APPENDIX A

TIME OFF PLAN (TOP)

Introduction and Conversion

TOP was implemented on June 9, 2001. All employees hired on or after June 9, 2001, automatically have TOP as their leave plan with the following exceptions:

Firefighters working shifts or eligible to return to shifts
Employees whose Collective Bargaining Agreements have other provisions

All employees hired on or after June 9, 2001, will begin accruing PTO and sick time immediately. Utilization of PTO during a new hire introductory period is subject to supervisory approval.

Components

TOP has several components:

Paid Time Off (PTO)
Sick Leave
Elimination Period
PTO cash out
Compensatory Time
Sick Leave Donation Bank
Sick Leave Incentive: 401(a)
Payment and Conversion of Leave Time at Retirement and Separation

To benefit from any and all features of TOP, an employee must participate in TOP. It is important to note that TOP **does not** eliminate the benefits of personal days, holidays, floating holidays and exempt benefit days (as applicable).

Paid Time Off (PTO)

Paid Time Off (PTO) eliminates the distinction between sick and vacation. PTO is an accrual of time, which an employee can use for any purpose such as vacation, other leisure time, personal illness, or to care for another person who is ill.

PTO is earned each pay period, effective with the first pay period of employment. Accruals are posted to the employee's record each pay period. Employees who work less than a 40-hour workweek will have their PTO accrual prorated accordingly. PTO time will not be earned during any period of unpaid leave. A maximum 2-year accrual of PTO time may be accumulated at any one time. Any PTO beyond a 2-year accrual will be forfeited. PTO is earned according to the following schedule after June 9, 2002.

Start of Year	Annual PTO Accrual (hours)	*Accrual Per Pay Period (hours)	Maximum Accrual
1	120	4.62	240
2	120	4.62	240
3	120	4.62	240
4	120	4.62	240
5	160	6.15	320
6	160	6.15	320
7	160	6.15	320
8	160	6.15	320
9	160	6.15	320
10	160	6.15	320
11	200	7.69	400
12	200	7.69	400
13	200	7.69	400
14	200	7.69	400
15	200	7.69	400
16	208	8.00	416
17	216	8.31	432
18	224	8.62	448
19	232	8.92	464
20 +	240	9.23	480

Accrual is rounded on the last pay period of the calendar year to balance the accrual as required.

Employees paid in lieu of holidays will accrue an extra 40 hours of PTO time (1.54 hours per pay period).

Usage of PTO is governed by each department's work rules and is subject to supervisory approval. All accrued PTO will be paid out at the time an employee separates from employment.

Sick Leave

Employees will accrue 80 sick leave hours per year (3.08 hours each pay period) up to a maximum of 960 hours (accrual and limitation is prorated for employees scheduled less than 40 hours per week).

Employees who converted to TOP with an excess of 960 hours will not earn sick leave until their balance is reduced by utilization to below the 960 hour maximum. Sick leave

will be earned in the same pay period as the employee's sick leave drops below 960 hours.

Employees may transfer unused PTO time into their sick leave account if they have less than 960 hours accrued.

Employees may convert 10 sick days to 1 PTO day anytime their sick leave bank is in excess of 960 hours.

Elimination Period

An employee may only utilize sick leave after a 2-day Elimination Period. The first two full days of any instance of absence due to an employee's own illness or the need to care for an immediate family member (defined as an employee's spouse, children, parents, parents-in-law, sisters and brothers and other members of the employee's household) who is seriously ill or disabled will be drawn from paid leave accruals other than sick leave.

An employee may draw from PTO, personal leave, floating holidays, exempt benefit days or compensatory time to satisfy a 2-day elimination period. Employees will have different elimination periods depending upon the number of hours in their scheduled workday. Employees who work 4, 10-hour days will have a 20-hour elimination period (2, 10-hour days). Employees who work 5, 4-hour days, will have an 8-hour elimination period (2, 4-hour days). Unpaid leave may not be utilized to satisfy a 2-day elimination period until all paid leaves have been exhausted.

An employee will need to exhaust only one elimination period for an on-going or re-occurring serious illness or disability (for themselves or an immediate family member) if certified by a Physician under the FMLA.

Fathers and adoptive mothers may utilize up to 5 sick days for the birth or adoption of their child after satisfying an elimination period.

