

University of California, Santa Cruz

CATASTROPHIC LEAVE DONATION PROGRAM AND PROCEDURES

OVERVIEW

This strictly voluntary program allows an eligible academic or staff employee (donor) to donate accrued vacation to another eligible designated academic or staff employee (recipient). A recipient is one who is suffering from, or whose eligible family member is suffering from, a catastrophic illness or injury, and who has exhausted her/his own paid leave (vacation, sick, and compensatory time off). The donated Catastrophic Leave supports the continuation of the recipient's normal salary for a longer period of time than would otherwise be possible, thus easing the financial impact of the illness or injury. The use of Catastrophic Leave may run concurrently with an eligible employee's Family Medical Leave entitlement.

I. Definitions

- A. Catastrophic illness or injury- a serious non-work-related health condition which incapacitates the employee, or their eligible family member, and which creates a financial hardship because the employee has exhausted their sick and vacation leave, as well as compensatory time off (CTO) if employed in a non-exempt position. A catastrophic illness or injury is defined as a serious illness, injury, impairment, or physical or mental condition that is present for a minimum of seven calendar days, and that involves:
1. A period of incapacity or treatment connected with inpatient care (e.g., an overnight stay) in a hospital, hospice, or residential medical care facility; or
 2. A period of incapacity requiring absence of more than seven calendar days from work, and that also involves continuing treatment by (or under the supervision of) a licensed health care provider; or
 3. A period of incapacity (or for treatment) due to a chronic serious health condition (e.g., asthma, diabetes, epilepsy, etc.); or
 4. A period of incapacity that is long-term due to a condition for which treatment may be ineffective (e.g., stroke, terminal disease, etc.); or
 5. An absence to receive multiple treatments (including any period of recovery therefrom) either for restorative surgery after an accident or other injury, or for a chronic condition such as cancer or kidney disease.
- B. Recipient- a UCSC employee is eligible to be a recipient of donated Catastrophic Leave if he/she:
1. is a staff or academic employee who is eligible to accrue and use vacation;
 2. is suffering from, or whose eligible family member is suffering from, a catastrophic illness or injury;
 3. has exhausted all accrued vacation and sick leave (and CTO if employed in a non-exempt position), or will do so before the return to work date;
 4. is on an approved leave of absence, **OR** is able to work, but their health care provider has prescribed multiple and/or on-going treatments for an eligible condition which will require periodic absences from work;
 5. is not presently receiving University disability benefits, or awaiting or receiving Worker's Compensation payments.

A recipient must apply to participate in the Catastrophic Leave Donation Program by the end of the month following the month in which either paid leave credits or disability benefits are exhausted or suspended. Exceptions to the deadline may be granted on a case-by-case basis, provided no disability benefits or Worker's Comp payments were received for the period in question. A request for an exception to the deadline must be received no later than one week following the employee's return to work.

An employee who has applied to receive Worker's Compensation benefits is not eligible to apply for Catastrophic Leave; however, that employee *may* apply if their claim is denied.

The recipient may remain anonymous for the purpose of advertising the leave bank if a written request is provided. The recipient's identity will be known, at the least, to those with a stringent need to know (e.g., the recipient's Service Team for time and attendance purposes, the supervisor and Unit Head, and the Benefits Office).

- C. Donor- A UCSC employee who is eligible to accrue and use vacation may request approval to participate as a donor of Catastrophic Leave. The donation of leave will be reviewed for compliance with the University Conflict of Interest Code and Catastrophic Leave Donation Program guidelines. (See Section II. J., K., and L.)
- D. Eligible family member – an eligible family member includes the employee's spouse, parent, child, sibling, grandparent, grandchild; in-laws and step-relatives in these relationships; and other persons residing in the employee's household for whom there is a personal obligation.

