

RESOLUTION NO. 2921

A RESOLUTION of the Port Commission of the Port of Seattle amending Salary and Benefit Resolution No. 2917 to exclude employee State retirement contributions from gross pay for Federal Income Tax purposes only; and to implement a new paid leave program designed to accommodate changes in recent legislation affecting the State Retirement System.

WHEREAS, during the regular session of the 1984 Washington State Legislature, a law was enacted allowing an employee's State retirement contributions to be excluded from gross pay for Federal Income Tax purposes only, effective September 1, 1984; and

WHEREAS, during the regular session of the 1984 Washington State Legislature, a law was enacted which shifted the cost burden to employers for pension amounts which result from certain sick leave and vacation lump sum compensation paid to retiring PERS Plan One members; and

WHEREAS, the Port seeks to implement a new paid leave program effective June 24, 1984, to provide incentives for PERS Plan One members to use vacation and sick leave as service time rather than hold currently allowed amounts for lump sum payoff, and to exclude PERS Plan One members hired on or after June 24, 1984, from any such lump sum payoff; and

WHEREAS, the Port seeks to implement the above mentioned paid leave program for all permanent salaried employees within certain limitations.

NOW THEREFORE, BE IT RESOLVED, by the Port Commission of the Port of Seattle as follows:

Section VI.B. of Resolution No. 2917, adopted December 13, 1983, is hereby amended effective June 24, 1984, except where otherwise indicated, as follows (additions are underlined; deletions are crossed out within brackets):

Section VI. ADMINISTRATION OF BENEFIT PROGRAM

B. Benefits Provided Permanent Employees:

1. Effective September 2, 1984, State retirement contributions are excluded from an employee's gross pay for Federal Income Tax purposes only.

2. b. (1) Accumulation of sick leave shall be limited to the amount that each eligible employee can earn in a ~~[10]~~ 5-year period under the provisions stated above; i.e., ~~[120]~~ 60 days for most employees, except employees in positions approved for a four-day work week would be limited to an accumulation equivalent to ~~[96]~~ 48 10-hour shifts. Sick leave accruals in excess of that amount earned on or after June 24, 1984, shall be transferred to a pooled leave account (see Section VI.B.5. for further details) at the rate of 50%. Sick leave accruals in excess of that amount, but less than a 10-year accumulation, earned prior to June 24, 1984, shall also be transferred to a pooled leave account at the rate of 50%; however, the remaining 50% of these accruals shall be maintained in a special account for each employee. Withdrawals from that special account will be made only in the event of a long-term illness which exhausts that employee's sick leave account. See Section VI.B.5.c. regarding conversion of sick leave in excess of a 10-year accumulation earned prior to June 27, 1982.

~~[Sick leave earned in excess of the above maximum accrual may be transferred to vacation with pay at a rate of .4167 vacation hours for each sick leave hour earned. The maximum accruals in terms of hours are as follows: 900 hours for positions scheduled for 37.5 hours per week and 960 hours for positions scheduled for 40 hours per week.~~

~~Employees who, as of June 27, 1982, have sick leave accumulated beyond that which can be accumulated under this section but within the amount which could be accumulated under this section of the Resolution immediately prior to the June 22, 1982 amendment set forth in Resolution No. 2857, may elect to keep this~~

~~previously accumulated leave classified as sick leave or to convert it to vacation leave as provided herein. Employees are to notify Payroll by no later than December 31, 1983, of their decision. Unless Payroll is notified by this date, this sick leave will automatically convert to vacation leave on January 1, 1984.]~~

4. b. Limits on Accumulating Vacation Leave: ~~[Effective January 1, 1984, vacation leave accumulation shall be limited to a 24 month accrual at anytime. Until that date, vacation leave accumulation shall be limited to a 24 month accrual at the employee's anniversary date. Any unused vacation leave exceeding the maximum allowed accumulation shall be forfeited, including any sick leave converted to vacation.]~~

Vacation leave accumulation limit shall be limited to a 24-month accrual at any time.

See Section VI.B.5. Pooled Leave for possible conversion of vacation into a pooled leave account.

Departmental management shall be responsible for encouraging and allowing proper scheduling for employees taking annual leave in order to avoid any forfeiture of vacation leave. It is not the intent that employees be allowed to forfeit vacation.

