

REVISED SICK LEAVE POLICY &  
NEW SHORT-TERM DISABILITY (STD) PLAN

REVISED 3-13-13

REVISED 6-24-13 (CHANGES HIGHLIGHTED)

## Frequently Asked Questions (FAQs)

*Please click on a Question below to be taken directly to the answer.*

### Contents

<b>General Questions.....</b>	<b>3</b>
Q1. How can I obtain more information about the changes?.....	3
Q2 If I am currently an AC, AH, AP or CC, may I keep the sick leave I accrued while working in a union position?.....	3
Q3 Why are there exceptions for APs with tenure?.....	3
Q4 How does this revised Policy currently work with absences covered by the FMLA?.....	3
Q5 Will I be required to waive any rights in order to receive a payout of my accrued sick time? .....	3
<b>Retirement Eligibility and Sick Leave Payout .....</b>	<b>4</b>
Q6 I am eligible to retire. What does this mean for me? .....	4
Q7 If I am eligible to retire, but wish to remain working beyond June 30, 2013, can I still receive my normal sick leave payout at retirement?.....	4
Q8 If I am eligible for retirement, but do not complete the Sick Leave Payout Election Form, will I be automatically retired from the University? .....	4
Q9 Do I have to sign and return the Settlement Agreement and Release of All Claims document if I am retiring?.....	5
Q10 Can I change my mind after completing the Sick Leave Payout Election Form, and choose not to retire? .....	5
Q11 Can I delay my retirement date? .....	5
<b>Reemployment After Retirement .....</b>	<b>5</b>
Q12 If I retire and receive my sick leave payout, can I be reemployed by the University? ....	5

**Michigan Public Schools Employer Retirement System (MPSERS) Retirement Provisions 6**

- Q13 How do I contact MPSERS? ..... 6
- Q14 If I am covered by MPSERS and decide to retire from EMU, can I also access my MPSERS retirement benefits? ..... 6
- Q15 How do I access other online information about my MPSERS retirement benefit?..... 6

**Sick Leave Payout Option ..... 6**

- Q16 Do I have an option to keep my 6/30/13 Sick Bank?..... 6
- Q17 What happens to the accrued sick leave of employees ineligible for a payout? ..... 7
- Q18 How was eligibility for a payout of sick leave determined? ..... 7
- Q19 How were payout percentages determined?..... 7
- Q20 Why aren't the payout percentages the same? Why do some employees have different payout percentages? ..... 7
- Q21 Will I receive a payout if I am eligible, but I do not return an election form? ..... 7
- Q22 Will I receive a payout if I am eligible, but I do not sign and return the Settlement Agreement and Release of All Claims document? ..... 7
- Q23 How is the payout taxed? ..... 8
- Q24 Can my payout be deposited into my 403(b) or 457(b) account on a tax-deferred basis, instead of paid to me in cash via EMU payroll?..... 8

**Sick Leave and Short-Term Disability (STD) Plan ..... 8**

- Q25 What are the requirements for the Short-Term Disability (STD) Plan? How does the STD Plan work? ..... 8
- Q26 What is the Definition of Disability under the Aetna Plan?..... 8
- Q27 How much does the Short-Term Disability (STD) Plan provide in benefits? ..... 9
- Q28 How long is the Short Term Disability (STD) Plan waiting period?..... 9
- Q29 How do I receive my short-term disability payments? ..... 10
- Q30 Who pays for the Short-Term Disability (STD) Plan?..... 10

**Other ..... 10**

- Q31 Can I use my retained 6/30/13 Sick Leave Bank for my own illness or to care for an ill family member? ..... 10
- Q32 What happens if I transfer from an employment classification that still allows sick leave accruals?..... 10

## General Questions

### **Q1. How can I obtain more information about the changes?**

A. Please review the information in this document and the information posted on the HR-Benefits website at this link – [Revised Sick Leave and Short-Term Disability Policy](#). If you have more questions, please send an email to [hr\\_benefits@emich.edu](mailto:hr_benefits@emich.edu), or call the HR/Benefits Office at ext. 3195 (734-487-3195). You may also come to the HR/Benefits Office located at 140 McKenny Hall to ask questions. Office hours are 8 a.m. to 5 p.m.

