Proposed Leave Program Design
Overview

• Why consider a Paid Time Off (PTO) plan?
• How the proposal was developed
• Recommended design for campuses and MU Health Care
  • Number of PTO days per year
  • Short-Term Disability
  • Parental and Caregiver Leave
• PTO accruals and carryover
• How current plan balances will be honored at transition
Why are we considering changes to our time-off programs?
How did we develop this proposal?

• **Aon**, a national expert in the field, provided expertise and analysis to the project committee, working group, and leadership

• In 2020, a **committee** comprised of faculty and staff representatives across the system evaluated the university’s current leave programs. From this evaluation, the committee identified three key areas for improvement:
  - Paid Time Off (PTO) model
  - Short-term disability leave
  - Parental/Caregiver leave

• Following the committee's work, a **working group** of HR, Finance, and campus and health care representatives developed a proposed design

  ▪ Review with **representative groups** including Total Rewards Advisory Committee (TRAC) and Intercampus Staff Advisory Council (ISAC) and **university leadership**
Guiding Principles

1. Modernize leave programs to make them more market competitive
2. Improve effectiveness of leave programs
3. Realize cost savings
4. Design leave programs that promote work-life balance
5. Explore differentiating leave by staff type and industry
Board Timeline

• June 2021 – Informational: Principles for Change
• November 2021 – Informational: Status Update
• June 2022 – Informational: Proposed Design
• September 2022 – Action: Recommended Design
**Recommended Design: Campus & MUHC**

**Vacation**

**Incidental Sick**

**Personal**

**Holidays/Winter Break**

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**Paid Time Off (PTO) Bank**

*Keep tier increases at 5 & 15 years*

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**Short Term Disability Plan**

**Parental Leave**

**Caregiver Leave**

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**MU HealthCare Hourly Staff Only: PTO Cash In Option**

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* At hire (< 5 years)
  - 23 days
  - 18 days

* 5-15 years
  - 28 days
  - 23 days

* > 15 years
  - 28 days
  - 28 days
Recommended Design: Campus & MUHC

Vacation

- At hire (< 5 years)
  - Exempt (Salaried): 23 days
  - Non-Exempt (Hourly): 18 days
- 5-15 years
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- > 15 years
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* Keep tier increases at 5 & 15 years

Incidental Sick

Personal

Holidays/Winter Break

- Holidays (9 days)
- Winter Break
  - Campus Only
  - (4 days)

Paid Time Off (PTO) Bank

- Short Term Disability Plan
- Parental Leave
- Caregiver Leave

MU HealthCare Hourly Staff Only: PTO Cash In Option

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Paid Time Off (PTO) Bank

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Holidays (9 days)
Winter Break
Campus Only (4 days)

Vacation
Incidental Sick
Personal
Holidays/Winter Break

Short Term Disability Plan
Parental Leave
Caregiver Leave

MU HealthCare Hourly Staff Only: PTO Cash In Option

September 7, 2022
What is a Paid Time Off (PTO) Program?

Paid Time Off (PTO)
PTO combines general leave into a single bank – the PTO bank. This type of leave generally includes time off for vacation, incidental illness, and personal time.
How would PTO work?

“How much time can I carryover from year to year?”

Employees would be able to carry a **maximum of 2 times their annual PTO accrual** at any time.

For example, if an employee earns **18 PTO days per year**, they can carry a **maximum of 36 days** (18 times 2).

“How will I earn PTO days each year?”

Employees will **continue to accrue** their leave time in hours on a **weekly basis** based on their annual PTO allotment.

“Will the new PTO plan payout unused time if I leave the university?”

Employees who **leave the University** after transition to the PTO plan will receive a **maximum of 10 days of unused PTO paid out**.
Recommended Design: Campus & MUHC

**Paid Time Off (PTO) Bank**

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**Short Term Disability Plan**

**Parental Leave**

**Caregiver Leave**

**Holidays**

- (9 days)
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**Vacation**
- MU HealthCare Hourly Staff Only: PTO Cash In Option
What is Short-Term Disability?

60% income replacement, for up to 20 weeks.

For an employee’s qualifying medical event.
Some examples may include:
• birth of a child, or
• hospitalization, or
• serious health conditions such as cancer.

Elimination Period:
7 calendar days
(5 working days)

Employees may utilize PTO or banked sick leave to cover elimination period and income up to 100%.
What is Parental Leave?

100% income replacement for up to 4 weeks in a rolling 12-month period.

Provides paid time off for employees to welcome a new child into their home as defined under our FMLA rule.

Qualifying Events:
• The birth of a child, or
• placement of a child with the employee for adoption or foster care;
Leaves for birth, adoption, or foster care must be taken with 12-months of the event.
What is Caregiver Leave?

100% income replacement for up to 2 weeks in a rolling 12-month period.

Provides paid time off for employees to care for an immediate family member with a serious health condition as defined under our FMLA rule.

Examples may include:
To care for the employee’s spouse, child, or parent, with a serious health condition, as certified by a health care provider.
Recommended Design: Campus & MUHC

Paid Time Off (PTO) Bank

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Vacation | Incidental Sick | Personal | Holidays/Winter Break

- Short Term Disability Plan
- Parental Leave
- Caregiver Leave

MU HealthCare Hourly Staff Only: PTO Cash In Option
Recommended Design: Campus & MUHC

### Vacation
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- **Short Term Disability Plan**

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### Holidays/ Winter Break
- **Holidays**
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### MU HealthCare Hourly Staff Only: PTO Cash In Option

*Keep tier increases at 5 & 15 years*
How current plan balances will be honored at transition

**Vacation**

Options under review:
- Ability to transfer vacation to PTO
- Payout vacation at a specific point in time
- Combination of the two above options

**Sick**

Banked balances:
- Continue to be eligible for service credit at retirement
- Supplement University paid Short-term Disability
- If PTO bank and other leave options exhausted, use for sick leave occurrences

**Personal**

No new accruals after transition:
- Employees will have until their anniversary date in 2024 to use or lose remaining personal days
Employee Feedback

• Feedback collected through:
  • Virtual Informational Sessions Aug. 19, 23, 25 and 29
  • Portal to submit feedback available on dedicated webpage
  • Engagement with representative groups including TRAC and ISAC

• As a result of the feedback, current recommendation allows for:
  • two times the accrual with a maximum of ten days of accrued PTO paid out at separation;
  • more details and options related to honoring accruals for vacation, sick, and personal days;
  • supplementing short-term disability with banked sick leave;
  • using banked sick leave if PTO and all other available paid leave is exhausted; and
  • exploring an employee paid buy-up option for additional income replacement under short-term disability.
Proposed Timeline

July - August 2022
Gather feedback & vet design with employees and leadership groups

September 2022
BOC vote *(proposed)*

September 2022 – January 2024
Continued Communication & Implementation

COMMUNICATION AND FEEDBACK

Dedicated webpage available at umurl.us/ModernizeLeave