Final Advisory Memorandum:
Employee Leave Balances

OIG Report Number 14-004

March 13, 2014

Montgomery County, Maryland
Office of the Inspector General

Office of the Inspector General Report
Employee Leave Balances

Report Number: 14-004

Introduction

The Office of the Inspector General (OIG) received a complaint from a Montgomery County employee alleging that .01 hours of leave is periodically being deducted from the annual leave balance, and a similar amount from the sick leave balance.

Objectives, Scope, and Methodology

The objectives of our inquiry were to determine:

- The validity of the complainant's allegations;
- Whether the phenomenon observed by the complainant was a means to misappropriate resources, or resulted from a systemic matter, occurring on the leave computations for other County employees.

Our objectives in conducting this inquiry were limited to addressing the specific issue raised by the complainant. We reviewed the paystubs that the complainant provided, and those of another County employee, for the previous two years. Our findings are detailed in the body of this report.

Our inquiry was conducted in December 2013 and January 2014 in accordance with the standards contained in *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency (January 2012).

Background

Montgomery County Personnel Regulations (MCPR) outlines the annual and sick leave to be earned by County employees. Both of the employees incorporated in our review were within their first 3 years of County service. Based on the *MCPR*, both employees should earn annual leave at the rate of 120 hours per year, and sick leave at the same rate.[1] Thus, employees in their first 3 years of service should earn .05769230769 hours of both sick and annual leave for each hour worked, resulting in a full-time employee earning 4.61538461538 hours in each leave category per pay period.[2]

[1] MCPR also states that, "an employee who works more or less than 40 regularly scheduled hours per week earns a prorated amount" of leave. See *MCPR*, 2001, Section 16-3, *Accrual Rates for Annual Leave and Section* 17-3, *Sick Leave Accrual Rates.*

[2] Based on a 40 hour work week, a full time employee works 2080 hours per year. 120/2080 = .05769230769. Taking this number times 80 hours results in earning 4.61538461538 hours per pay period.

Findings

Finding 1: For the two sampled employees, the County periodically credited 4.60 hours of annual leave and the same amount of sick leave even though the pay stub stated that 4.61 hours had been earned.

For the two employees we evaluated, the County periodically credited annual and sick leave balances with 4.60 hours rather than the 4.61 stated on the paystub[3]. This phenomenon occurred approximately every 5 pay periods for both employees sampled. See Appendix A for details and Appendix B for examples of paystubs where the actual amounts credited to annual and sick leave balances did not equal 4.61, the amount stated on the paystub.

Finding 2: For our two sampled employees, the 4.61 hours stated as earned is slightly less than the *MCPR* provides.

According to the earned leave column on paystubs, employees in their first 3 years of service are granted 4.61 hours of both sick and annual leave, resulting in 119.86 hours earned per year, which is less than the 120 hours that the *MCPR* states that they are to earn.

A synopsis of our findings was provided to the payroll office, who stated that the Oracle payroll system uses an annual/sick leave accrual rate of .05760 per hour worked, for full time employees during their first 3 years of employment with the County. According to the payroll office, this accrual rate is the cause of both findings. As previously stated, the *MCPR* accrual rate would be .05769230769. Thus, each employee is granted less than the amount of annual and sick leave outlined in the *MCPR*.

The County stated that the current .05760 accrual rate was a carryover from the legacy FAMIS payroll system replaced by Oracle on January 1, 2011. The FAMIS system had the ability to track the difference between the system rate and required accrual rate and periodically added the difference to each employee's leave balance. The new Oracle system does not have this capability, resulting in a loss of at least .192 hours of annual leave and .192 hours of sick leave for each County employee each year.[4]

The County attributed both of the findings above to the reduced accrual rate that is used to calculate employees' aggregated leave balances. The payroll office stated that it was currently evaluating changing the Oracle accrual rate from .05760 to .05769 per regular hour.

[3] 4.60 was added to the annual leave balance, and a similar amount to the sick leave balance, despite the paystubs stating the employee had earned 4.61 hours of each type of leave.

