

1 *House* BILL NO. *223*  
 2 INTRODUCED BY *Frank Menahan Kendrick Mular*  
 3 *Stigmiller Johnson*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION  
 5 59-1008, R.C.M. 1947, TO PROVIDE FOR A LUMP-SUM PAYMENT  
 6 EQUAL TO THE FULL AMOUNT OF PAY ATTRIBUTED TO ACCUMULATED  
 7 SICK LEAVE UPON TERMINATION OF EMPLOYMENT."  
 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 his 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)~~ the full amount  
 16 of the pay attributed to his accumulated sick leave. The pay  
 17 attributed to his accumulated sick leave shall be computed  
 18 on the basis of the employee's salary or wage at the time  
 19 the sick leave credits were earned. Accrual of sick leave  
 20 credits for calculating the lump-sum payment provided for in  
 21 this subsection begins July 1, 1971, and the payment  
 22 therefor, shall be the responsibility of the state, or any  
 23 county or city thereof, wherein the sick leave accrues.  
 24 However, no employee forfeits any sick leave rights or  
 25 benefits he had accrued prior to July 1, 1971. However,

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

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

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

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

-End-

## STATE OF MONTANA

REQUEST NO. 173-75

## FISCAL NOTE

Form BI-15

In compliance with a written request received February 6, 1975, there is hereby submitted a Fiscal Note for H.B. 223 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:

House Bill 223 provides for a lump-sum payment equal to the full amount of pay attributed to accumulated sick leave upon termination of employment.

## ASSUMPTIONS:

1. A sample of 3,000 state employees in 1974 indicated that .12926% of personal services was paid out for accumulated sick leave. The same percentage is used in estimating sick leave payments for all state employees during FY 76 and FY 77.
2. Personal services for FY 76 will be \$178,772,000 and for FY 77 \$203,167,000.
3. Enactment of House Bill 223 will not alter employee behavior with respect to accumulation of sick leave.

	<u>FY 76</u>	<u>FY 77</u>
Estimated accumulated sick leave payments under current law	\$231,081	\$262,614
Estimated accumulated sick leave payments under proposed law	<u>924,324</u>	<u>1,050,456</u>
Increase in accumulated sick leave payments	<u>\$693,243</u>	<u>\$ 787,842</u>

## CONCLUSION:

Enactment of House Bill 223 will result in an estimated increase in state expenditures of \$1.5 million during the biennium.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 11, 1975

Approved by Committee  
on Labor & Employment  
Relations

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MULAR, STAIGMILLER, JOHNSTON

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 59-1008, R.C.M. 1947, is amended to  
read as follows:

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the state, or of any county or city thereof, is entitled to  
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thousand eighty (2,080) hours (52 weeks x 40 hours) shall  
equal one (1) year. Proportionate sick leave credits shall  
be earned and credited at the end of each pay period. Sick  
leave credits shall be earned at the rate of twelve (12)  
working days for each year of service without restriction as  
to the number of working days he may accumulate.

(2) An employee may not accrue sick leave credits  
during a continuous leave of absence without pay, which  
exceeds fifteen (15) calendar days. Employees are not

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

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

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

(5) An employee who terminates his employment with the  
state or of any county or city thereof, is entitled to a  
lump-sum payment equal to ~~one-fourth--(1/4)~~ ONE-HALF (1/2)  
the full amount of the pay attributed to his accumulated  
sick leave. The pay attributed to his accumulated sick leave  
shall be computed on the basis of the employee's salary or  
wage at the time the ~~sick-leave-credits-were-earned~~ EMPLOYEE  
TERMINATES HIS SERVICES. Accrual of sick leave credits for  
calculating the lump-sum payment provided for in this  
subsection begins July 1, 1971, and the payment therefor,  
shall be the responsibility of the state, or any county or  
city thereof, wherein the sick leave accrues. However, no

SECOND READING

SECOND PRINTING 7/21/75

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

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

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

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

1 SECTION 2. FUNDING. IN COMPLIANCE WITH SECTION  
 2 43-517, R.C.M. 1947, THE ADMINISTRATION OF THIS ACT IS  
 3 DECLARED A PUBLIC PURPOSE OF A COUNTY, CITY, OR TOWN WHICH  
 4 MAY BE PAID OUT OF THE GENERAL FUND OF THE GOVERNING BODY  
 5 AND FINANCED BY A LEVY ON THE TAXABLE VALUE OF PROPERTY  
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