### **Q2. If I am currently an AC, AH, AP or CC, may I keep the sick leave I accrued while working in a union position?**

A. No. Employees currently employed as AC, AH, AP and CC are subject to the revised [Sick Leave Policy and Short-Term Disability Plan](#) effective July 1, 2013.

### **Q3. Why are there exceptions for APs with tenure?**

A. All APs are subject to this policy. However, for APs with tenure, other employment provisions may also apply.

### **Q4. How does this revised Policy currently work with absences covered by the FMLA?**

A. FMLA provides unpaid job protected leave if you are unable to work due to certain circumstances, such as your own illness or to care for an immediate family member with a serious health condition. The revisions to this policy do not change your eligibility for leave under FMLA. It may have an impact on how you are paid while you are away from work while covered under FMLA.

You may use up to five consecutive work days to continue your pay for FMLA absences. If you miss work for more than five consecutive work days for your own illness, you should apply for short-term disability benefits to continue your pay. If you are approved for short-term disability, your retained 6/30/13 sick bank will be used to continue your pay during your period of short-term disability until you return to work, or the 6/30/13 bank is exhausted, whichever occurs earlier. If your absence of more than five-consecutive work days is to care for an immediate family member or another FMLA qualifying reason, you must use your retained 6/30/13 Sick Bank or vacation to continue your pay. Or, you may choose to take an unpaid FMLA leave of absence.

For more information, please click on this link: [FMLA Info](#)

### **Q5. Will I be required to waive any rights in order to receive a payout of my accrued sick time?**

A. If you retire and receive a full payout, you will not be asked to sign a waiver and release.

If you remain employed, or if you are not retirement-eligible but wish to receive a payment for a portion of your 6/30/13 Sick Leave Bank you will be asked to sign a waiver and release of all claims in order to receive the payment (the Settlement Agreement and Release of All Claims document). This means you will be giving up your right to file suit or bring any claim related to the sick time plan changes, elimination of the sick time bank or accrual, or the payment you receive. You were asked to return this document within 45 days of receipt, no later than May 10, 2013.

You will also be asked to sign an Addendum to this Agreement after June 30, 2013. The Addendum will provide the exact amount of your payout, based on your 6/30/13 Sick Bank.

## **Retirement Eligibility and Sick Leave Payout**

### **Q6 I am eligible to retire. What does this mean for me?**

A. Effective **July 1, 2013**, the current sick pay plan will be eliminated and replaced with the short term disability plan that has been described. Employees will no longer accrue sick time and accrued banks will not be paid out upon retirement. If you are eligible to retire, you will have three options.

- You may choose to stay at the University and continue working the same as before. If you choose to continue your employment, you may elect to retain your 6/30/13 Sick Bank for short-term disability benefits, according to the guidelines established.
- You elect a payout of your 6/30/13 Sick Bank balance, which will be 25% of the normal sick leave benefit paid at retirement prior to the 7/1/13 policy change.
- You may decide to retire on or before June 30, 2013 and receive the normal sick leave benefit paid at retirement. If you do not choose the option to retire, you will remain employed, just as you were before.

### **Q7 If I am eligible to retire, but wish to remain working beyond June 30, 2013, can I still receive my normal sick leave payout at retirement?**

A. No. If you are eligible for retirement, you may elect to retire on or before June 30, 2013 and receive a payout of your unused sick leave bank. Effective July 1, 2013, the payout option is eliminated for AC, AH, AP and CC employees. There is an exception for AP employees with Tenure who retire from EMU.