[4] .05760 x 2080 hours worked per year = 119.808 hours of both sick and annual leave credited to each full time employee in their first 3 years of County service. 120 – 119.808 = .192 difference in earned leave

Possible Effect

Based on a loss of .192 hours of both annual and sick leave for each Montgomery County employee, we calculated that the current payroll system is underpaying benefits at the following rates:

	Hourly Pay Rate	Annual Underpayment		Total Annual Underpayment
County-wide		Sick	Annual	
Average Employee	$ 28.53	$ 5.48	$ 5.48	$10.96
County-wide (8,578 employees)				**$ 94,014.88**

Table 1: Estimated Underpayment of Employee Leave Benefits Attributed to Reduced Leave Accrual Rate[5]

Recommendation

The accrual rate should be adjusted for all employees so that their earned leave equates to the number of hours outlined in the *MCPR*.

Chief Financial Officer's Response

The Management Response is attached in its entirety as Appendix C.

[5] Total number of Montgomery County employees and salary information obtained from https://data.montgomerycountymd.gov/Government/Employee-Salaries/jydr-f7vx

Appendix A: Sampled Employee Leave Summaries December 14, 2012 – November 29, 2013

Employee #1
Annual Leave

Payroll Date	Beginning Balance	Earned per Pay Stub	Earned Actual	Used	Ending Balance
12/14/2012	73.43	4.61	4.61	0	78.04
12/28/2012	78.04	4.61	4.61	0	82.65
1/11/2013	82.65	4.61	4.61	4.5	82.76
1/25/2013	82.76	4.61	4.60	0	87.36
2/8/2013	87.36	4.61	4.61	0	91.97
2/22/2013	91.97	4.61	4.61	0	96.58
3/8/2013	96.58	4.61	4.61	0	101.19
3/22/2013	101.19	4.61	4.61	0	105.8
4/5/2013	105.8	4.61	4.60	0	110.4
4/19/2013	110.4	4.61	4.61	0	115.01
5/3/2013	115.01	4.61	4.61	0	119.62
5/17/2013	119.62	4.61	4.61	0	124.23
5/31/2013	124.23	4.61	4.61	0	128.84
6/14/2013	128.84	4.61	4.60	5	128.44
6/28/2013	128.44	4.61	4.61	0	133.05
7/12/2013	133.05	4.61	4.61	0	137.66
7/26/2013	137.66	4.61	4.61	29.5	112.77
8/9/2013	112.77	4.61	4.61	0	117.38
8/23/2013	117.38	4.61	4.60	0	121.98
9/6/2013	121.98	4.61	4.61	0	126.59
9/20/2013	126.59	4.61	4.61	0	131.2
10/4/2013	131.2	4.61	4.61	14.5	121.31
10/18/2013	121.31	4.61	4.61	36	89.92
11/1/2013	89.92	4.61	4.60	0	94.52
11/15/2013	94.52	4.61	4.61	0	99.13
11/29/2013	99.13	4.61	4.61	0	103.74

Employee #1

Sick Leave

Payroll Date	Beginning Balance	Earned per Pay Stub	Earned Actual	Used	Ending Balance
12/14/2012	105.43	4.61	4.61	0	110.04
12/28/2012	110.04	4.61	4.61	0	114.65
1/11/2013	114.65	4.61	4.61	0	119.26
1/25/2013	119.26	4.61	4.60	0	123.86
2/8/2013	123.86	4.61	4.61	0	128.47
2/22/2013	128.47	4.61	4.61	0	133.08
3/8/2013	133.08	4.61	4.61	0	137.69
3/22/2013	137.69	4.61	4.61	0	142.3
4/5/2013	142.3	4.61	4.60	0	146.9
4/19/2013	146.9	4.61	4.61	0	151.51
5/3/2013	151.51	4.61	4.61	0	156.12
5/17/2013	156.12	4.61	4.61	0	160.73
5/31/2013	160.73	4.61	4.61	0	165.34
6/14/2013	165.34	4.61	4.60	6	163.94
6/28/2013	163.94	4.61	4.61	0	168.55
7/12/2013	168.55	4.61	4.61	0	173.16
7/26/2013	173.16	4.61	4.61	0	177.77
8/9/2013	177.77	4.61	4.61	0	182.38
8/23/2013	182.38	4.61	4.60	0	186.98
9/6/2013	186.98	4.61	4.61	0	191.59
9/20/2013	191.59	4.61	4.61	0	196.2
10/4/2013	196.2	4.61	4.61	0	200.81
10/18/2013	200.81	4.61	4.61	0	205.42
11/1/2013	205.42	4.61	4.60	0	210.02
11/15/2013	210.02	4.61	4.61	0	214.63
11/29/2013	214.63	4.61	4.61	0	219.24

