

Updated 6-24-13

**New Short-Term
Disability Plan and Revised
Sick Leave Policy Effective
July 1, 2013**

Rationale for Policy Changes

- EMU Administration is committed to providing comprehensive benefits that:
 - Meet a variety of employee needs and lifestyles
 - Are affordable to both the employee and EMU
- Revised Sick Leave Policy
 - Brings university policy in alignment with current trends and best practices
 - Provides a consistent level of coverage for all AC, AH, AP, & CC employees
 - Helps to provide all employees competitive wages and benefits and build a sustainable budget that keeps college affordable

Summary of Revised Policy

- Implements new Short-Term Disability (STD) Plan
 - Provides 67% of pay for employees unable to work due to their own disabling condition
- Continues pay for employees for up to five days of continuous workday absence for own or immediate family member's illness
- Eliminates personal days, sick leave accruals and payouts at retirement, except as outlined in the policy
 - Employees with 10+ years of service have option to retain sick leave bank to use while employed, or elect a payout
 - Retirement eligible employees retiring on or before June 30, 2013 receive normal payout at retirement (50% of unused accrued sick leave balance)

Options for 6/30/13 Sick Leave Bank

Group / Years of Service	Payout Option*	6/30/13 Sick Bank Option
Retirement Eligible (age 50 w/10 YOS)	<ul style="list-style-type: none"> Elect payout of 25% of NRP and continue working Normal Retirement Payout (NRP) if retire by June 30 (50% of sick leave bank) 	Retain 6/30/13 Sick Leave Bank instead of electing payout or retirement
Non-Retirement Eligible		
20+ years of service	20% of NRP	Retain 6/30/13 Sick Leave Bank instead of electing payout or retirement
15-19 years of service	15% of NRP	
10-14 years of service	10% of NRP	
Less than 10 years of service	None	Retain 6/30/13 Sick Leave Bank
APs with Tenure	None	Retain 6/30/13 Sick Leave Bank

*Payout elections deadline – May 10, 2013

Use of Retained 6/30/13 Sick Banks

- Can use for own illness under short-term disability program
 - Contact Aetna to apply for benefits
 - Upon approval, you will receive
 - 100% of pay from EMU until your sick bank is exhausted or you no longer qualify for STD
 - 67% of pay from Aetna after your sick bank is exhausted or if you elected a payout, until you no longer qualify for STD

Use of 6/30/13 Sick Banks

- Can use for FMLA
 - Contact Human Resources/Benefits Office to apply for FMLA for self or immediate family member
 - Upon approval, you will receive
 - 100% of pay from EMU until your sick bank is exhausted, your FMLA ends, or you no longer qualify for FMLA
 - If exhaust sick bank prior to FMLA ending, must use vacation to continue pay for FMLA absences

How the “Sick Pay” Programs Work

SHORT-TERM DISABILITY PLAN

100% of pay using Sick Bank (until exhausted)
then 67% of pay for up to 13 weeks total

LONG-TERM DISABILITY PLAN

65% of Pay until recovery or age 65
(after 13 week waiting period)

5-work day
waiting period

For Short-Term Disability Plan Waiting Period:

- AC, AH, AP and CC employees receive salary continuation up to 5 consecutive work days

After Waiting Period:

- Receive 100% of pay until sick bank exhausted or you no longer qualify for STD (STD offset)
- After sick bank exhausted or if elected payout, receive 67% of pay under STD Plan

Access 6/30/13 Sick Bank for Your Disability

- Employees access 6/30/13 Sick Bank for own illness after qualifying for short-term disability benefits through Aetna
 - 100% paid by EMU is part of STD benefit paid by EMU drawing from 6/30/13 Sick Bank
 - Paid during regular pay cycle (bi-weekly or semi-monthly)
 - Regular deductions from paycheck (incl. health, dental)
 - Offsets the Aetna benefit (will receive statements from Aetna)
 - 67% STD benefit
 - Employee removed from EMU payroll; may incur lapse in pay
 - Benefits paid weekly directly from Aetna retroactive to date of disability
 - Federal taxes deducted (Employee has option for state tax deduction)
 - Receive W-2 at Year End from Aetna
 - Make arrangements with Benefits office to pay employee share of benefit contributions (medical, dental, etc.)