### **Q8 If I am eligible for retirement, but do not complete the Sick Leave Payout Election Form, will I be automatically retired from the University?**

A. No. If you are eligible for retirement and do not complete an election form, your employment will continue under the University's normal terms and conditions of

employment. Your sick leave bank will be eliminated as of July 1, 2013 and you will be subject to the revised Sick Leave Policy and new Short-Term Disability (STD) Plan.

The Sick Leave Payout Election form serves as your intent letter to retire from the University. In lieu of the Sick Leave Payout Election Form, you may write a letter stating that you will retire from the University on or before June 30, 2013. If the HR/Benefits Office does not receive either an election form, or letter from you prior to the deadline with a retirement date on or before June 30, 2013, your sick leave bank will be eliminated on June 30, 2013. The deadline for elections was May 10, 2013.

**Q9 Do I have to sign and return the Settlement Agreement and Release of All Claims document if I am retiring?**

A. No.

**Q10 Can I change my mind after completing the Sick Leave Payout Election Form, and choose not to retire?**

A. Prior to the deadline of May 10, 2013, you could notify the HR/Benefits office of a change in the forms you previously submitted. After the deadline, you must consult with and obtain the approval of your supervisor to withdraw your intent to retire.

**Q11 Can I delay my retirement date?**

A. Generally, your retirement date must be on or before June 30, 2013 to receive the normal retirement payout. However, on a case-by-case basis, a retirement date may be delayed up to six months to meet the business needs of the University.

## **Reemployment After Retirement**

**Q12 If I retire and receive my sick leave payout, can I be reemployed by the University?**

A. After your employment ends, you may apply for other University positions under the normal application process that applies to all external candidates.

If you are covered by MPSERS, you cannot apply for jobs or seek reemployment opportunities with EMU until at least 30 days after your EMU retirement date.

## Michigan Public Schools Employer Retirement System (MPERS) Retirement Provisions

### Q13 How do I contact MPERS?

- A. The Customer Contact Center is open for phone calls Monday through Friday, from 8:30 a.m. to 5:00 p.m.

*Lansing area telephone number:* (517) 322-5103

*From outside the Lansing area:* (800) 381-5111

For more contact information, such as mailing address or fax number, please click on this link: [MPERS Contact Info](#).

### Q14 If I am covered by MPERS and decide to retire from EMU, can I also access my MPERS retirement benefits?

- A. Generally, to be eligible for a monthly retirement pension under MPERS, you must meet minimum age and service requirements as described below:
- MIP members can retire at age 46 with 30 years of service, age 55 with 15 years of service (with stipulations), age 60 with 10 years of service, or age 60 with 5 years of service (with stipulations).
  - Basic Plan members can retire at age 55 with 30 years of service, age 60 with 10 years of service, and age 55 with 15 years of service (with stipulations).
  - Pension Plus members can retire at age 60 with 10 years of service. These members may begin withdrawing funds from the savings component of their plan after terminating public school employment.

For more detailed information, please click on this link: [Qualifying for MPERS Retirement](#).

### Q15 How do I access other online information about my MPERS retirement benefit?

- A. For general information about MPERS, please click on this link: [MPERS Info for Employees](#).

## Sick Leave Payout Option

### Q16 Do I have an option to keep my 6/30/13 Sick Bank?

- A. If you have 10 or more years of consecutive EMU service, you may elect a payout of your 6/30/13 Sick Bank, or you may elect to keep your 6/30/13 Bank for short-term disability benefits. Employees with less than 10 consecutive years of EMU service will retain their 6/30/13 Sick Bank to use for short-term disability benefits. Effective July 1, 2013, payouts for sick leave are eliminated, except for APs with Tenure.

**Q17 What happens to the accrued sick leave of employees ineligible for a payout?**

A. Employees with less than 10 years of consecutive EMU service will retain their 6/30/13 Sick Bank to use for short-term disability benefits.

**Q18 How was eligibility for a payout of sick leave determined?**

A. After a careful analysis of the employees in the affected groups, it was determined that employees who met the years of service requirement for retirement would be eligible for a payout.

