

# Town of Upper Marlboro

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Mailing address: P.O. Box 280 • Upper Marlboro, MD 20773-0280

# **MEMORANDUM**

To: Board of Town Commissioners

From: Sarah Franklin, President Date: Tuesday, August 2, 2022

Re: Employee Vacation and Sick Accrual Rates

# Background:

### Vacation

In 2018 a new handbook was put into place by Mayor Turner, this handbook provided new employees with higher vacation accruals of 5 hours per pay period. In 2020, Mayor Pennoyer reverted to a previous version of the handbook and reduced vacation accruals for employees to 3.08 hours per pay period. In 2021, the Board of Commissioners implemented a new handbook that returned all employees to the vacation accrual rates that they had been hired at under the 2018 handbook and established tiered vacation accruals for new hires.

The HR Director did not input these new accrual rates into the payroll system. This means all new hires to present have been accruing vacation at the 2018 rate. Additionally, the offer letters that are sent out do not currently include the vacation accrual rates as part of the offer.

#### Sick

The input error was not limited to vacation accruals. Sick accruals were input to match the vacation accruals, rather than the 4-hour rate that was agreed upon. This means all employees are accruing sick time at the same rate as their vacation.

## Relevant 2021 Handbook Section:

The following is from Page 23 of the current adopted Employee Handbook:

### "Paid Vacation and Sick Leave

Below is the vacation accrual chart for the employees of the Town of Upper Marlboro:

| Length of Service | Vacation PTO | Vacation PTO Total | Sick Leave Accrual | Sick Leave Total |
|-------------------|--------------|--------------------|--------------------|------------------|
|                   | Accrual Rate | Annual             | Rate               | Annual           |
| 0-4 Years         | 4 hours      | 13 days            | 4 hours            | 13 days          |
| 5-10 Years        | 6 hours      | 19.5 days          | 4 hours            | 13 days          |
| 10+ Years         | 8 hours      | 26 days            | 4 hours            | 13 days          |

<u>Vacation PTO:</u> employees hired after the adoption of the 2021 version of this handbook may carry over a maximum of 120 hours per year. Employees hired prior the passage of this 2021 version of the handbook may



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carry over a maximum of 240 hours per year. Vacation PTO is paid out at the employee's current rate when an employee leaves the town.

<u>Sick leave</u>: There is no maximum amount of sick leave that can be carried over. Sick leave is not paid out when an employee leaves employment with the town. Unused sick leave can be applied as such to allow an employee to retire up to two months early, or 320 hours.

Employees hired prior to the adoption of the 2021 version of this Handbook are grandfathered and will accrue leave at the rate of 5 hrs. vacation until they reach their 5-year employment anniversary and accrue leave according to the accrual chart.

Employees may cash-out their vacation leave once per year with approval from their immediate supervisor. Request for leave cash-outs must be made at least 1 pay period before receipt of the cash-out payment and cannot exceed \$2,500."

## Discussion/Recommendations:

The following are my recommendation for our discussion. We may come to a different conclusion together.

- Regarding vacation, we could just change the date in the line: "Employees prior to the adoption of the 2021 version of this Handbook" to 2022. This will ensure we do not take vacation away from employees that they have come to expect.
- Going forward the following procedures should be implemented:
  - All offer letters should state the accrual rates for both sick and vacation.
  - All new hires vacation accrual rates should be checked by Insurity and the Bookkeeper to ensure they are accurate moving forward.
- Sick balances could be left where they are. Accruals should revert to the 4 hours that is stated in the handbook.