II. Policy and Restrictions

- A. The program is available on a campus-wide basis across all fund sources, divisions, and departments. Donated leave will be recorded on Payroll Timesheets in a manner that complies with Federal Cost Accounting standards, thereby allowing all fund sources to participate in the Catastrophic Leave Program (see Section IV, Responsibilities and Procedures).
- B. Catastrophic Leave, in combination with the recipient's own paid leave accruals (which must be exhausted first), may be used to continue University pay status for a recipient for up to six months, not to exceed the recipient's appointed percent of time worked. This provision is subject to availability of donations, as well as the following criteria regarding annual eligibility limits being observed:
 - 1. Within a calendar year, an eligible employee on a *leave of absence* may receive a maximum of eight weeks of pay via Catastrophic Leave at their appointed percent of time worked. The eight week period will include the utilization of the employee's own accruals that are earned while on pay status supported by Catastrophic Leave; such accruals shall be applied to pay status each month before Catastrophic Leave is applied.
 - 2. Within a calendar year, an eligible employee whose health allows a *partial or intermittent work schedule* may receive the equivalent of up to eight weeks of pay via Catastrophic Leave (at their appointed percent of time worked), provided that the employee's own accruals are applied to pay status each month before Catastrophic Leave is utilized.
- C. For the purpose of simplicity and record keeping auditing, accrued vacation credits shall be transferred hour for hour, regardless of differing pay rates.
- D. Only accrued vacation may be donated for use as Catastrophic Leave; neither sick leave nor compensatory time off may be donated.
- E. Donations must be made in whole hour increments, four hours minimum at any one time. Donations are irrevocable except that Catastrophic Leave that has not been applied to a specific pay period as of the recipient's last date of need will be returned to the donor.

- F. Donations may not drop the donor's vacation accrual base below 40 hours.
- G. Catastrophic leave donations will be processed on a first-received-first-applied basis, and will adjoin the recipient's last hour on pay status supported by their own leave accruals. Catastrophic Leave is credited to the recipient on a month-to-month pay period basis only. The recipient shall not return to work with an available Catastrophic Leave balance, unless the employee remains eligible to receive Catastrophic Leave to supplement a partial or intermittent work schedule.
- H. It is recommended that donations first be solicited from within the recipient's unit/division. If those donations do not satisfy the recipient's full eligibility for Catastrophic Leave, donations may then be solicited from the larger campus community, as approved by the recipient.
- I. In compliance with program policy, the Catastrophic Leave bank for a designated recipient will be closed according to one of the following criteria:
 - 1. the return to work date listed by the doctor on the employee's or family member's verification of illness or injury;
 - 2. the end of the approved leave of absence;
 - 3. the recipient has received the allowed maximum of eight weeks of Catastrophic Leave, not exceeding their appointed percent of time worked;
 - 4. if the recipient intends to initiate University disability benefits, the date as of which the Catastrophic Leave bank cannot maintain the recipient's appointed percent of time worked; or
 - 5. when it appears that no further leave donations are forthcoming.

The leave bank will also close upon the separation, medical separation, or death of the recipient; the death of the eligible family member for whom the recipient is providing care; or at any time upon request by the recipient.

- J. The identity of the donor must be held as confidential information and will not be made known to the recipient or anyone who does not have a need to know. The donor's identity will be known solely to Human Resources, the donor's Unit Head (and supervisor, if different), and the donor's Service Team staff. This provision is in compliance with the University Conflict of Interest Code, and to also avoid any semblance of pressure or coercion in the decision to donate Catastrophic Leave.
- K. The University Conflict of Interest Code prohibits the receipt of any gift, including donated leave, which is offered, or may appear to be offered, because of the University position held by the recipient who may have authority to make or influence decisions regarding the employment of the donor. Therefore, donors are restricted from giving Catastrophic Leave to their immediate supervisors, unit heads, or anyone in a position to make or influence a decision regarding the donor's employment (e.g., merit increase, performance evaluation, promotion, etc.). To ensure compliance with University policy, the Service Team will review the employment relationship between donor and recipient.
- L. A Designated Official requesting participation as a recipient must confer with the campus Conflict of Interest Coordinator to understand possible reporting requirements under the University Conflict of Interest Code.
- M. Catastrophic Leave donations are not tax deductible for the donor.
- N. Leave may not be donated from one campus to another.

III. Policy References

- Personnel Policies for Staff Members (includes Senior Management Group) 41; 43
- Academic Personnel Manual 710; 730
- UCOP Implementation Guidelines for Local Catastrophic Leave Sharing Programs; Delegation DA 2085, dated 6/12/97
(See <http://www.ucop.edu/ucophome/coordrev/da/da2085.html>)
- Accounting Manual P-196-13.IV, V
- University of California Conflict of Interest Code (see <http://planning.ucsc.edu/audit/> for both Conflict of Interest Code and list of Designated Officials)

IV. Responsibilities and Procedures

A. Recipient

In the event of severe injury or illness, a family member may act on the recipient's behalf.