**Q19 How were payout percentages determined?**

A. Payout percentages were determined based on service to the University. Payout percentages are as follows:

<b>Years of Service as of 6/30/13</b>	<b>Payout Percentage of 6/30/13 Sick Bank</b>
20+	20% of normal retirement benefit
15-19	15% of normal retirement benefit
10-14	10% of normal retirement benefit

**Q20 Why aren't the payout percentages the same? Why do some employees have different payout percentages?**

A. Those employees employed with the University the longest, or who are eligible for retirement and choose to continue working, receive higher payouts than those employees with fewer years of service.

**Q21 Will I receive a payout if I am eligible, but I do not return an election form?**

A. No, you will not receive a payout if you did not complete and return the Sick Leave Payout Election Form and the Settlement and Release of All Claims Agreement by May 10, 2013 and the Addendum to the Settlement and Release of All Claims Agreement you will receive after June 30, 2013. If you do not timely return these forms, you will retain your 6/30/13 Sick Bank which may be used for short-term disability benefits, and for FMLA-approved leaves of absence.

**Q22. Will I receive a payout if I am eligible, but I do not sign and return the Settlement Agreement and Release of All Claims document?**

A. No, you will not receive a payout if you did not complete and return the Sick Leave Payout Election Form and the Settlement and Release of All Claims Agreement by May 10, 2013 and the Addendum to the Settlement and Release of All Claims Agreement you

will receive after 6/30/13. If you do not timely return these forms, you will retain your 6/30/13 Sick Bank which may be used for short-term disability benefits.

**Q23 How is the payout taxed?**

- A. Your sick leave payout will be taxed as Supplemental income. You may get an estimate of the tax implications by going to this link - [payroll calculator](#) - on the EMU website. You are also encouraged to consult with your personal financial advisor.

**Q24 Can my payout be deposited into my 403(b) or 457(b) account on a tax-deferred basis, instead of paid to me in cash via EMU payroll?**

- A. Yes. You may make a one-time change to your voluntary 403(b) or 457(b) account completing a new Salary Reduction Agreement for the voluntary plans and submitting it to the HR/Benefits Office by July 30, 2013. To revert back to your regular 403(b) or 457(b) payroll contribution, you will need to complete another Salary Reduction Agreement. It is better to do both agreements at the same time and return to the Benefits Office together. You can allocate your entire payout into either the voluntary 403(b) or 457(b) or split your payout between the two plans. Click on these highlighted links for Salary Reduction Agreements for the voluntary [403\(b\)](#) and [457\(b\)](#) plans.

Any portion of your payout contributed to either the 403(b) or 457(b) plans go towards calculating your annual maximum payroll contribution. Generally, the IRS limits your 2013 contribution to \$17,500, plus an additional \$5,500 for employees who are age 50 or older in 2013. For more information on your personal limit, please contact TIAA-CREF Customer Service at 800-842-2252. For general information on the limits, please click here: [IRS Annual Limits](#).

**TIAA-CREF representatives will be onsite Thursday, July 11, 2013 to advise employees of “tax saving strategies” for the sick leave payout. See the [Disability](#) webpage for meeting schedule and location.**

## **Sick Leave and Short-Term Disability (STD) Plan**

**Q25 What are the requirements for the Short-Term Disability (STD) Plan? How does the STD Plan work?**

- A. You apply for short-term disability benefits by telephone via this link: [How to Apply for Short-Term Disability Benefits](#). The definition of disability that Aetna uses in making a determination of benefits is described below.

**Q26 What is the Definition of Disability under the Aetna Plan?**

- A. Short term disability coverage will pay a weekly benefit if you are disabled and unable to work because of:



- An illness that is a non-occupational illness;
- An injury that is a non-occupational injury; or
- A disabling pregnancy-related condition.

Short term disability coverage will only cover a disability caused by a non-occupational illness and injury except in the case of sole proprietors or partners who cannot be covered by workers' compensation. A non-occupational illness or injury is any illness or injury that is not an occupational illness or occupational injury.