Employee #2
Annual Leave

Payroll Date	Beginning Balance	Earned per Pay Stub	Earned Actual	Used	Ending Balance
12/14/2012	47.11	4.61	4.61	8	43.72
12/28/2012	43.72	4.61	4.61	0	48.33
1/11/2013	48.33	4.61	5.11[6]	27.25	26.19
1/25/2013	26.19	4.61	4.61	16	14.8
2/8/2013	14.8	4.61	4.60	0	19.4
2/22/2013	19.4	4.61	4.61	0	24.01
3/8/2013	24.01	4.61	4.61	0	28.62
3/22/2013	28.62	4.61	4.61	2.5	30.73
4/5/2013	30.73	4.61	4.61	5.25	30.09
4/19/2013	30.09	4.61	4.60	8	26.69
5/3/2013	26.69	4.61	4.61	10	21.3
5/17/2013	21.3	4.61	4.61	16	9.91
5/31/2013	9.91	4.61	4.61	0	14.52
6/14/2013	14.52	4.61	4.61	0	19.13
6/28/2013	19.13	3.97	3.97[7]	19	4.1
7/12/2013	4.1	4.61	4.61	0	8.71
7/26/2013	8.71	4.61	4.61	0	13.32
8/9/2013	13.32	4.11	4.10[8]	0	17.42
8/23/2013	17.42	4.61	4.61	0	22.03
9/6/2013	22.03	4.61	4.61	0	26.64
9/20/2013	26.64	4.61	4.61	8	23.25
10/4/2013	23.25	4.61	4.61	0	27.86
10/18/2013	27.86	4.61	4.60	4.25	28.21
11/1/2013	28.21	4.61	4.61	0	32.82
11/15/2013	32.82	4.61	4.61	2.25	35.18
11/29/2013	35.18	4.61	4.61	0	39.79

[6] On the July 27, 2012 paystub for this employee an extra .5 hours of annual leave was deducted. The extra .5 hours of leave granted here appears to be a correction of that earlier pay period.
[7] The employee only worked 69 hours for this pay period, thus the leave was prorated per County policy.
[8] The employee is a member of the union and was required to donate .5 hours to the union leave bank this pay period.

Employee #2
Sick Leave

Payroll Date	Beginning Balance	Earned per Pay Stub	Earned Actual	Used	Ending Balance
12/14/2012	28.61	4.61	4.61	0	33.22
12/28/2012	33.22	4.61	4.61	8	29.83
1/11/2013	29.83	4.61	4.61	0	34.44
1/25/2013	34.44	4.61	4.61	10.25	28.8
2/8/2013	28.8	4.61	4.60	5.5	27.9
2/22/2013	27.9	4.61	4.61	13	19.51
3/8/2013	19.51	4.61	4.61	14.5	9.62
3/22/2013	9.62	4.61	4.61	0	14.23
4/5/2013	14.23	4.61	4.61	8.25	10.59
4/19/2013	10.59	4.61	4.60	2.5	12.69
5/3/2013	12.69	4.61	4.61	0.75	16.55
5/17/2013	16.55	4.61	4.61	0.5	20.66
5/31/2013	20.66	4.61	4.61	5.5	19.77
6/14/2013	19.77	4.61	4.61	5.25	19.13
6/28/2013	19.13	3.97	3.97[9]	1	22.1
7/12/2013	22.1	4.61	4.61	8	18.71
7/26/2013	18.71	4.61	4.61	1.5	21.82
8/9/2013	21.82	4.61	4.60	2.5	23.92
8/23/2013	23.92	4.61	4.61	1.25	27.28
9/6/2013	27.28	4.61	4.61	4.75	27.14
9/20/2013	27.14	4.61	4.61	8	23.75
10/4/2013	23.75	4.61	4.61	2	26.36
10/18/2013	26.36	4.61	4.60	0	30.96
11/1/2013	30.96	4.61	4.61	0	35.57
11/15/2013	35.57	4.61	4.61	8	32.18
11/29/2013	32.18	4.61	4.61	0	36.79