1. Has exhausted, or will soon exhaust, all paid leave (sick, vacation, CTO), is not on any other University pay status, is not presently receiving University disability benefits, and is neither awaiting nor receiving Worker's Compensation payments.
2. Consults with their Service Team to be informed about the Catastrophic Leave Program's guidelines, eligibility criteria, etc.
3. Follows established campus and/or unit procedures for requesting approval from their supervisor for use of remaining paid leave or a leave of absence due to the catastrophic illness or injury.
4. Contacts the Benefits Office for consultation regarding coverage available through University disability benefits program.
5. Submits the [Catastrophic Leave Recipient Application Form](#), along with a doctor's verification of illness or injury, to Unit Head/Supervisor or Service Team, as directed.
6. Communicates to the Unit Head/Supervisor or Service Team whether they would like a [flyer](#) distributed to the unit or campus announcing the establishment of a Catastrophic Leave bank on their behalf so that vacation leave may be donated by eligible campus employees; **OR** whether they would like the need for donations of Catastrophic Leave to be made known by a less comprehensive means, e.g., by word-of-mouth, targeted email distribution, etc. Consults with the Service Team regarding wording of statement describing illness or injury to be used in advertising the Leave Bank.
7. Understands that, in any given pay period, vacation and sick leave hours accrued in the prior pay period will be applied to pay status before Catastrophic Leave will be applied.
8. Notifies the Unit Head/Supervisor or Service Team if any change of circumstances has altered or will alter the recipient's eligibility or Leave Bank as originally established.

B. Recipient's Unit Head/Supervisor

It is the Unit Head/Supervisor's responsibility to ensure that unit employees are aware of the availability of the Catastrophic Leave Donation Program.

1. Retains authority to approve the recipient's initial leave of absence, and to grant an extension of leave status, in conformance with applicable policies and guidelines.

2. Consults with Service Team regarding the Catastrophic Leave Donation Program and related considerations, such as: UC Family and Medical Leave, Personal Leave, payroll time reporting, etc.
3. Receives recipient's application and, in consultation with the Service Team, verifies that:
 - a) Recipient meets all eligibility criteria listed in Section I. Definitions, Item B;
 - b) All of the recipient's sick and vacation leave, and CTO if applicable, have been or soon will be exhausted; and
 - c) A doctor's verification of illness or injury is attached.
4. Signs and forwards recipient's application to the Service Team, with doctor's verification of illness or injury attached. Unit Head/Supervisor does not sign the application as an approval or denial, but as an acknowledgment of departmental responsibilities as outlined in the Catastrophic Leave Donation Program guidelines.
5. Inquires of the recipient (or ensures that Service Team will do so) how he/she would like the need for Catastrophic Leave to be communicated (see Section II, H.). The unit will pay the cost of distributing a flyer to the campus.
6. Notifies the Service Team immediately if she/he learns of any change of circumstances that will alter the recipient's eligibility or Leave Bank as originally established.
7. Ensures that all unit employees understand the need for confidentiality regarding the decision to donate or not to donate vacation leave.

C. Recipient Unit Service Team

1. Provides or coordinates consultation regarding the Catastrophic Leave Donation Program and related considerations, such as: recipient eligibility, payroll, benefits, disability benefits, UC Family and Medical Leave, Personal Leave, Conflict of Interest policy, etc.
2. If necessary, consults with Academic HR or the Benefits Office, regarding policy, procedures, or other issues related to the recipient's absence due to the catastrophic illness or injury. (**Please note:** special consultation with the Benefits Office may be required if an exempt employee, *who is not eligible for Family Medical Leave*, is requesting the use of *intermittent* Catastrophic Leave.)
3. Upon receipt of the [Cat Leave Recipient Application](#) service team will establish the Catastrophic Leave Bank utilizing the [Cat Leave Donation Flyer Sample](#), [Cat Leave Donor Roster](#), [Cat Leave Donor Form](#) and the [Cat Leave Service Team Worksheet](#).
4. Prepares and assures that a communication announcing the recipient's Catastrophic Leave Bank is distributed, beginning with an in-unit solicitation of donations. Obtains recipient's approval for wording to describe the recipient's need for Catastrophic Leave. If the in-unit solicitation for donations does not meet the recipient's need, issues a broader solicitation of donated leave (e.g., email list serve or campus flyer), if desired by the recipient.
5. Receives approved Donor Forms from Donor Unit Service Teams and processes forms on a first-received-first-applied basis.
6. Coordinates and monitors the Catastrophic Leave bank and ensures that the amount of applied Catastrophic Leave does not exceed the recipient's normal University pay status for each qualifying pay period, or exceed the program's total eligibility limits. In any given pay period, ensures that the recipient's vacation and sick leave credits accrued in the prior pay period are utilized before applying donated Catastrophic Leave.