An occupational illness or occupational injury means an illness or injury that:

- Arises out of (or in the course of) any activity in connection with employment or self-employment whether or not on a full time basis; or
- Results in any way from an illness or injury which does.

However, if proof is provided to Aetna that a claim has been made under any type of workers' compensation law and that no benefit, award, settlement or redemption has been or will be made under such law for that illness or injury, then that illness or injury will not be considered an occupational illness or an occupational injury.

For the purposes of all disability coverage included in this Plan, the term "illness" will mean:

- A pathological condition of the body that presents a group of clinical signs and symptoms and laboratory findings peculiar to it and that sets the condition apart as an abnormal entity differing from other normal or pathological body states.

**Q27 How much does the Short-Term Disability (STD) Plan provide in benefits?**

- A. For employees with a 6/30/13 Sick Leave Bank, you will receive 100% of your base pay until your 6/30/13 Sick Bank is exhausted or you no longer qualify for short-term disability benefits. After your 6/30/13 Sick Leave Bank is exhausted, or if you choose a payout of your 6/30/13 Sick Bank, the STD Plan benefit is 67% of your base pay.

The STD Plan pays benefits after the waiting period for as long as you remain unable to work because of a non-work-related illness or injury, up to 13 weeks.

**Q28 How long is the Short Term Disability (STD) Plan waiting period?**

- A. The Plan pays benefits on the eighth (8<sup>th</sup>) consecutive day of disability. This means the Plan pays after you have been unable to work for at least five consecutive work days (seven calendar days).

During the waiting period, you may use your sick days if you are in the AH or CC employee group. If you are in the AC and AP employees group, you may have your salary continued during the waiting period. You may not access your retained 6/30/13 Sick Bank for the waiting period. The 6/30/13 Sick Bank is to provide income after you have met the qualifications of the short-term disability plan, including the waiting period.

**Q29 How do I receive my short-term disability payments?**

- A. Your short-term disability payments are processed by Aetna weekly. You may choose to receive a check by postal mail, or you may provide Aetna with your bank account information for direct deposit. When you are approved for short-term disability, an Aetna representative will provide additional details on how to set up your payment option.

**Aetna representatives will be onsite Thursday, July 11, 2013 to answer questions about the new short-term disability plan. See the [Disability](#) webpage for meeting schedule and location.**

**Q30 Who pays for the Short-Term Disability (STD) Plan?**

- A. The University pays the entire cost of the STD Plan. This includes funding your short-term disability benefits from your 6/30/13 Sick Leave balance for 100% of pay, or providing 67% of your income if do not have a 6/30/13 Sick Leave balance.

**Other**

**Q31 Can I use my retained 6/30/13 Sick Leave Bank for my own illness or to care for an ill family member?**

Yes. Your 6/30/13 Sick Bank can be accessed to provide you with a short-term disability benefit of 100% of your current pay for your own illness. You may also use your 6/30/13 sick bank to provide you with salary continuation during an approved FMLA absence.

**Q32 What happens if I transfer from an employment classification that still allows sick leave accruals?**

- A. If you transfer to an AC, AH, AP or CC position, you will be covered under the new Short Term Disability (STD) Plan. You will not accrue sick leave You may use up to five consecutive days for sick or personal matters, such as doctor or dental appointments, medical tests, and other matters related to illness or caring for an ill family member.

Any amount in your sick leave bank at the time of your transfer will be eliminated. Employees in the AC, AH, AP and CC employment classification may retain accrued sick banks as of 6/30/13. Sick Bank balances from employees in other classifications who transfer to an AC, AH, AP or CC position will not be able to transfer or retain sick banks earned in the prior positions.

*If you have more questions, please send an email to [hr\\_benefits@emich.edu](mailto:hr_benefits@emich.edu), or call the HR/Benefits Office at ext. 3195 (734-487-3195). You may also come to the HR/Benefits Office located at 140 McKenny Hall to ask questions. Office Hours are 8 a.m. to 5 p.m.*