Access 6/30/13 Sick Bank for Your Own FMLA-Qualifying Reasons

- Short-Term Disability (STD)
 - FMLA runs concurrently with STD
 - When you are approved for STD, your eligibility for FMLA will be verified based on your STD application
 - After your STD ends, you may still qualify for leave under FMLA – contact the Benefits Office for more information

Access 6/30/13 Sick Bank for FMLA Qualifying Reasons for Family

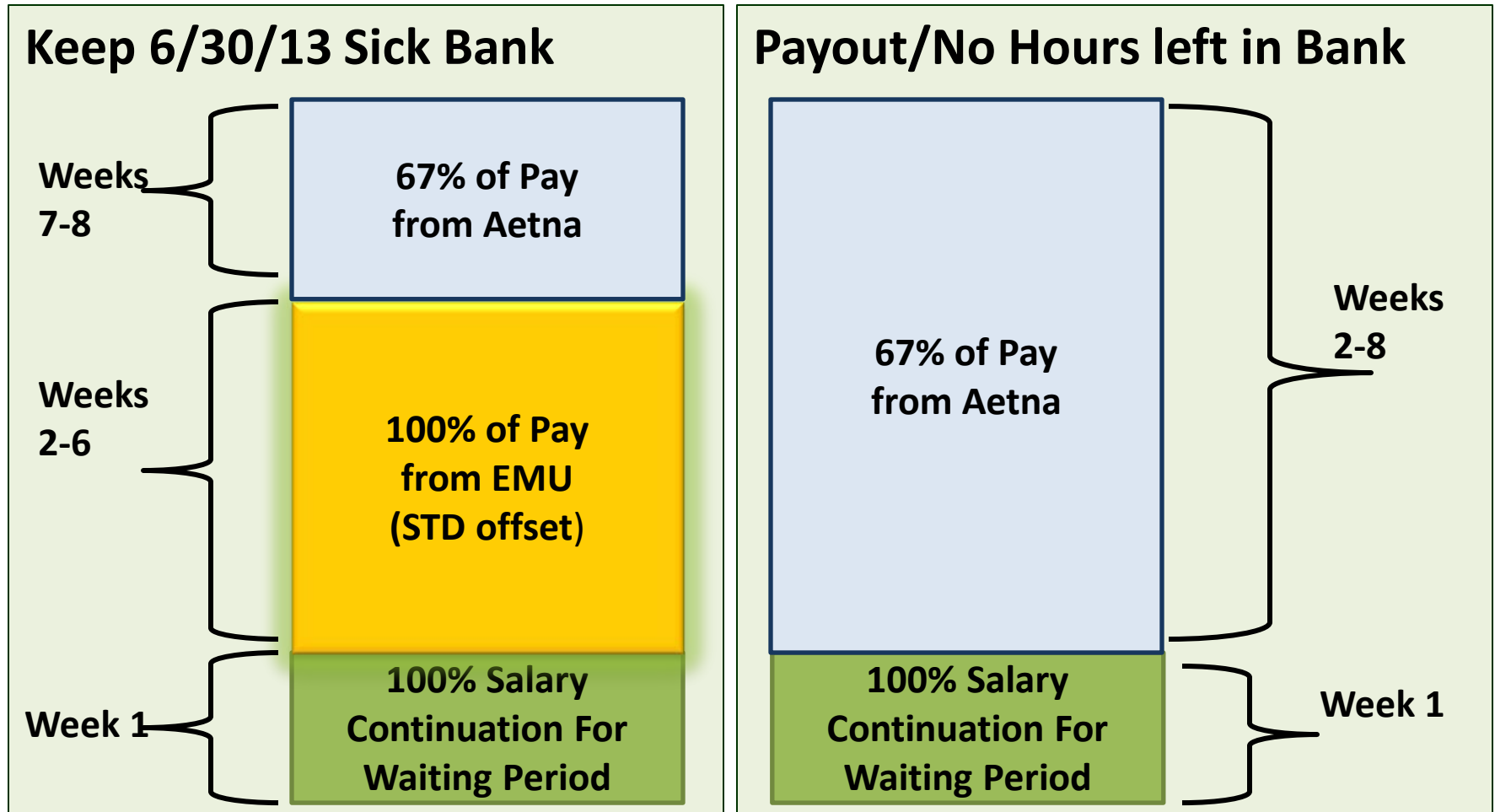
- Serious health condition of immediate family member
 - Spouse, Child, Parent
- Military leave provisions
 - Includes Next of Kin relationships
- FMLA Policy
 - EMU Guidelines are accessed via this [link](#)
 - Employee Rights and Responsibilities via this [link](#)

Leave Reporting Clarifications

- Policy posted online on EMU/HR web page
 - Under Compensation
 - [Wage and Hour Administration Policy](#)
 - Not a new policy
- Hourly employees report all time missed
- Salaried employees must indicate “exception time” for absences of more than four hours during normal work schedule
 - Includes FMLA absences of more than four hours (Use sick code and note FMLA self or FMLA family in the comments section of leave report)

STD Example (AC, AH, AP and CC)

