

**Department of Human Resources
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Bargaining Units 7, 9, and 12 Cash Out of Vacation/Annual Leave	REFERENCE NUMBER: 2014 – 008
DATE ISSUED: 04/02/14	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Employee Relations Officers**

FROM: Department of Human Resources
Labor Relations Division

CONTACT: Personnel Services Branch
(916) 323-3343
Fax: (916) 322-0765
Email: psb@calhr.ca.gov

Agreements reached in 2013 with California Statewide Law Enforcement Association (CSLEA) - Bargaining Unit 7, Professional Engineers in California Government (PECG) - Bargaining Unit 9, and the International Union of Operation Engineers (IUOE) - Bargaining Unit 12 allows for the annual cash out of up to twenty (20) hours of accumulated vacation/annual leave for employees in these bargaining units and who work in departments with available funds.

Vacation/annual leave cash out means that eligible employees in participating departments may receive payment at their regular salary rate in exchange for accrued vacation or annual leave. The maximum amount of cash out is twenty (20) hours. Departments cannot exceed these limits.

Each department's participation is subject to the availability of departmental funds. Thus, you must pay from departmental appropriations all leave hours cashed out by your employees. The department certification of funding and participation for the vacation/annual leave cash out program for bargaining units 7, 9 and 12 is attached. This form must be completed and returned to the Department of Human Resources (CalHR) in the month of April each year for the term of the contract(s).

Departments are to notify their bargaining unit 7, 9 and 12 employees in the month of April of each year whether the department has funds available for the purpose of cashing out accumulated vacation/annual leave. In those departments that have funds available, employees will also be advised of the number of hours that may be cashed out, not to exceed twenty (20) hours.

Employees who wish to cash out vacation/annual leave must submit a written request (sample form attached) during the month of May to the individual designated by the department.

Departments are to issue payments for the cashed out vacation/annual leave during the month of June and are to deduct the cashed out accumulated vacation/annual leave hours from the employees leave balances.

An employee may only participate in the vacation/annual leave cash out program one time per year, in one department.

Departments will "key" payment information on a flow basis, but all payments under this cash out program must be completed by June 30th each year for the term of the contract(s). For tax purposes, payments will be ordinary income in the month that payment is made. Tax withholding rates for this cash out will be: (a) Federal Tax, 25.0%; (b) State Tax, 6.6%; (c) FICA, (if applicable), 6.2%; and (d) Medicare, (if applicable), 1.45%, for wages or compensation in excess of \$200,000 in the calendar year additional Medicare 0.09% will be withheld.

Additional details will be issued by the State Controller's Office (SCO) in the near future providing instructions to department personnel offices.

For questions related to this PML, state department personnel office designated liaisons should contact CalHR's Personnel Services Branch by emailing questions to psb@calhr.ca.gov or calling (916) 323-3343.

/s/Mary Sue Paul

Mary Sue Paul, Manager
Personnel Services Branch

Attachments

Department Certification of Funding and Participation
Sample – Employee Cash Out Leave Request

Department Certification of Funding and Participation Form

*State of California***MEMORANDUM**

TO: D-22
Department of Human Resources (CalHR)
Personnel Services Branch

DATE: _____

FROM: _____

SUBJECT: Bargaining Unit 7, 9 and 12 – Vacation/Annual Leave Cash Out Program

I hereby certify our department Bargaining Unit 7, 9 and 12 – Vacation/Annual Leave Cash Out Program is as described below.

Check applicable statement(s):

- ☐ 1. The department will not participate in the Vacation/Annual Leave Cash Out Program for this fiscal year.
- ☐ 2. The department will participate in the Vacation/Annual Leave Cash Out Program for this fiscal year. We will not require supplemental funding.

Employees are eligible to cash out up to: _____ Hours

Projected department cost of the cash out for this fiscal year is:
\$ _____.

Signature of Agency Head/Representative

Name (Printed)

Title

Address

Phone Number

Date

cc: _____, Department of Finance Budget Analyst

2014 Bargaining Unit 7, 9 and 12 – Vacation/Annual Leave Cash Out Program

Employee Name: _____

Division/Facility: _____

Employee CBID: _____ Classification: _____

I hereby elect to participate in the Bargaining Unit 7, 9 and 12 – Vacation/Annual Leave Cash Out Program as described below.

☐ I elect not to participate in the Vacation/Annual Leave Cash Out Program for fiscal year 2013-14.

☐ I elect to participate in the Vacation/Annual Leave Cash Out Program for fiscal year 2013-14 and certify that I have available leave balances in order to participate in this cash out program.

I elect to cash out the following leave:

Vacation Hours: _____ Annual Leave Hours: _____

Total unused leave hours elected to be cashed out: _____

Payments made in 2014 will be included in W-2 forms for Tax Year 2014. Payments will not be subject to deductions for retirement. Payments will be subject to the following deductions/withholdings.

Federal Tax Withholding: 25.0%

State Tax Withholding: 6.6%

FICA (if applicable): 6.2%

Medicare (if applicable): 1.45%

Note: For wages or compensation in excess of \$200,000 in the calendar year additional Medicare 0.09% will be withheld.

Employees must return the election form to the personnel office by _____ in order to participate in the Vacation/Annual Leave Cash Out Program for fiscal year 2013-14. Employees who elect not to participate must also return the form.

I make this election freely and voluntarily and hereby waive any right to change the option selected once processing begins.

Signature of Employee_____
Date_____
Employee Name (Printed)_____
Phone Number_____
Division/Facility_____
Work Address

cc: _____, Employee's Supervisor