5. Pooled Leave: Permanent salaried employees may build up a pooled leave account to use as service time during later employment years for such reasons as a sabbatical, educational leave, civic duty leave other than that covered in Section VI.B.2.a., or at retirement or termination. The Director of Human Resources shall promulgate detailed procedures for administering pooled leave.

Pooled leave consists of the following:

- a. Vacation Conversions: If 10 vacation days are used during the payroll year and if the maximum accumulation limit is reached, additional accruals will automatically be converted at full value to the pooled leave account.

- b. Sick Leave Conversions: When the 60-day accumulation limit is reached, additional accruals will be converted at 50% value to the pooled leave account.
- Excess Sick Leave Conversions: The Director of Accounting and Port Auditor will develop guidelines for processing into the pooled leave account excess sick leave hours which were convertible to vacation between June 27, 1982, and June 23, 1984. Sick leave accruals in excess of a 10-year accumulation earned prior to June 27, 1982, which were not converted to vacation will be converted to an employee's pooled leave account at 41.67% value.

6. Payment for Accrued Leave at Termination:

- a. Sick Leave: Upon termination or retirement following five complete years of active employment in a continuous period of employment, qualified employees shall be compensated, as described below, for 50% of their unused sick leave up to a ~~[10]~~ 5-year accrual (~~[120]~~ 60 days for most employees; ~~[96]~~ 48 10-hour shifts for employees scheduled for a 10-hour day, 4-day work week) at the rate of pay at termination.
- b. Vacation: Upon termination, regular permanent employees shall receive ~~[pay]~~ compensation at 100% value in lieu of unused accrued vacation leave, as described below. ~~[prorated through the last day worked, which except in cases of severe illness, is the termination date. In the case of a regular permanent employee's death, a lump sum payment for unused or accrued vacation leave shall be paid to the employee's heir or estate, as appropriate.]~~ A probationary permanent employee who terminates active employment before completing the probationary period shall receive no vacation pay. LEOFF I firefighters taking disability retirement may be allowed to receive a lump sum payment for unused vacation leave if unable to exhaust such paid leave prior to termination. In the event that State law

changes in regard to lump sum vacation payment for State retirement members, the Port Auditor is authorized to make such vacation payoffs in a manner consistent with current State law(s).

- c. Pooled Leave: Upon termination regular permanent employees shall receive compensation at 100% value in lieu of unused accrued pooled leave, as described below.

Method of payment for a., b., and c. above is as follows:

PERS Plan One members hired before June 24, 1984, have an option of transferring payable portions of sick leave and vacation leave to pooled leave for use as service time; or receiving a lump sum payment for payable portions of sick leave and vacation and using pooled leave as service time.

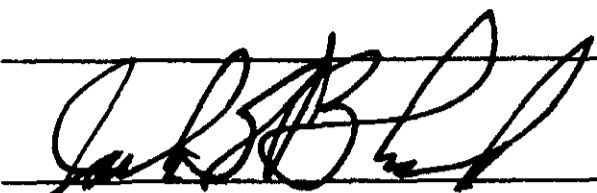
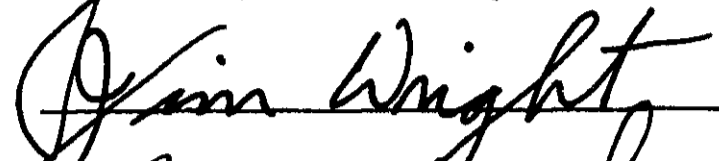

PERS Plan One members hired on or after June 24, 1984, will have payable portions of sick leave and vacation transferred to the pooled leave account for use as service time.

PERS Plan Two and LEOFF members will receive payable portions of sick leave and vacation in a lump sum and will use pooled leave as service time.

A terminating employee should prospectively contact the Retirement and Insurance Section in the Human Resources Department for details.

In the case of a regular permanent employee's death, a lump sum payment for payable amounts of unused accrued leaves a., b., and c. above shall be paid to the employee's heir or estate, as appropriate.

ADOPTED by the Port Commission of the Port of Seattle 26th day
of June, 1984, and duly authenticated in open session by the
signatures of the Commissioners voting and the Seal of the Commission.

Port Commissioners