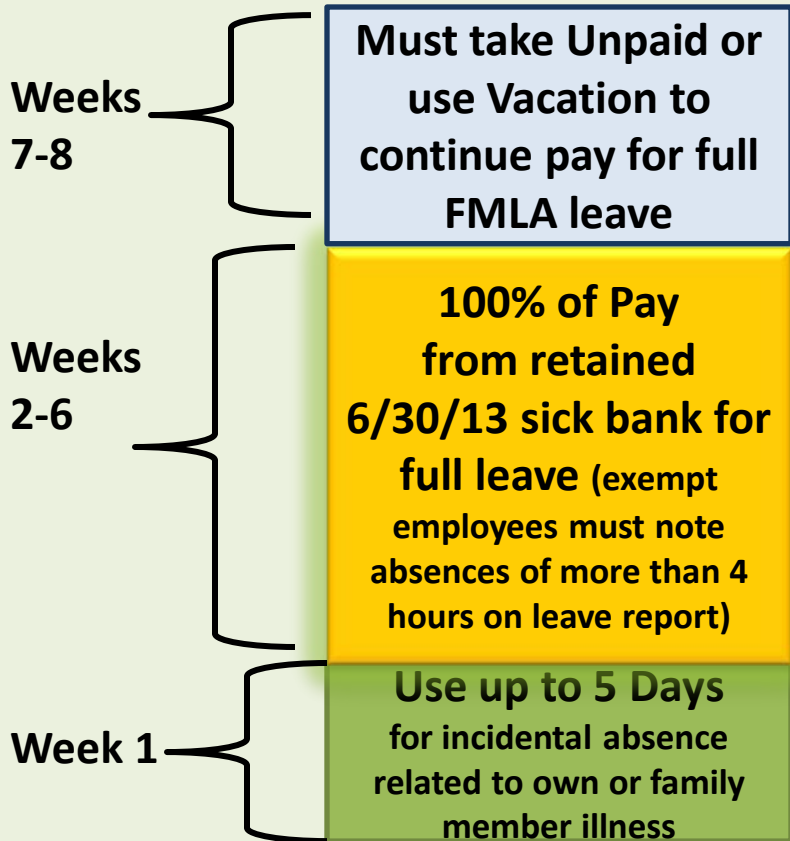
- Assume 200 hours (5 weeks) in 6/30/13 Sick Bank
- Planned medical leave in August (approx. 8 weeks recovery)



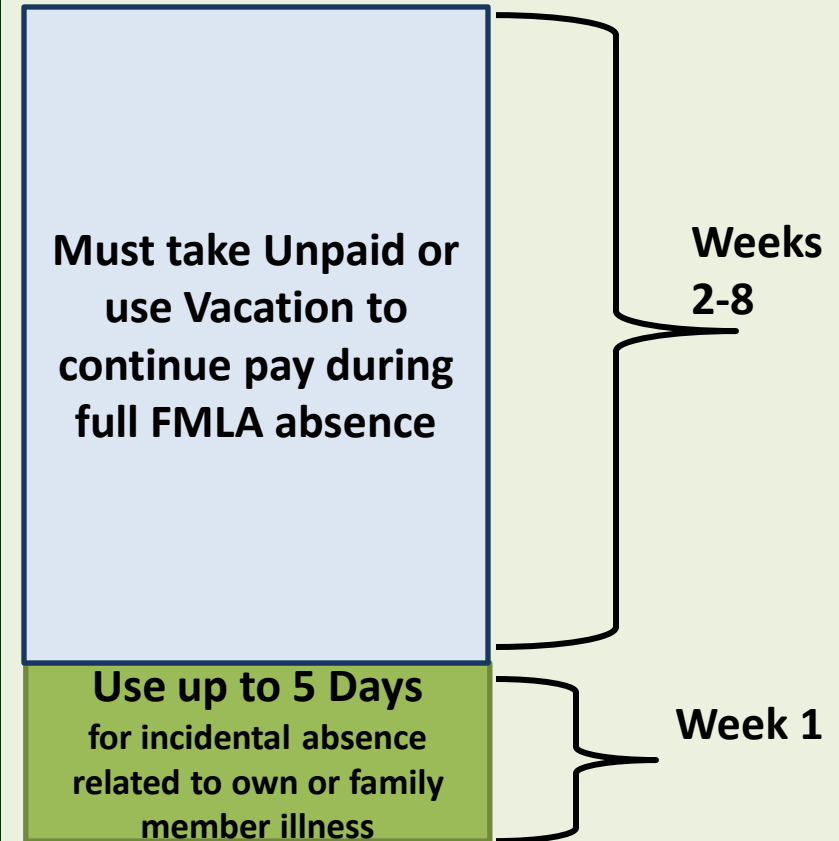
FMLA Example – (AC, AH, AP, CC)

