

*Country*  
*Adviser*

1 H BILL NO. 293 *Vincent*  
 2 INTRODUCED BY *Mular Brand Kuhn Lynch*  
 3 *W. Scott Palmer Dussinger Phillip Jenkins*  
 4 *O. Laxnell Teague Harrington Collins Kennedy*  
 5 PAY ATTRIBUTED TO ACCUMULATED SICK LEAVE THAT A PUBLIC *Broddy*  
 6 EMPLOYEE IS ENTITLED TO UPON TERMINATION OF EMPLOYMENT;  
 7 AMENDING SECTION 59-1008, R.C.M. 1947." *Hummel*  
 8  
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 59-1008, R.C.M. 1947, is amended to  
 11 read as follows:  
 12 "59-1008. Sick leave. (1) Each full-time employee of  
 13 the state, or of any county or city thereof, is entitled to  
 14 and shall earn sick leave credits from the first full pay  
 15 period of employment. For calculating sick leave credits two  
 16 thousand eighty (2,080) hours (52 weeks x 40 hours) shall  
 17 equal one (1) year. Proportionate sick leave credits shall  
 18 be earned and credited at the end of each pay period. Sick  
 19 leave credits shall be earned at the rate of twelve (12)  
 20 working days for each year of service without restriction as  
 21 to the number of working days he may accumulate.  
 22 (2) An employee may not accrue sick leave credits  
 23 during a continuous leave of absence without pay, which  
 24 exceeds fifteen (15) calendar days. Employees are not  
 25 entitled to be paid for sick leave under the provisions of

1 this act until they have been continuously employed for  
 2 ninety (90) days. Upon completion of the qualifying period,  
 3 the employee is entitled to the sick leave credits he has  
 4 earned.

5 (3) Permanent part-time employees are entitled to  
 6 prorated leave benefits if they have a regularly scheduled  
 7 work assignment, and normally work at least twenty (20)  
 8 hours each week of the pay period, and have worked the  
 9 qualifying period.

10 (4) Full-time temporary and seasonal employees are  
 11 entitled to sick leave benefits provided they work the  
 12 qualifying period.

13 (5) An employee who terminates employment with the  
 14 state or of any county or city thereof, is entitled to a  
 15 lump-sum payment equal to ~~one-fourth (1/4)~~ one-half of the  
 16 pay attributed to the accumulated sick leave. The pay  
 17 attributed to the accumulated sick leave shall be computed  
 18 on the basis of the employee's salary or wage at the time  
 19 he terminates his employment with the state, county, or  
 20 city. Accrual of sick leave credits for calculating the  
 21 lump-sum payment provided for in this subsection begins July  
 22 1, ~~1971~~ 1977, and the payment therefor, shall be the  
 23 responsibility of the state, or any county or city thereof,  
 24 wherein the sick leave accrues. However, no employee  
 25 forfeits any sick leave rights or benefits he had accrued

1 prior to July 1, ~~1971~~ 1977. However, where an employee  
2 transfers between agencies within the same state, county or  
3 city jurisdiction he shall not be entitled to a lump-sum  
4 payment. In such a transfer the receiving agency shall  
5 assume the liability for the accrued sick leave credits  
6 earned after July 1, ~~1971~~ 1977, and transferred with the  
7 employee.

8 (6) An employee of the state or any county or city  
9 thereof who receives a lump-sum payment pursuant to this act  
10 and who is again employed by the state or a county or city  
11 thereof shall not be credited with any sick leave for which  
12 he has previously been compensated.

13 (7) The department of administration of the state of  
14 Montana or the administrative office of any county or city  
15 thereof shall be responsible for the proper administration  
16 of sick leave and shall promulgate such rules and  
17 regulations as it deems necessary to achieve the uniform  
18 administration of sick leave and to prevent the abuse  
19 thereof. When promulgated these rules and regulations are  
20 effective as to all employees of the state of Montana or any  
21 county or city thereof.

22 (8) Abuse of sick leave is cause for dismissal and  
23 forfeiture of the lump-sum payments provided for in this  
24 act."

-End-

## STATE OF MONTANA

REQUEST NO. 244-77

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 8, 19 77, there is hereby submitted a Fiscal Note for House Bill 293 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

## DESCRIPTION OF PROPOSED LEGISLATION:

An act to change the amount of pay attributed to accumulated sick leave that a public employee is entitled to upon termination of employment.

## ASSUMPTIONS:

1. That the third sentence in paragraph (5) can be interpreted to mean that pay-out for sick leave accrued from July 1, 1971, to June 30, 1977 will be paid at the one-fourth rate.
2. That terminating employees leave ratably throughout the year and therefore, because a maximum of 96 hours ( 8 X 12) of sick leave can be accrued in a year, only a maximum of 48 can be assumed to be eligible at the one-half rate in FY 78.
3. Pay-outs for accumulated sick leave will approximate .13% of personal services.
4. The average accumulated sick leave of an employee who terminates is 88 hours.

## FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Additional cost of proposed legislation	<u>\$150,190</u>	<u>\$278,696</u>

## LONG-RANGE IMPACT:

The maximum effect of the proposed legislation occurs in the second year; thereafter, the increases would generally be equal to the percentage effect of pay increases.

## LOCAL IMPACT:

Counties and cities will be affected similarly. The monetary amount cannot be readily determined with the limited data available.

## TECHNICAL NOTE:

The bill, as proposed, does not precisely define what is to happen as far as termination pay-out for the period July 1, 1971 to June 30, 1977. Is this to be 1/4 or 1/2 or zero?

*Richard A. ...*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-22-77

## STATE OF MONTANA

REQUEST NO. 5 44-77

## FISCAL NOTE

(REVISED)

Form BD-15

In compliance with a written request received February 8, 19 77, there is hereby submitted a Fiscal Note for House Bill 293 (Revised) pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

THIS FISCAL NOTE REVISES THE ORIGINAL FISCAL NOTE ON HOUSE BILL 293.

## DESCRIPTION OF PROPOSED LEGISLATION:

An act to change the amount of pay attributed to accumulated sick leave that a public employee is entitled to upon termination of employment.

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## FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Additional cost of proposed legislation	<u>\$150,190</u>	<u>\$278,696</u>

The above additional cost represents the estimated additional actual pay-out per year due to the termination of employees. The state's unfunded sick leave liability which is currently not recorded in the state's accounting records, but which is significant, would double in the fiscal years subsequent to FY 77.

## LOCAL IMPACT:

Counties and cities will be affected similarly. The monetary amount cannot be readily determined with the limited data available.

## TECHNICAL NOTE:

This bill, as proposed, does not precisely define what is to happen as far as termination pay-out for the period July 1, 1971 to June 30, 1977. Is this to be 1/4 or 1/2 or zero?

*Richard L. Stanger*  
BUDGET DIRECTOR  
Office of Budget and Program Planning  
Date: 2-23-77

Select Comm. on Employee Comp.

Objection Raised to  
Adverse Committee Report

*Country*  
*Adley*

1 H BILL NO. 293 *Vincent*  
2 INTRODUCED BY *Mular Brand Kuhn Lynch*  
3 *W. Baeth Palmer Dussinger Hillier Zinkiewicz*  
4 *O. Russell League Harriotts Colman Kamaul*

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE AMOUNT OF  
6 PAY ATTRIBUTED TO ACCUMULATED SICK LEAVE THAT A PUBLIC *Bradley*  
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-End-