following:

<u>Years of Service</u>	<u>Maximum Accrual</u>
For service up to and including ten (10) years	40 days
For service eleven to twenty (20) years inclusive	53 days
For service for twenty-one (21) or more years	66 days

Once this maximum accrual of regular and RS2 vacation benefit days has been reached, no additional vacation time will be accrued until the vacation balance falls below the above-indicated maximum of 40, 53 or 66 vacation days.

B. *Vacation Pay.* Employees who use vacation benefit days shall be paid their regular daily rate of pay for the vacation at the time the vacation 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 as vacation pay under the provisions of this policy.

C. *Use of Vacation.* Vacation shall be taken at a time to be approved by the department head or designee.

D. *Years of Service.* Employees, who are paid for the full period for which their position is established in the budget, but not less than nine (9) calendar months, shall receive the maximum vacation credit allowable for their years of service. In measuring years of service, a full year's credit shall be given to an employee for any year the employee has serves the full time prescribed in the budget for the employee's position; credit shall be given on a pro rata basis to an employee who has served less than the full time so prescribed. The years of service of employees who are on a school month basis and who transfer to a calendar month basis shall be accepted in establishing the length of service of such employees for purposes of this Policy.

E. *Adjustments to Service Credit*

1. *Military Service.* For the purpose of making such vacation allowances, 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 basic vacation time during the period of the employee's military leave of absence.
2. *Outside Service.* Effective July 1, 1964, in measuring years of service, a Board employee who has previously been 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 shall be given credit for such time as the individual has been in the service of any of the aforementioned public bodies,


provided that such service terminated no more than one year before entry into Board employment.

F. *Reserve Vacation Benefit Days.* In addition to the regular vacation benefit days set forth in III(A)(1) of this Policy, the Chief Executive Officer may, in the exercise of his/her discretion, award employees Reserve Vacation Benefit Days for service in extraordinary circumstances. Reserve Vacation Benefit Days shall not be counted in the maximum accruals set forth in paragraph III (A)(4).


G. *Payout and Transfer Unused Regular, Reserve and RS2 Vacation Benefit Days.* Unused vacation benefit days shall be paid out or transferred in accordance with this paragraph. For purposes of vacation payout, unused vacation benefit days shall be banked and categorized as follows: (1) Regular Vacation Benefit Day Bank, in which all unused regular vacation benefit days earned on or after January 14, 1991 shall be banked; (2) Reserve (RES) Vacation Benefit Day Bank in which all unused reserve vacation benefits days shall be banked; and (3) RS2 Vacation Benefit Day Bank, in which all unused vacation benefit days earned and accumulated prior to January 14, 1991 shall be banked.

1. *Payout of Regular and Reserve Vacation Benefit Day Banks at Separation.* If an employee separates from service such person shall be entitled to receive payment after separation for all unused vacation days at the person's prevailing salary. 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.
2. *Payout of RS2 Vacation Days at Separation.* Effective July 18, 1998, in the event an employee terminates service who is eligible for vacation with pay under this policy and has not taken vacation as provided herein, such employee may receive the employee's prevailing salary for such unused RS2 vacation days (these days must have been accumulated before January 14, 1991), provided that the employee's total salary for the year in which he/she requests the payment does not exceed his/her salary for the preceding year by more than twenty (20%) percent and provided further that the employee pays his/her own pension contribution. An employee who participates in the Pension Enhancement Program cannot use RS2 days to increase his/her final year's salary.
3. *Payout of Reserve (RES) Vacation Days Prior to Separation.* Effective March 27, 2002, in the event an employee with thirty (30) or more years of service who is eligible for vacation with pay under this policy has not taken vacation as provided herein, such employee may at the employee's option receive the employee's prevailing salary for such unused RES vacation days, provided that sixty-six (66) days remain in the employee's vacation account. Any remaining unused RES vacation days will be paid to the employee at their prevailing salary upon resignation from Board employment regardless of years of service.
4. *Unused Vacation at Transfer to Calendar Month Position.* Effective September 1, 1990, an employee transferring from a school month to a calendar position shall be granted vacation time for the number of days of vacation pay earned at the time of transfer.
5. *Unused Vacation at Transfer to School Month Position.* Effective September 1, 1990, an employee transferring 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.
6. *Displaced Appointed Teachers and Temporarily Assigned Teachers Earned and Unused Regular Vacation Payout.* An appointed teacher or temporarily 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. Payout of earned and unused vacation shall be made during the winter break after displacement.

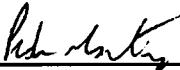
Approved for consideration:


Barbara Eason-Watkins
Chief Education Officer

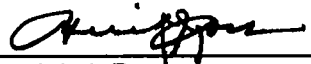
Respectfully submitted,


Arne Duncan
Chief Executive Officer

Noted:


Pedro Martinez
Chief Financial Officer

Approved as to Legal Form: 


Patrick J. Rocks
General Counsel