

# **Special Advisor**

October 8, 2007



---

*Information for Human Resources and Business Risk Professionals in the Colorado State Personnel System*

---

## **DPA PROPOSING NEW PERSONAL LEAVE POLICY**

The Department of Personnel & Administration (DPA) is proposing a new Personal Leave policy for July 1, 2008, that would replace the way state employees earn and use personal leave. Currently, the State has separate policies for annual and sick leave. To align with emerging industry leave practices, the State proposes to revise its leave policy, which means employees' leave — both annual and sick accrued after the policy change — would go into a single **Personal Leave** bank that can be used for any reason an employee chooses. ***Rulemaking on this new leave policy will be held sometime in December. DPA will announce the exact date at a later time.***

---

### **PERSONAL LEAVE – WHY NOW?**

The Division of Human Resources has been evaluating leave trends in the industry over the past 10 years and has gotten requests from employees for updated leave policies. The State's current leave package is a piecemeal collection of separate policies that have been implemented through the years without an integrated review. Many of the current leave policies are not in alignment with the State's total compensation direction and market trends.

Current leave policies are one of the most complex areas for the State to manage and administer. The amount of time spent on tracking, administering and managing leave is an inefficient use of resources and no longer value added. The concept of "sick leave" was originally designed as an insurance policy that has since been replaced by coverage options such as the Family Medical Leave Act (FMLA), Short-Term Disability Benefits (both State and PERA), optional Long-Term Disability, and Americans with Disabilities Act. Therefore, it is no longer prudent to have separate banks of leave that are limited to specific reasons, which continues to cause consternation between employees and management over how sick leave is used.

---

### **BENEFITS OF PERSONAL LEAVE**

1. Current employees ***will not lose any benefits currently provided to them*** and the state will achieve long-term savings.
2. Personal Leave eliminates the need to fit leave into predefined categories that are limiting to employees.
3. The Personal Leave will potentially reduce employees' need to use leave-without-pay for absences that do not qualify for the type of leave they have accrued.
4. Employees have more discretionary leave at their disposal, and are also accountable for managing their own leave.
5. Job applicants favor Personal Leave because of the flexibility and added value to their total compensation package.
6. The accrued annual and sick leave balances of current employee at the time of transition remain intact.
7. The Personal Leave simplifies complicated leave practices and leave tracking will become more efficient to manage.

8. For employees who currently have sick time, that time will be converted to the Sick Leave Transition Reserve that can be used for any health or FMLA qualifying reason.
  9. Current employees with a Reserve at the time of retirement will still receive a  $\frac{1}{4}$  payout.
  10. Managers have the flexibility to accommodate varying leave requests, but continue to have the authority and responsibility to properly manage leave.
  11. The amount of time currently spent on tracking and managing leave by HR professionals can now be better spent on strategic initiatives that are crucial to the State, like employee retention, recruitment, and succession planning.
- 

#### ***CHALLENGES FOR THE PERSONAL LEAVE POLICY***

1. The State will assume financial liability of 100% payout on up to 56 hours for all current state employees and will continue to payout  $\frac{1}{4}$  on Reserves at the time of retirement for current employees.
  2. Sick Leave Transition Reserves, for employees who have them, will not be replenished, but instead, the hours accrued under the new policy will go entirely into Personal Leave.
  3. Employees who maintain minimal leave balances today will still be challenged to build up time.
  4. Employees at the maximum of accrued time will also need to adjust to the new higher earning rate.
- 

This new policy will clean up an inefficient practice; free time for HR professionals and managers to concentrate their efforts on more productive tasks; boost employee morale by giving them the freedom to handle their own personal leave; and place Colorado State government on the forefront of current leave trends in the market.

Please refer to the [Personal Leave](#) Web page for payout scenarios, a side-by-side comparison of the current leave policy versus personal leave, a simple leave calculator, and other documentation. Employees can direct questions to their HR leave coordinator, or contact [Joi Simpson](#), the Statewide FML Leave Coordinator.