



Vacation / Sick Leave for Wellness Policy

This policy offers employees who have been employed with the City for at least five (5) years of service an option to use vacation leave and sick leave pay for approved wellness activities or deferred compensation.

Vacation Leave

Vacation leave will be paid at 100% of employee's wages at the time the request for payment is made and will be available based on the employee's normal work schedule. Payment will only be paid for approved wellness activities or deferred compensation. Employees may use vacation leave for wellness upon and through the anniversary dates listed below; however, at no time will requests be considered that results in an accrued vacation leave balance of less than five (5) days. :

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| 1. | 6 th anniversary through the 11 th anniversary: | 8 hours per year |
| 2. | 12 th anniversary through the 17 th anniversary: | 16 hours per year |
| 3. | 18 th anniversary and beyond: | 24 hours per year |

Sick Leave

Employees who have been employed with the city of Ramsey for at least five (5) years and who have accrued a minimum sick leave balance of 300 hours will be allowed to use up to 24 hours of sick leave annually for payment for approved wellness activities or deferred compensation.

Sick leave used for wellness activities will be paid according to the City's sick leave severance policy based on the employee's years of service and wage at the time the request for payment is made. The City's sick leave severance policy at the time of this writing is as follows: 33% after five years of service; 35% after 15 years of service; 37% after 20 years of service; and 40% after 25 years of service. Once the benefit is received it is non-reversible and the employee's sick leave accrual will be reduced by the number of hours claimed and/or approved.

Vacation / Sick Leave Calculations

The number of eligible vacation leave hours is limited to either 8, 16, or 24 hours per year, as listed above. Sick leave is limited to a maximum of 24 hours subject to the severance policy. For example, an employee with six (6) years of service with the City may use eight (8) hours of vacation leave per year, plus up to 24 hours of sick leave at their current percent of severance (33% in this case) subject to the terms described in the Sick Leave section above. It is important for employees to be aware that the use of sick leave under this policy reduces the accrued balance by 100% (up to 24 hours); yet the actual payment is reduced based on the current percentage listed in the severance policy.

Eligible Wellness-Related Activities

Eligible vacation and/or sick leave for wellness activities include, but may not be limited to the following activities which are designed to improve health:

- a. Individual employee memberships in approved health clubs and/or a sum equal to an individual membership for those employees holding family memberships which include the employee. An approved health club would be one that provides facilities for aerobic and strength training activities.
- b. Complementary health approaches

- c. Classes on weight loss and nutrition
- d. Smoking cessation programs
- e. Stress management classes
- f. Regular (meaning at least once a week) fitness activities resulting in aerobic benefit
- g. Fitness/exercise equipment (stationary bike, treadmill, stair stepper, rowing machine, ice/inline skates & skis, etc.)

The following activities are not eligible for payment:

- a. Any clothing costs, competitive registration fees or costs for food will not qualify for payment.
- b. Membership fees for clubs that are primarily social in nature.
- c. Accessory items (e.g., book holders, water bottles/holders, bike racks), assembly charges, shipping fees and maintenance contracts.

Advisory Statement

Employees are advised to have a physical examination by their physician if they are beginning a new program of physical activity. Employees may not participate in any Vacation Leave and/or Sick Leave for Wellness eligible program on City time. Sports, activities and equipment not listed will be evaluated on a case-by-case basis by Human Resources, in cooperation with the City Administrator.

Approved Deferred Compensation Contributions

Eligible employees will be allowed to convert accumulated vacation leave / sick leave to deferred compensation deposits. Deposits in combination with all other payments to deferred compensation accounts are subject to maximum deferral regulations. Vacation leave used for deferred compensation contributions will be paid at 100% of employees' wage at the time the request for payment is made. Accumulated sick leave used for deferred compensation contributions will be paid according to the City's sick leave severance policy based on the employee's years of service and wage at the time that the contribution to deferred compensation is requested. Requests for contributions under this section must be submitted to Human Resources by November 15. Contributions will be made to deferred compensation plans via payroll deduction in December, pre-tax. Employees who are in the process of terminating employment are not eligible for payments under this program. All requests for payment under this program must be approved by Human Resources.

Income Taxes and Effect to Leave Accruals

Payments other than to deferred compensation will be taxable income to the employee and subject to all applicable taxation requirements. Leave accruals will be reduced at 100 percent of the requested amount for both vacation leave and sick leave.

Required Documentation

Requests for using vacation leave and/or sick leave for wellness related activities will be accepted once annually, from November 1-15. Such requests will be processed in December, unless otherwise indicated. An activity for which payment is requested must have occurred in the same calendar year in which the request for payment is made. All claims shall be submitted to Human Resources via a Vacation Leave / Sick Leave for Wellness Request Form accompanied by proper documentation for each activity.

Appeals Process

Requests not approved by the Human Resources Manager may be appealed to the City Administrator for re-consideration. The City Administrator's decision will be final.

Scope

This policy applies to non-union employees. Employees represented by the American Federation of State, County and Municipal Employees (AFSCME) and Law Enforcement Labor Services (LELS) shall adhere to the applicable labor agreement language.