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Human Resources Department Employee Benefits and Services Division Leonardo Gonzalez Human Resources Director / County Labor Relations Chief

> Gina King Assistant Director

Eric Guerra Assistant Director

December 4, 2024

Name Address City, State Zip

RE: Vacation/Holiday/Administrative/Paid Time Off Leave Cash-Out for Calendar Year 2025

Dear Name:

It is time for you to consider your leave cash-out options for 2025. As a contract employee with Exempt-like benefits, you have several leave cash-out options depending on the leave types you are eligible to accrue in 2025. Your cash-out options are summarized below. For further details, please refer to your contract and the Exempt Compensation Ordinance.

Vacation and/or Paid Time Off (PTO)

You may elect to cash out vacation and/or PTO by exercising the following options:

- **Future Accruals** You must make an **irrevocable** election during the month of December specifying the number of hours to be sold back from the next calendar year's vacation/PTO leave accrual. The election must be made in increments of not less than 10 hours and may not exceed 160 hours.
 - Employees Not Enrolled in the Modified Benefit Option (MBO): You may pre-designate up to 160 vacation hours accrued in 2025. You may pre-designate a combination of vacation and PTO only if you intend to convert to the MBO during the next open enrollment period and start accruing PTO in the new plan year beginning July 26, 2025.
 - Employees Enrolled in MBO: You may pre-designate up to 160 PTO hours accrued in 2025. You may predesignate a combination of vacation and PTO only if you intend to disenroll from MBO during the next open enrollment period and start accruing vacation in the new plan year beginning July 26, 2025*.
- Existing Accruals You may cash out existing vacation and/or PTO accruals without a pre-designation and hours will be subject to a 10% penalty.

*Please note that if you intend to enroll in or disenroll from MBO during the 2025 open enrollment period, you will not accrue the full 160 hours of vacation or PTO needed to cash out this amount. Therefore, you will need to predesignate a combination of PTO and vacation to cash out the complete 160 hours.

Holiday Leave

You may elect to cash out holiday leave by exercising the following options:

- Future Accruals You are eligible to make the following irrevocable pre-designations:
 - Employees Not enrolled in MBO: up to 120 holiday hours accrued in 2025.
 - Employees Enrolled in MBO: up to 112 holiday hours accrued in 2025.
- Existing Accruals You may cash out existing accruals without a pre-designation and hours will be subject to a 10% penalty.

Administrative Leave

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You may cash out up to 80 hours of administrative leave without pre-designation. The hours may be cashed out in whole hour increments with a minimum cash-out of 1 hour. Any unused administrative leave balances remaining by pay period 26 of 2025 will be automatically cashed out.

Pre-Designation Your Leave Cash-Out

To pre-designate vacation, holiday and/or PTO hours to cash out in calendar year 2025, you must complete the <u>Leave Cash-Out</u> <u>Pre-Designation Agreement for Calendar Year 2024 – Exempt and Board-Governed Exempt form</u> and submit it to your department payroll specialist by **Monday**, **December 30**, **2024**.

To cash out the pre-designated hours during calendar year 2025, you must complete the <u>Leave Cash-Out Request – Vacation</u>, <u>Holiday</u>, <u>Administrative & Paid Time Off – Exempt and Board-Governed Exempt form</u> and submit it at least 15 days before the pay period in which you wish to receive the leave cash-out payment.

Please contact Employee Benefits Manager, Joey Wong, at (909) 387-9675 or via email at <u>joey.wong@hr.sbcounty.gov</u> if you have any questions regarding the pre-designation process. Contact your department payroll specialist directly for any assistance needed when you are ready to cash out leave during Calendar Year 2025.

Sincerely,

Sandra Wakcher Human Resources Division Chief Employee Benefits and Services Division Human Resources Department