[9] The employee only worked 69 hours for this pay period, thus the leave was prorated per County policy.

Appendix B: Selected Paystubs for Tested Employees

Employee 1: Paystub October 18, 2013

MCG HR Employee Self-Service

Navigator Favorites Home Logout Preferences Help

Payslip

Employee Name
Organization Email Address
Employee Number
Business Group **Montgomery County MD**

Choose a Payslip 18-OCT-2013 1 - Check 1 Go

Employee		Employer name	
Job Title	,	Organization	
Latest Hire Date	**05-Dec-2011**	Bargaining Unit	
Original Hire Date	**05-Dec-2011**	Grade	
Adjusted Service Date	**05-Dec-2011**	Employer Address	
Assignment Number			
Location			
Position			
Employee Address			

Pay Period and Salary

Pay Period	Payment Date	Pay Begin Date	Pay End Date
Bi-Week	18-Oct-2013	22-Sep-2013	05-Oct-2013

Summary

Current or YTD	Gross	Pre-Tax	Taxes	Deductions
Current				
YTD				

Hours and Earnings

Description	Start Date	End Date	Current Hours	Current Amount	YTD Hours	YTD Amount
Imputed Income						
Admin Leave Pay						
Regular Pay			44.00			
Annual			36.00			
Sick Taken						
Comp Leave Taken						
Personal Day Taken						

Rate Details

Pre-Tax Deductions **Taxes**

Description	Current	YTD
BCBS HI Pretax		
UC PPO Pretax		
RX STD Pretax		
Vision Pretax		
Retirement GRIP CN		

Description	Current	YTD
Federal Tax		
Social Security		
Medicare		
MD State Tax		

After-Tax Deductions

Description	Current	YTD
Optional Life		
Life Ins Refund EE		
Group Life		
LTD2		
BTA		
ADD		
Pre Fund		

Accruals

Description	Current	Balance
Family Sick Leave		
FMLA Leave		
Furlough		
Sick Leave	4.61	205.42
Annual Leave	4.61	89.92
Parental Leave		
Comp Lv Supp		
Personal Days		
Religious Leave		
Comp Time		

Tax Withholding Information

Employee 1: Paystub November 1, 2013

MCG HR Employee Self-Service

Navigator Favorites Home Logout Preferences Help

Payslip

Employee Name
Organization Email Address
Employee Number
Business Group **Montgomery County MD**

Choose a Payslip 01-NOV-2013 - - Check 1 **Go**

Employee		Employer name	
Job Title		Organization	
Latest Hire Date	**05-Dec-2011**	Bargaining Unit	
Original Hire Date	**05-Dec-2011**	Grade	
Adjusted Service Date	**05-Dec-2011**	Employer Address	
Assignment Number			
Location			
Position			

Employee Address

Pay Period and Salary

Pay Period	Payment Date	Pay Begin Date	Pay End Date
Bi-Week	01-Nov-2013	06-Oct-2013	19-Oct-2013