- Assume 200 hours (5 weeks) in 6/30/13 Sick Bank
- FMLA absence in August to care for eligible family member
- Approved by HR/Benefits for 8 weeks of FMLA

Keep 6/30/13 Sick Bank



Take Payout/No Hours in Bank



Settlement of All Claims and Release Agreement

- Required for payouts (except under normal retirement)
- For all employees who returned Settlement Agreement and Release of All Claims by 5/10/13 deadline
 - Will receive an Addendum to complete (week of July 8)
 - Addendum will have 6/30/13 Sick Leave Balance and gross payout amount
 - If not returned by Friday, July 26, employees will retain sick bank

Updated Timeline

March 1	March 15*	April 30-May 10	June 30
<p>Employees received personalized Sick Bank statement and links to website information</p>	<p>Settlement and Release of All Claims Agreement emailed Due within 45 day (by April 30)</p>	<p>Deadline for Returning Payout Election Form and Signed Settlement to Agreement</p>	<p>Last day to retire and receive sick leave payout</p>
<p>July 8 – July 12</p>		<p>July 30 – August 15</p>	
<ul style="list-style-type: none"> • Employees electing payout receive Addendum to Settlement Agreement via email listing payout amount (must return by July 26) • Employees electing to retain sick bank and employees with less than 10 years of service receive updated Sick Bank statement via email (after July 30) 		<ul style="list-style-type: none"> • Payouts processed and paid to non-retiring employees electing payouts • Updated Sick Bank statement emailed to employees who elected payout but did not complete required forms by deadline (6/30/13 Sick Bank will be retained) and other employees who retain bank 	

**Corrected Agreement emailed March 25; deadline extended to May 10*

Next Steps

- Employees who elected Payout
 - Review addendum to Settlement and Release of All Claims Form (emailed to you week of July 8)
- Employees not eligible for payout
 - No forms to complete or sign – 6/30/13 Sick Leave Bank will be retained
- Review [Wage and Hour Administration Policy](#) posted online
 - Exempt (salaried) employees must report exception time for absences of more than four hours
 - New Forms sent by HR to employees on intermittent FMLA for intermittent leave recording & tracking purposes

COMMON QUESTIONS & ANSWERS

Is there a limit to “sick” time under the revised policy?

- Pay is continued for up to five days per occurrence for “sick” or approved FMLA time off. *
- If you are unable to return to work after five days due to your own illness, you must apply for short-term disability benefits or use your vacation to continue your pay.
- If you are unable to return to work after five days to continue caring for an immediate family member, you must use vacation to continue your pay.
- Annual FMLA provisions apply – eligible employees can take up to 12 weeks of approved time off for their own or an immediate family member’s serious health condition.

Is my pay continued if I need to miss work due to the unexpected or short-term illness of my sick child, spouse or parent and I do not have an approved FMLA leave?

Examples:

- My child has a bad cold and needs to stay home from school for two days? Can I use “sick” to continue my pay?
- My spouse or parent is having outpatient surgery and I need to drive them to the facility, wait for them, drive them home and attend to them at home the next day or two. The procedure / condition does not qualify for FMLA. Can I use “sick” to continue my pay as long as my absence is less than five consecutive work days?

Yes, you may use sick time to care for an immediate family member as long as your absence does not exceed five consecutive work days per occurrence.

How often do I have to do my timesheet / leave report?

- Hourly employees (AH and CC) must complete and submit a time sheet by the deadline date for each payroll period in order to be timely paid
- Salaried employees (AC and AP) must submit a leave report for any pay period during which a full day of work is missed (based on your regular work schedule), or if absent for more than four hours during your regularly scheduled work day
- Click on this [link](#) for the payroll calendar listing when time sheets/leave reports are due for each pay period

If I am an exempt employee and paid on a salaried basis for the work I do, am I required to do a leave report if I miss a day or more than four hours from my regularly scheduled work day?

- Part of overall performance may be your ability to work at your assigned work location during your normally scheduled work hours
- When you are away from your assigned location on non-EMU business, either a full day, or more than four hours, EMU is permitted under the Fair Labor Standards Act (FLSA) to ask you to record your “exception” time (time missed from work)
- Review the Review [Wage and Hour Administration Policy](#) posted online for more info

Under the Fair Labor Standards Act (FLSA), Payroll Practices That Do Not Violate the Salary Basis Test

- Taking deductions from exempt employees accrued leave accounts
- Requiring exempt employees to keep track of and record their hours worked
- Requiring exempt employees to work a specified schedule
- Implementing bona fide, across-the-board schedule changes

Frequently Asked Questions (FAQs) posted online at this link

MORE QUESTIONS?

EMAIL US AT HR_BENEFITS@EMICH.EDU