



Gavin Newsom
Mayor

Philip A. Ginsburg
Human Resources Director

MEMORANDUM
DHR #07-2005

DATE: May 11, 2005

To: Departmental Personnel Representatives

Through: Philip A. Ginsburg
Director, Department of Human Resources

FROM: Steven Ponder
Compensation Manager
Human Resources Department

SUBJECT: Pilot Wellness Incentive Program Administration under the IFPTE, Local 21 MOU

To clarify questions arising over the administration of the Pilot Wellness Incentive Program under the Local 21 MOU, the Human Resources Department issues the following memorandum. In calculating sick leave cashouts pursuant to the Pilot Wellness Incentive Program, note that for the Local 21 MOU, "[e]mployees shall be entitled to accumulate all unused sick leave"(Section III.T., Sick Leave, ¶1353; emphasis added). As such, some Local 21 employees upon separation will have sick leave accruals over one-thousand-forty (1040) hours. When performing a sick leave cashout calculation pursuant to the Local 21 MOU, use the employees actual accrual, even if it is over 1040 hours. While ¶1358 limits that the maximum cashout may not exceed 1040 hours, this does not prevent an employee's actual accrual from being used in performing the calculation.

Example: (for Local 21 Only)

Employee X retires with 20 years of service.

Employee X has a sick leave balance of 1350 hours.

Employee X has a base salary rate of \$25.00 per hour at the time of separation.

Wellness Incentive = 2.5% for each year of service x 20 years of service = 50% x 1350 hours = 675 hours.

675 hours x \$25.00 (base salary at time of separation) = \$16,875.00

If you have any questions regarding this program, please call me at 557-4917.

MEMORANDUM
DHR #07-2005

May 11, 2005
Page Two

Local 21 MOU, III.T. SICK LEAVE

1. Accumulation

353. Employees shall be entitled to accumulate all unused sick leave.

2. Pilot Wellness Incentive Program

354. The City hereby establishes a pilot "wellness incentive program" to promote workforce attendance.

355. Effective July 1, 2002, any full-time employee leaving the employment of the City upon service or disability retirement may receive payment of a portion of accrued sick leave credits at the time of separation.

356. The amount of this payment shall be equal to two and one-half percent (2.5%) of accrued sick leave credits at the time of separation times the number of whole years of continuous employment times an employee's salary rate, exclusive of premiums or supplements, at the time of separation. Vested sick leave credits, as set forth under Civil Service Commission Rules, shall not be included in this computation.

3. Example of Calculation

357. Employee A retires with 20 years of service.

Employee A has a sick leave balance of 500 hours.

Employee A has a base salary rate of \$25.00 per hour at the time of separation.

Wellness Incentive = 2.5% for each year of service x 20 years of service = 50% x 500 hours = 250 hours.

250 hours x \$25.00 (base salary at time of separation) = \$6,250.00

358. The number of hours for which an employee may receive cash payments shall not exceed one thousand forty (1040) hours, including any vested sick leave.

359. A wellness incentive bonus payment shall not be considered as part of an employee's compensation for the purpose of computing retirement benefits.