Employees may not switch their planned PTO time to sick leave unless they are admitted to the hospital and a 2-day elimination period has been satisfied first.

PTO Cash Out

Employees may cash out up to a maximum of 48 PTO hours on a fiscal year basis if they have at least 640 hours of sick leave accrued.

Compensatory Time

Compensatory time allows any non-exempt employee to bank payment for overtime hours worked and use it as paid leave time later on. For example, if an employee works 4 hours of overtime (at 1 ½ times the employee's regular rate of pay) and elects to have

those hours banked as compensatory time, 6 hours would be credited to his compensatory time bank. Utilization of compensatory time is subject to supervisory approval.

A maximum of 40 hours of compensatory time may be accrued at any one time unless otherwise specified under a collective bargaining agreement. An employee may elect to have compensatory time paid out on any **subsequent** paycheck. (An employee may not take compensatory time off in the same pay period as that in which the compensatory time is earned.) All accrued compensatory time will be paid out at the time an employee separates from employment.

In cases where a non-exempt employee is promoted or transferred to an exempt position, if they have accrued compensatory time, they must either use it before their effective promotion date, or cash it out prior to the start of their new exempt position.

Sick Leave Donation Bank

A sick leave donation bank has been established to continue the income of eligible employees under the following circumstances:

An employee's own non-job related, serious illness, until the employee is eligible to draw disability payments from his/her pension fund.

To care for a member of an employee's immediate family (defined as an employee's spouse, parent or child) who has a serious health condition as defined under the Family and Medical Leave Act (FMLA) and is certified as such by a Physician.

Employees may withdraw a maximum of 160 sick leave hours during their employment with the city. To withdraw time from the Sick Leave Donation Bank, an employee must be a participant in the Bank. To participate, an employee must have at least 160 sick hours accrued and have donated at least 8 hours to the Bank. An employee may donate a maximum of 40 hours of sick leave to the Bank in any calendar year. Donations to the Sick Leave Bank are irrevocable.

To withdraw from the Bank, an employee must have depleted all other accrued leaves and have submitted all necessary documentation required under FMLA, IMRF or other pension fund. An employee who withdraws time from the Bank does not have to "repay" the Bank at a later date.

The requirements and benefits afforded under the Sick Leave Bank program are pro-rated accordingly for part-time employees.

Sick Leave Incentive: 401(a)

Each year, employees who utilize 3 or less workdays/24 hours of sick leave (pro-rated for part-time employees and those employees working a flexible schedule) will be eligible

for a sick leave incentive. The incentive is calculated by multiplying the employee's current wage rate by the multiplier in the following table:

Years of Service Completed (completed employment)	Days of Pay (based on full-time)
1-4 years	1.00 day (8 hours)
5-9 years	1.15 days (9.2 hours)
10-14 years	1.35 days (10.8 hours)
15-19 years	1.40 days (11.2 hours)
20-24 years	1.50 days (12 hours)
25-29 years	1.75 days (14 hours)
30+ years	2.00 days (16 hours)

The following are examples to illustrate the design of the program:

Sam is a full-time, 13-year employee who works 8-hour days at an hourly wage rate of $20.00 per hour. Sam utilizes only 10 sick hours in a year. Sam is eligible for a sick leave incentive of $216.00 which is calculated as follows: **8 hours x $20.00 per hour x 1.35 days = $216.00**

George is a 2-year, part-time employee who works 20 hours per week (five days a week, 4 hours a day) at an hourly wage rate of $15.00 per hour. George utilizes 12 sick hours in a year. George is eligible for a $60.00 sick leave incentive as follows: **4 hours x $15.00 per hour x 1 day = $60.00**

The sick leave incentive will be paid by the city into the employee's individual 401(a) account. The city's contribution is pre-tax. Employees will manage their own investment options available in the 401(a) plan. All funds in an employee's 401(a) account are portable upon separation from employment.

The sick leave incentives will be paid by the end of August each year for the TOP year that runs from July 1st to June 30th.

Conversion of Sick Leave at Separation, Retirement or During Employment

Sick leave that is earned beyond 120 days (960 hours) may be converted to Paid Time Off (PTO) at the rate of 10 sick leave days for one day of vacation and be paid in cash. Due to the maximum accrual of 960 hours under TOP, this provision will only apply to employees hired before June 9, 2001 and who elected TOP with an excess of 960 sick leave hours.