

### Annual Leave Exchange Program Procedure

The leave exchange program permits eligible employees to make an annual election to exchange annual leave for cash or deferred compensation. Each Appointing Authority shall determine prior to the beginning of each fiscal year whether their employees will be permitted to exchange up to 160 hours of annual leave under the program during the subsequent calendar year. Elections of leave to be exchanged will be made during an annual enrollment period, are irrevocable and will apply to annual leave the employee will earn in the subsequent calendar year. Only annual leave may be exchanged under this program.

#### A. Eligibility

Classified and Exempt permanent employees of the Pinellas County Unified Personnel System who have at least one year of consecutive service at the beginning of each fiscal year are eligible to participate. In order to exchange leave in the subsequent calendar year an employee must have a minimum amount of accumulated annual leave at the beginning of each fiscal year as described in section B below.

#### B. Elections

The County shall provide an annual enrollment period before the calendar year for which the employee is making the election. The designated enrollment period is the only period during which employees may elect to exchange leave. The election is subject to the following conditions:

1. The election is irrevocable. No changes to the election may be made after the close of the enrollment period. This applies to both the amount and frequency of exchange.
2. The maximum election amount is 160 hours.
3. A minimum amount of accrued annual leave must be in an employee's leave bank on the first pay day of the fiscal year as follows.
  - a. A balance of 40 hours if the election is less than 80 hours
  - b. A balance of 80 hours if the election is 80-160 hours.
4. The election is for annual leave the employee earns in the calendar year immediately following the election. If the employee earns less than the amount of leave they elected to exchange, the exchange will be reduced.
5. If an employee makes an election to exchange leave, all annual leave earned in the next calendar year will be applied to the leave exchange until the amount exceeds the amount of leave the employee elected to exchange. It will not be available for any other use.

#### C. Frequency of Exchange Payment

1. The employee may elect one of the following payment/exchange options:
  - a. Four equal amounts of 25% of the annual election.
  - b. Two equal exchanges of 50% of the annual election.
  - c. One exchange of 100% of the annual election. In order to ensure most employees will have earned the leave they are electing to exchange payment under this option will be in the last quarter of the calendar year.
  - d. Frequency of leave is part of the irrevocable election.

2. Payment dates will be established each year by Pinellas County Human Resources in accordance with payroll calendars and will be announced in advance of the election period.

**D. Exchange of Leave for Cash or Deferred Compensation**

1. The exchange amount will be paid as taxable earnings except any amount placed in a deferred compensation account as described below.
2. An employee may place *all or a portion* of each leave exchange payment into a County deferred compensation plan.
  - a. Electing deferred compensation is not irrevocable; an employee can make this decision in advance of their scheduled payment.
  - b. Normal payroll deadlines must be followed in order to ensure the payment goes into deferred compensation. Employees are responsible for increasing their deferred compensation election to include the value of the leave exchange payment, and to reduce their deferred compensation contribution for the pay period after the leave exchange.
  - c. Normal yearly federal maximum amounts of deferred compensation apply to deferrals under this program.

The Human Resources department shall administer this program on behalf of the Appointing Authorities. Any interpretations of the provisions of the program will be made by the Director of Human Resources or designee.