

1 *Senate* BILL NO. *312*
 2 INTRODUCED BY *Thomas Jergeson LYNCH*
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR THE
 5 COMPUTATION OF AN EMPLOYEE'S SICK LEAVE BASED UPON THE
 6 EMPLOYEE'S SALARY AT THE TIME OF TERMINATION OF EMPLOYMENT;
 7 AMENDING SECTION 59-1008, R.C.M. 1947."
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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) of the pay
 16 attributed to ~~his~~ the accumulated sick leave. The pay
 17 attributed to ~~his~~ the accumulated sick leave shall be
 18 computed on the basis of the employee's salary or wage at
 19 the time ~~the--sick-leave-credits-were-earned~~ he terminates
 20 his employment with the state, county, or city. Accrual of
 21 sick leave credits for calculating the lump-sum payment
 22 provided for in this subsection begins July 1, 1971, and the
 23 payment therefor, shall be the responsibility of the state,
 24 or any county or city thereof, wherein the sick leave
 25 accrues. However, no employee forfeits any sick leave rights

1 or benefits he had accrued prior to July 1, 1971. However,
2 where an employee transfers between agencies within the same
3 state, county or city jurisdiction he shall not be entitled
4 to a lump-sum payment. In such a transfer the receiving
5 agency shall assume the liability for the accrued sick leave
6 credits earned after July 1, 1971, 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. 136-75

FISCAL NOTE

Form BD 15

In compliance with a written request received January 31, 19 75, there is hereby submitted a Fiscal Note for Senate Bill 312 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 provide that computation of the lump sum sick leave payment at termination is to be based upon the employees salary at the time of termination of employment rather than the salary at the time the sick leave was earned.

ASSUMPTIONS:

1. The percentage increase in payments under proposed law, computed on 1974 payroll records of the Department of Highways and the Department of Revenue (approximately 3000 employees) would apply to all state employees.
2. Annual percentage of sick leave paid out on total personal services is .12926% under current law; under proposed law the percentage would be .13965%.

FISCAL IMPACT:

	FY 76	FY 77
Estimated amount to be paid for accumulated sick leave under current law	\$ 231,081	\$ 262,614
Estimated amount to be paid for accumulated sick leave under proposed law	<u>249,673</u>	<u>283,743</u>
Increase in state expenditures	<u>\$ 18,592</u>	<u>\$ 21,129</u>

Although there would be an increase in the amount of sick leave termination payments under the proposed law, there is also a potential cost savings. The requirement under current law to accumulate sick leave credits based on the employees salary rate when the credits were earned necessitates maintenance of separate accumulation records for each salary rate paid to a given employee. Under the proposed law, less complex records would be required which would result in savings in manpower of from 3000 to 12,000 hours annually. The manhour savings can realistically be expected. The potential dollar savings at an average rate of \$3.30 per hour would range from \$10,000 to \$40,000; however, the dollar savings is contingent upon whether or not positions could be eliminated or reduced to part-time.

LOCAL IMPACT:

Senate Bill 312 would have a comparable impact on local government units; however, data is not available in the time allowed to compute a quantifiable estimate.

CONCLUSION:

Enactment of Senate Bill 312 would result in an increase in state expenditures of approximately \$40,000 during the biennium with an accompanying savings in manpower of 6,000 to 24,000 hours during the same time period.

Michael A. Billings
by *Karen Wilson*
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 5, 1975

Reported back from Committee without recommendation,

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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,
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