7. On a monthly basis, records vacation hours *received* by donation to the recipient, and utilized that pay period, on the Payroll Timesheets as Vacation Leave Accrued (VLA). (Recording receipt of vacation hours in this manner will trigger the Financial Leave Accounting System to generate a charge [assessment] for the value of the vacation hours received. The charge will be applied against the account/fund where the vacation leave accrued was recorded on the Payroll Timesheets.)

When the recipient uses the donated vacation, records the hours used on the Payroll Timesheets as Vacation Leave Taken (VAC). (Recording the vacation hours used in this manner will trigger the Financial Leave Accounting System to generate a credit for the value of the vacation hours used. The credit will be applied to the same account/fund where the vacation leave taken was recorded on the Payroll Timesheets.)

Hours on pay status that are supported by Catastrophic Leave donations are to be entered as "REG" pay on Payroll Timesheets.

8. Annotates the recipient's Attendance, Leave Use & Accrual Record to note that Catastrophic Leave was received and used for that month.
9. Returns excess Donor Forms to Donor Unit Service Teams if the Catastrophic Leave bank has been closed and there is no further need for donated leave.
10. As soon as possible upon closing the leave bank, provides a confidential confirmation to each applicable Donor Unit Service Team regarding the number of hours donated by each of its donors.
11. Sends a copy of the final Donor Roster (for either an academic or staff recipient) to the Director of Staff Human Resources.
12. Investigates any breaches of confidentiality, or allegations of pressure or coercion in the solicitation of donations for the leave credit bank, and consults with Academic or Staff HR regarding appropriate action.

D. Donor

1. Contacts Donor Unit Service Team for advice and consultation, and to obtain a [Cat Leave Donor Form](#).
2. Completes Donor Form and submits to Donor Unit Head/Supervisor for signature. May donate leave to a recipient on successive occasions with Unit Head/Supervisor approval, as long as the donor's accrual base remains above 40 hours.]

E. Donor's Unit Head/Supervisor

The Unit Head/Supervisor will support the dissemination of communications advertising the existence of a Catastrophic Leave bank. The Unit Head will deny a request to donate leave credits if the donation would drop the donor's accrual base to less than 40 hours.

1. Receives, signs, and forwards donation form to Service Team.
2. Ensures confidentiality and anonymity of donor in order to avoid any semblance of pressure or coercion in the decision to donate Catastrophic Leave, and to comply with UC Conflict of Interest policy.

F. Donor Unit Service Team

1. Supports campus efforts to advertise Catastrophic Leave banks, e.g., by forwarding email announcements to list serves for units supported by the Service Team.
2. Upon receipt of approved Donor Form, verifies the availability of vacation leave. Ensures that the donation will not drop the donor's accrual base to less than 40 hours.
3. Once verification is received that the donated hours have been applied to a leave bank:
 - a) deducts the donated vacation from the donor's accrual base on the Attendance, Leave Use & Accrual Record, and annotates the record to show that the vacation time was donated to the Catastrophic Leave Program;
 - b) records donated vacation leave as Vacation Leave Taken (VAC) on the Payroll Timesheet. Recording donated vacation hours in this manner will trigger the Financial Leave Accounting System to generate a credit for the value of the vacation hours donated. The credit will be applied to the same account/fund where the vacation leave taken was recorded on the Payroll Timesheets.
4. Notifies donor if her/his Donor Form is returned due to closure of a leave bank.
5. Retains a copy of the approved Donor Form in a separate and confidential file.

G. Academic or SHR Service Team Representative

Provides consultation regarding the Catastrophic Leave Program and related considerations, such as: UC Family and Medical Leave, personal leaves of absence, breach of confidentiality, etc.