

HR/LR Policy and Procedure #1385

Unpaid medical leaves of absence (LOA); paid leave balances and separation

Issued 08/19/2004
Revised 05/25/2012
Authority Enterprise Human Resources

OVERVIEW

Objective	To provide information and instructions for managing paid leave balances for employees who are on unpaid medical LOA and for processing separations from such leaves
Policy Statement	Employee on unpaid medical leaves of absence will have their paid leave balances and separations from such LOA's managed according to the provisions of collective bargaining agreements/plans and this policy and procedure
Scope	Applies to all executive branch state agencies
Definitions	N/A
Exclusions	N/A
Statutory References	N/A

GENERAL STANDARDS AND EXPECTATIONS

Managing paid leave balances for employees on medical LOA

Agencies must check an employee's bargaining agreement or plan to determine the length of time the employee is eligible to remain on an unpaid medical LOA. Unless approved otherwise by the Appointing Authority, an unpaid medical LOA cannot exceed one (1) year.

Agencies must be aware of any paid leave balances that exist when an employee is on an LOA. In most cases, collective bargaining agreements and plans require employees to exhaust sick leave balances before being placed on an unpaid medical LOA. The only exception is an employer-initiated medical or disability leave that is authorized under the SRSEA, MNA, and MGEC agreements. Accordingly, the vast majority of employees will have no more than four (4) hours of sick leave at the time they are placed on the leave. However, employees may still have vacation and/or compensatory time balances to their credit while they are out on LOA if they have not been approved to exhaust those balances prior to the LOA.

Please note that, since 2004, employees are not required to exhaust paid leave prior to receiving a permanent and total disability leave from the Minnesota State Retirement System (MSRS).

The following provisions apply to paid leave balances during an LOA and at the time the employee separates from an LOA:

- 1) **While the employee is on an unpaid medical LOA:** Any paid leave balances that are in existence at the time a leave begins (including a MSRS disability leave) should remain untouched. If the employee subsequently returns from the unpaid medical LOA, the employee will be allowed to use the unused paid leave in accordance with the applicable collective bargaining agreement or plan.

GENERAL STANDARDS AND EXPECTATIONS

- 2) **If the employee separates from State service** (either following an MSRS approval for disability retirement or after the agency declines to extend the unpaid medical LOA): The existing accrued but unused paid leave should be liquidated in accordance with the applicable collective bargaining agreement or plan. *Do not process a return from leave and do not adjust the leave of absence effective date just to pay off balances.*

Procedures for separation from unpaid leaves of absence:

Prior to processing a separation transaction from an unpaid medical LOA, the agency must contact a State Employee Group Insurance Program (SEGIP) Representative. Such notification should occur well before the separation is set to be processed. Failure to coordinate the timing of the separation transaction with SEGIP will disrupt the employee's ability to participate in the SEGIP disability group (Former Employees with Disabilities- FEWD) and cause any existing health and dental coverage to terminate at the end of the calendar month in which the separation is processed. Additionally, SEGIP representatives need time to coordinate a number of other issues with the health/dental plans and life insurance carriers.

If the employee's leave is due to an active workers' compensation claim, the agency must also contact the Department of Administration Workers' Compensation division for further assistance and guidance in managing and coordinating the case.

Lastly, if employees separating from an unpaid LOA are eligible for retirement, they must be notified of their option to retire and their eligibility for retirement insurance benefits.

RESPONSIBILITIES

Agencies are responsible for:	Processing paid leave balances and separations from unpaid medical leaves according to the provisions of this policy and procedure
MMB is responsible for:	Ensuring that state agencies are aware of the procedures for processing paid leave balances and separation from unpaid medical leaves; to coordinate separation from unpaid leave with FEWD, health/dental and life insurance processes

FORMS AND INSTRUCTIONS

N/A

Contacts	MMB Labor Relations Representatives MMB Employee Insurance Division Staff Department of Administration-Workers' Compensation Unit
References	Collective Bargaining Agreement/Plans provisions regarding unpaid medical leaves of absence