

Chapter 23
Issue 3 03/03/2025

SUBJECT: CATASTROPHIC LEAVE DONATION POLICY

I. PURPOSE

The Catastrophic Leave Donation Policy ("Policy") provides a mechanism for City employees to support colleagues who have exhausted all paid leave due to a serious or catastrophic illness or injury. This Policy allows a regular-status City employee to donate the monetary value of accrued vacation, holiday, or compensatory time [accrued time off] to a designated employee who has exhausted their available leave balances.

A serious or catastrophic illness or injury is defined as a medically verified condition that requires an employee to be absent from work for more than twenty (20) consecutive workdays.

II. SCOPE

This policy applies to full-time and part-time regular-status employees who are eligible for this benefit in accordance with their applicable Memorandum of Understanding (MOU) or Compensation Plan for non-represented employees. It does not apply to temporary, seasonal, or provisional employees.

In cases where this policy conflicts with any applicable MOU, Compensation Plan, state, or federal law, the provisions of the MOU, Compensation Plan, or law shall take precedence. Exceptions to this policy require approval from the City Manager.

III. AMENDMENTS

This policy may be amended by the City Manager as necessary.

IV. CONDITIONS

Leave donations (vacation, compensatory time off, or holiday leave) may be transferred from one or more employees ("Donor") to another employee ("Recipient"), subject to the following conditions:

- a. The Recipient must be a regular-status employee who has worked in a budgeted position for at least six (6) months or six months of full-time equivalent service.



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- b. The Recipient must have a life-threatening or debilitating illness or injury, as verified by a licensed medical provider.
- c. The Recipient must have exhausted all available leave balances, including sick leave, vacation, ATO, and holiday leave. However, the department head may approve solicitation and acceptance of donations prior to full exhaustion of leave balances if medical documentation indicates that available leave will be depleted within two (2) pay periods.
- d. The Recipient must be unable to return to work for at least 20 consecutive workdays and must be on an approved unpaid leave of absence for medical reasons. While utilizing catastrophic leave donations, the employee is considered to be on an unpaid leave of absence.
- e. The Recipient must submit an official request using the **Catastrophic Leave Donation Program Application** (Attachment A).

V. TRANSFERRING LEAVE TIME

The following guidelines apply to leave donations:

- a. Donated leave is converted to its cash value at the Donor's base hourly rate and then credited to the Recipient in equivalent sick leave hours based on the Recipient's base hourly rate.
- b. Donations are strictly voluntary and may be made only from accrued vacation, holiday, or ATO. Donations of sick leave are not permitted.
- c. Donations must be at least four (4) hours and made in whole-hour increments. Donations to recipient's sick leave may be used on a proration basis to supplement workers' compensation temporary disability to maintain regular salary income in accordance with Personnel Procedures, Chapter 22, *Administration of Workers' Compensation Program—Payroll Accounting of Industrial Injuries*. Sick leave benefits may not be used in conjunction with the City's disability benefit program, which provides benefits subsequent to 90 days of disability through 180 days of disability.
- d. If the Recipient has 20 or more hours unused donated hours upon returning to work, the remaining balance will be returned to the Donors on a prorated basis.
- e. Donations are taxable income for the Recipient under IRS regulations and are subject to applicable tax withholding.



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- f. An employee may donate a maximum of 40 hours to a single Recipient per donation period.
- g. The total leave credits received by a Recipient cannot exceed 520 hours. However, the City Manager may authorize an extension of up to 1,040 hours in special circumstances.
- h. All donations must be documented on a **Catastrophic Leave Donation Form** (Attachment B) and approved by the donating employee's department head.
- i. Upon approval of a leave donation request, the department head (or their designee) may, at the employee's request, post a notice on department bulletin boards to inform employees of the opportunity to donate. The notice must not disclose confidential medical information.
- j. Participation in this program does not alter any existing rules, policies, or agreements regarding unpaid leave of absence or entitlements under the Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA). Any leave used under this program will count toward the maximum FMLA/CFRA entitlement where applicable.

VI. APPEAL RIGHTS

If an employee's request to participate in the program is denied by the department head, the employee may appeal the decision to the Human Resources Director and the City Manager. Their decision is final. The City Manager's decision to extend credited leave benefits beyond 520 hours is not subject to appeal.

VII. INTERPRETATION AND IMPLEMENTATION

Any questions related to the intent or application of this policy should be directed to the Human Resources Department.

AUTHORIZED:

Dean Albro, City Manager

Date



APPLICATION FOR CATASTROPHIC LEAVE DONATION PROGRAM

DATE: _____

TO: _____
 Department Head Name

FROM: _____
 Employee Name Job Title

I certify that I have a serious, debilitating medical condition that requires me to be absent from work for more than 20 consecutive workdays. I have exhausted all my leave balances and have applied for an unpaid medical leave of absence. I have attached verification from my healthcare provider and understand this donation may be taxable.

 Employee Signature

 Date

DEPARTMENT/DIVISION USE ONLY

- Full-time or Part-time regular-status employee
- Employed for at least six months or full-time equivalent

Approved Not Approved

 (Print Name)
Division Head

 (Signature)

 (Date)

Approved Not Approved

 (Print Name)
Department Head

 (Signature)

 (Date)

Approved Not Approved

 (Print Name)
Human Resources Director

 (Signature)

 (Date)



CATASTROPHIC LEAVE DONATION FORM

DATE: _____

TO: Finance/Payroll Division

FROM: _____
Donor's Full Name

I wish to donate the following leave hours to:

Employee Name

Department/Division

_____ Hours accrued vacation

_____ Hours accrued compensatory time

_____ Hours accrued holiday leave

Total Donated: _____ Hours

I understand that my donation must be at least four (4) hours and that any remaining donated leave will be returned on a prorated basis if the Recipient has twenty (20) or more unused hours upon returning to work.

Donor's Signature

Date

APPROVED BY DEPARTMENT HEAD:

Department Head Printed Name

Department Head Signature

Date



(Post on Bulletin Boards)

ATTACHMENT C

(Sample Form)
**NOTICE OF REQUEST
FOR CATASTROPHIC LEAVE DONATION**

DATE:

TO: All Employees

FROM: <Department Representative>

SUBJECT: Request for Catastrophic Leave Donation

<Employee Name> has been approved for the Catastrophic Leave Donation Program due to a serious medical condition. They have exhausted all sick leave and other available leave balances and are expected to remain off work for at least _____ (weeks / months.)

If you would like to donate accrued vacation, holiday, or ATO to <Employee Name>, please contact <Department Representative> at extension _____ for further details and the required Leave Donation Form. Additional information about the Catastrophic Leave Donation Program can be found in the City's Personnel Procedures Manual, Chapter 23.

(NOTE: Confidential medical details must not be disclosed in this notice.)