Summary

Current or YTD	Gross	Pre-Tax	Taxes	Deductions
Current				
YTD				

Hours and Earnings

Description	Start Date	End Date	Current Hours	Current Amount	YTD Hours	YTD Amount
Imputed Income						
Admin Leave Pay						
Regular Pay			80.00			
Annual						
Sick Taken						
Comp Leave Taken						
Personal Day Taken						

Rate Details

Pre-Tax Deductions **Taxes**

Description	Current	YTD
RX STD Pretax		
UC PPO Pretax		
Vision Pretax		
BCBS HI Pretax		
Retirement GRIP CN		

Description	Current	YTD
Federal Tax		
Social Security		
Medicare		
MD State Tax		

After-Tax Deductions

Description	Current	YTD
Life Ins Refund EE		
Optional Life		
Group Life		
LTD2		
BTA		
Pre Fund		
ADD		

Accruals

Description	Current	Balance
Furlough		
Comp Lv Supp		
Religious Leave		
Comp Time		
Sick Leave	4.61	210.02
Parental Leave		
Personal Days		
Annual Leave	4.61	94.52
FMLA Leave		
Family Sick Leave		

Tax Withholding Information

Employee 2: Paystub October 4, 2013

MCG HR Employee Self-Service

Navigator Favorites

HomeLogoutPreferencesHelp

Payslip

Employee Name
Organization Email Address

Employee Number
Business GroupMontgomery County MD

Choose a Payslip 04-OCT-2013 - - Check 1 Go

Employee		Employer name	
Job Title		Organization	
Latest Hire Date	10-Oct-2011	Bargaining Unit	
Original Hire Date	10-Oct-2011	Grade	
Adjusted Service Date	10-Oct-2011	Employer Address	
Assignment Number			
Location			
Position			

Employee Address

Pay Period and Salary

Pay Period	Payment Date	Pay Begin Date	Pay End Date
Bi-Week	04-Oct-2013	08-Sep-2013	21-Sep-2013

Summary

Current or YTD	Gross	Pre-Tax	Taxes	Deductions
Current				
YTD				

Hours and Earnings

Description	Start Date	End Date	Current Hours	Current Amount	YTD Hours	YTD Amount
Imputed Income						
Admin Leave OPT						
Admin Leave Pay						

Regular Pay	78.00
Annual	
Sick Taken	2.00
Personal Day Taken	

Rate Details

Pre-Tax Deductions

Description	Current	YTD
Vision Pretax		
BCBS HI Pretax		
UC PPO Pretax		
RX 4_8 Pretax		
Def Comp Hartford		
Retirement GRIP CM		

Taxes

Description	Current	YTD
Federal Tax		
Social Security		
Medicare		
MD State Tax		

After-Tax Deductions

Description	Current	YTD
Optional Life		
Group Life		
LTD2		
Charities		
BTA		
Pre Fund		
ADD		
OPT Dues		

Accruals

Description	Current	Balance
Personal Days		
Religious Leave		
Comp Time		
Annual Leave	4.61	27.86
Sick Leave	4.61	26.36
Parental Leave		
Family Sick Leave		
FMLA Leave		
Comp Lv Supp		
Furlough		

Tax Withholding Information

Type	Marital Status	Exemptions	Additional Amount	Override Amount	Override Percentage

Employee 2: Paystub October 18, 2013

MCG HR Employee Self Service

Navigator Favorites

HomeLogoutPreferencesHelp

Payslip

Employee Name
Organization Email Address

Employee Number
Business GroupMontgomery County MD

Choose a Payslip 18-OCT-2013 - - Check 1 Go

Employee		Employer name	
Job Title		Organization	
Latest Hire Date	10-Oct-2011	Bargaining Unit	
Original Hire Date	10-Oct-2011	Grade	
Adjusted Service Date	10-Oct-2011	Employer Address	
Assignment Number			
Location			
Position			

Employee Address

Pay Period and Salary

Pay Period	Payment Date	Pay Begin Date	Pay End Date
Bi-Week	18-Oct-2013	22-Sep-2013	05-Oct-2013

