

**ARIZONA DEPARTMENT OF CORRECTIONS
DIRECTOR'S OFFICE**

MEMORANDUM

TO: Distribution

FROM: Charles L. Ryan, Director

DATE: June 8, 2010

SUBJECT: Director's Instruction # 289, Management Directed Payment of Annual Leave to Non-Separating Employee(s).

This Director's Instruction is effective immediately and will remain in effect until incorporated into Department Order #512, Employee Pay, Work Hours, Compensation and Leave.

PURPOSE

Subject to funding availability agency management may initiate the payment of a portion of an employee's accumulated and unused annual leave. This policy provides written standards and procedures that provide for equal consideration of all similarly situated employees.

APPLICABILITY

This Director's Instruction applies to all Arizona Department of Corrections employees, whether covered or uncovered, who are eligible to accrue and use annual leave.

POLICY

Any annual leave hours approved for payment will be paid at the employee's current rate of pay. The payment, if approved, will be paid on the next regular payroll cycle.

Donated annual leave received from other employees shall not be paid out under this policy. Donated annual leave must be used or, if the recipient employee recovers before using all the leave, or the need for the leave is otherwise abated, the unused donated leave shall be returned to the donating employee(s).

An employee who receives payment for annual leave may not "buy back" the leave at a later date for the purpose of restoring the annual leave hours to the employee's leave balance.

REQUIREMENTS

- 1.1 Similarly situated employees shall be provided equal consideration.
- 1.2 When agency management initiates the payment of annual leave to an employee:
 - 1.2.1 Payment of annual leave may be made at any time, with notice to the employee.
 - 1.2.2 If the payment would result in reducing the employee's annual leave balance below 240 hours for covered employees and 320 hours for uncovered employees, the employee's concurrence is required.

PROCEDURES

- 1.1 The ADC Budget Manager determines if sufficient funding is available to pay annual leave balances for all similarly situated employees with the same or similar annual leave balances and forwards the request to the Director for approval. The request is in spreadsheet format containing the Employee's name, EIN, covered/uncovered designation, position title, work location, number of hours of accrued annual leave, and number of annual leave hours for which payment is requested of all employees for whom payment is requested. A letter of justification will accompany the spreadsheet.
- 1.2 The Director reviews the request and indicates approval or disapproval. If approved by the Director, the request is forwarded to the Director, ADOA.
- 1.3 The ADOA Director will approve or deny the request and return the request to ADC for processing.
- 1.4 ADC will notify the employees for whom payment has been approved and forward the request to ADC Payroll.
- 1.5 ADC Payroll ensures all used annual leave has been deducted from each employee's annual leave balance, ensures the number of hours of annual leave payment requested includes only accumulated and unused leave, and processes the payment request.
- 1.6 ADC Payroll retains the original documentation and provides written notice to all impacted employees.

OTHER

Payments of annual leave are taxable as income.

Payments of annual leave are subject to retirement contributions as follows:

- Members of the Arizona State Retirement System (ASRS): Contributions are withheld.
- Members of the Public Safety Personnel Retirement System (PSPRS): Contributions are not withheld.

DEFINITIONS

DEPARTMENT - Arizona Department of Corrections.

DIRECTOR - The Director of the Arizona Department of Corrections.

DIRECTOR, ADOA – The Director of the Arizona Department of Administration

NON-SEPARATING EMPLOYEE - The employee has no immediate plans to separate employment from Arizona state government.

SIMILARLY SITUATED EMPLOYEES - Employees who perform the same or similar work and occupy positions with the same or similar duties and responsibilities and/or work within the same section/unit or geographical location and who have the same or similar annual leave balances.

AUTHORITY

Arizona Revised Statutes (A.R.S.) §§ 41-761 and 41-763
ADOA Personnel Rule R2-5-403, Annual Leave
Uncovered Employees – Annual and Sick Leave Policy

{Original Signature on File}