

CITY OF NEW ORLEANS
CHIEF ADMINISTRATIVE OFFICE

POLICY MEMORANDUM No. 6

June 12, 1979

TO: All Departments, Boards, Agencies and Commissions

FROM: Reynard J. Rochon, Chief Administrative Officer

SUBJECT: Accounting Procedures for Payment, Transfer, or Conversion of Sick and Annual Leave

1. PURPOSE

The purpose of this memorandum is to summarize and republish the accounting procedures for payment, transfer, or conversion of sick and annual leave. This memorandum is revised and republished to establish a policy which allows for the transfer of accumulated sick leave at total dollar value, regardless of the amount of accrued leave.

2. PROCEDURE.

A. SICK LEAVE

1. Conversion is authorized only when sick leave has been accrued under the provisions of Rule VIII, Section 2, of the Rules of the Civil Service Commission. The policy of sick leave conversion is effective from December 1, 1971.
2. When an employee retires, dies, or resigns with proper notice, the appointing authority shall authorize conversion of the accrued sick leave at the rate of five (5) full days of sick leave for credit as one day's pay. Conversion shall not be authorized for fractional days of sick leave. Payment shall be made to a separated employee or a deceased employee's beneficiary on a bi-weekly basis, unless a request for a lump sum payment is submitted to the Director of Finance. Payment to a retiring employee for converted sick leave shall be made only at the employee's request because the retiring employee may choose to convert the sick leave to retirement credits under the provisions of Section 55-29 of the Code of the City of New Orleans. In all cases, the appointing authority shall not authorize conversion of sick leave until the employee's leave records have been verified with the Payroll Division of the Bureau of Accounting, Dept. of Finance.
3. A retiree may choose to receive part of the accrued sick leave in cash payments and the remainder in the form of retirement credits. The appointing authority shall indicate on the personnel action form

POLICY MEMORANDUM NO. 6

the number of days of sick leave to be converted to cash or credited towards retirement.

4. For both Classified employees and employees whose positions are listed in the Unclassified Pay Plan, the amount of sick leave days to be paid is to be noted on the RAMS P2 form. The total number of converted sick leave days for which the employee is to be paid should be shown on the form. In addition, the total number of accrued sick leave days, divided by five should be placed on the form to illustrate the basis on which the converted sick leave rate was attained. Annual leave days to be paid should also be placed on the P2 form.
5. Salary surplus generated in the Personal Services classification of the retired, resigned, or deceased employee's department shall be used to fund payment of the converted sick leave which remains on record. This obligation shall be liquidated by keeping the employee's position unfilled until sufficient funds have been accumulated from the vacancy to pay the complete value of the converted sick leave.
6. If a transfer occurs between a general fund and a non-general fund budget unit, the total dollar value of that leave must be transferred from the losing unit to the gaining unit by public voucher. The value of this transaction should be determined by consulting the Payroll Division of the Bureau of Accounting, Dept. of Finance.
7. Under the provisions of Policy Memorandum No. 7, dated September 18, 1969, sick leave may not be transferred to another position filled by Fire or Police personnel in a retired status; however, conversion of sick leave under the provisions of this memorandum is authorized. The conversion of sick leave under the provisions of section (2) of this memorandum shall not affect the hiring of retired personnel and there shall be no replacement to refund to the City any converted sick leave.

B. ANNUAL LEAVE

1. Under the authority of Rule VIII, 1.7 (a) and (c) Rules of the Civil Service Commission, accrued annual leave shall not be paid to any employee who is dismissed for cause or who resigns and fails to give the appointed authority ten (10) calendar days advance notice of such resignation. An exception to this provision is explained in paragraph 3. Because of the Councilmanic motion of January 12, 1951, Unclassified Pay Plan employees are governed by the same rules covering annual leave as those applied to the Classified Service.

POLICY MEMORANDUM NO. 6

2. If an employee terminates employment under the conditions defined in section (1), above, appointing authorities will not grant annual leave payments and leave balances will not be shown on the appropriate personnel status change form.
3. The requirement of a ten-day notice of intention to resign does not apply to a retiring employee or one who resigns to enter the Armed Forces. In these cases, the appointing authority is requested to authorize payment of accrued annual leave.
4. Appointing authorities are reminded that employees must be employed a least six consecutive months in order to be eligible for annual leave payments. The only exception to this policy is for lay-offs.
5. Salary surplus generated in the Personal Services classification of the retired, resigned, or deceased employee's department shall be used to fund payment of the accrued annual leave which remains on record. This obligation shall be liquidated by keeping the employee's position unfilled until sufficient funds have been accumulated from the vacancy to pay the complete value of the accrued annual leave.
6. If a transfer occurs between a general fund and a non-general fund budget unit, the total dollar value of the employee's accrued annual leave must be transferred from the losing to the gaining unit by public voucher. The value of this transaction should be determined by consulting with the Payroll Division of the Bureau of Accounting, Dept. of Finance.

3. **EXCEPTIONS.**

In an opinion dated December 7, 1972, the City Attorney determined that under the provisions of applicable Revised Statutes and the Louisiana State Constitution, the City is obligated to pay the value of accrued annual leave to certain Fire department personnel in cases involving termination for cause. Payment of annual leave as terminal leave for Fire personnel is mandatory and may not be denied for any reason.

4. **INQUIRIES**

Any questions concerning this memorandum should be addressed to the Budget and Operations Management Division of the Administrative Office.

Reynard J. Rochon
Chief Administrative Officer

RJR:KS:ch