Summary

Current or YTD	Gross	Pre-Tax	Taxes	Deductions
Current				
YTD				

Hours and Earnings

Description	Start Date	End Date	Current Hours	Current Amount	YTD Hours	YTD Amount
Imputed Income						
Admin Leave OPT						
Admin Leave Pay						

Regular Pay	75.75
Annual	4.25
Sick Taken	
Personal Day Taken	

Rate Details

Pre-Tax Deductions

Description	Current	YTD
RX 4_8 Pretax		
BCBS HI Pretax		
UC PPO Pretax		
Vision Pretax		
Def Comp Hartford		
Retirement GRIP CM		

Taxes

Description	Current	YTD
Federal Tax		
Social Security		
Medicare		
MD State Tax		

After-Tax Deductions

Description	Current	YTD
Optional Life		
Group Life		
LTD2		
Charities		
ADD		
Pre Fund		
BTA		
OPT Dues		

Accruals

Description	Current	Balance
Personal Days		
Furlough		
Annual Leave	4.61	28.21
Religious Leave		
Parental Leave		
FMLA Leave		
Sick Leave	4.61	30.96
Comp Lv Supp		
Family Sick Leave		
Comp Time		

Tax Withholding Information

Type	Marital Status	Exemptions	Additional Amount	Override Amount	Override Percentage

Appendix C: Chief Administrative Officer Response to Advisory Memo

OFFICE OF THE COUNTY EXECUTIVE

Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

March 11, 2014

TO: Edward L. Blansitt III
Inspector General

FROM: Timothy L. Firestine
Chief Administrative Officer

SUBJECT: Response to Advisory Memo: Employee Leave Balances

Attached please find the formal response to your Advisory Memo on Employee Leave Balances dated February 10, 2014. This response addresses both findings and the one recommendation in your memo.

If you have any questions, please contact Joseph F. Beach, Director of Finance, at (240)777-8870.

TLF:kh

Attachment

cc: Fariba Kassiri, Assistant CAO
Joseph Adler, Director, Office of Human Resources
Joseph Beach, Director, Department of Finance
Gino Renne, President, UFCW Local 1994
Jeff Buddle, President, IAFF Local 1664
Torrie Cooke, President, FOP Lodge 35

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www.montgomerycountymd.gov

Attachment

Formal Response to OIG February 10, 2014 Advisory Memo
Employee Leave Balances

Response to IG Advisory Memo Finding 1:

The Oracle system biweekly payslip displays amounts using standard two decimal places. The Oracle system calculates amounts such as leave accruals per pay period based on four decimal places, which allows for a greater degree of precision in the actual system calculations. Therefore, the amounts displayed on the payslip, such as leave earned per pay period and accrued leave balances, are rounded from the underlying system amounts. This results in amounts displayed on the payslip that periodically change by one or two digits in the 2nd decimal place (ie, one or two cents); this is only a display change and does not indicate any change in the underlying leave accruals actually being calculated by the system.

The example provided below reflects both the Oracle system accruals and balances, and the corresponding amounts displayed on the payslip. It also shows that over the 10 pay periods listed, the total leave accrued in the Oracle system agrees to the total leave accruals displayed on the payslip, and also agrees to the leave balances both in the system and on the payslip.

	Hours Worked	Oracle - Accrual Factor	Oracle - Accrual Calculation	Oracle - Total Accrual Balance	Payslip Display – Leave Accrual	Payslip Display - Accrual Balance
1/1/2014	80	0.0576	4.608	4.608	4.61	4.61
1/15/2014	80	0.0576	4.608	9.216	4.61	9.22
1/29/2014	80	0.0576	4.608	13.824	4.61	13.82
2/12/2014	80	0.0576	4.608	18.432	4.61	18.43
2/26/2014	80	0.0576	4.608	23.04	4.6	23.04
3/12/2014	80	0.0576	4.608	27.648	4.61	27.65
3/26/2014	80	0.0576	4.608	32.256	4.61	32.26
4/9/2014	80	0.0576	4.608	36.864	4.61	36.86
4/23/2014	80	0.0576	4.608	41.472	4.61	41.47
5/7/2014	80	0.0576	4.608	**46.08**	4.6	**46.08**
			46.08		**46.08**	

Response to IG Advisory Memo Finding 2 and Recommendation:

We concur that the annual leave and sick leave accrual rates originally implemented in the Oracle system have resulted in leave amounts earned that are slightly less than stipulated in the Montgomery County Personnel Regulations and negotiated agreements.

As noted in your Advisory Memo, the hourly accrual rates configured in the Oracle system were consistent with the rates programmed in the County's prior legacy mainframe system. These rates resulted in a small rounding difference which was subject to a catch-up adjustment process in the mainframe system. The current system does not include such a catch-up adjustment process.

The County reviewed the annual and sick leave accrual configuration for all groups of employees, noting that the rounding issue described above impacted all employees' sick leave accruals, and annual leave for employees in both the 1-3 year band, and the 4-15 year band. There is no rounding issue for employees in the 16+ year band, since the 208 hours of annual leave earned by this group of employees evenly calculates as .1 per hour, or 8 hours per pay period (based on a 40 hour work week).

The summarized results for leave accruals with rounding issues are presented below:

Annual Leave Analysis for 1 —3 Year Band and Sick Leave Accrual for all Years Service *					
Accrual Rate – Historical		**Accrual Rate - Revised**		**Difference**	
Accrual earned per hour worked	0.0576	Accrual earned per hour worked	0.0577	Per hour worked	0.0001
Accrual earned per pay period (working 80 hours in a pay period)	4.608	Accrual earned per pay period (working 80 hours in a pay period)	4.616	Per pay period	0.008
Total hours accrued in a year (26 pay periods)	119.808	Total hours accrued in a year (26 pay periods)	120.016	Per year	0.208

* Annual leave for 1-3 year band is 120 hours; all sick leave is 120 hours.

Annual Leave Analysis for 4-15 Year Band					
Accrual Rate – Historical		**Accrual Rate - Revised**		**Difference**	
Accrual earned per hour worked	0.0769	Accrual earned per hour worked	0.077	Per hour worked	0.0001
Accrual earned per pay period (working 80 hours in a pay period)	6.152	Accrual earned per pay period (working 80 hours in a pay period)	6.16	Per pay period	0.008
Total hours accrued in a year (26 pay periods)	159.952	Total hours accrued in a year (26 pay periods)	160.16	Per year	0.208

* Annual leave for 4 – 15 year band is 160 hours.

Effective with the pay period ending April 5, 2014 (pay date April 18) , the County is planning to implement revisions to the hourly accrual rate as noted above – sick leave for all bands and annual leave for the 1-3 year band will be revised to 0.0577; annual leave for the 4 – 15 year band will be revised to 0.077.

The maximum potential amount by which leave has been undercredited for an employee is .676 hours (0.208 x 3.25 years) of annual leave and .676 hours of sick leave. This assumes that an employee was a member of the band for the entire 3.25 years. Analysis of the underlying data shows that the average impact per employee is less than this amount.

In order to correct this undercredited amount, the County intends to take the following actions:

- make a one-time credit of .676 hours* of additional sick leave to all employees subject to sick leave accrual as of the date of the credit; and
- make a one-time credit of .676 hours* of additional annual leave to all employees subject to annual leave accruals as of the date of the credit.

  * A separate maximum potential amount will be credited for the 2,496-hour work year and for the 2,184-hour work year.

We anticipate that these actions will take place in the Spring.

The reason we will be making an across the board credit of sick and annual leave is that it would cost over $20,000 and take additional time to implement a more calibrated solution to this issue as well as to ensure that employees who crossed between the "year-bands" referenced above are not adversely affected by this change. The reason we will be including the 16+ year band in the annual leave credit is to make whole any employees who were in the 4-15 year band during the last three years, but at the time of the credit have progressed to the 16+ year band and would otherwise be excluded from the credit.