Background

• Required employee contribution of 3% to retirement as of 7/1/2011

• President wants to provide 3% across-the-board increase to lessen the impact of this requirement

• Budget reduction for UF – need funding for the 3%

• Proposed changes in sick and vacation leave benefits
Current Structure

- 12-month faculty accrue vacation and sick leave; 9 and 10-month faculty only accrue sick leave
- Vacation – Accrue 4 ½ weeks per year, maximum per year 480 hours, payment at 352 hours
- Sick – Accrue 2 ½ weeks per year, no maximum per year, payment up to ¼ of 1,920 hours (480 hours)
- Faculty and staff hired after 4/1/2010 not eligible for payment of unused sick leave.
Other Information

• Sick leave intended to be used if needed for you or family

• Not intended to be a retirement plan

• Very few AAU peers pay for unused sick

• Reasonable exchange for salary increase
Leave Change Proposals

Option 1

• All faculty paying 3% retirement contribution receive a 3% salary increase in January 2012

• Eliminate payment of unused sick leave*

*Faculty who formally retire by June 30, 2016, would keep current leave structure and any eligible payment of unused sick leave

*Faculty enrolled in DROP who retire by June 30, 2016, would keep current leave structure
Leave Change Proposals

Option 1 (continued)

• Keep vacation accrual rate the same - 4 ½ weeks per year

• Reduce payment for unused vacation hours to 200 hours (staff changed in September 2011)

• Reduce maximum annual accrual to 352 hours
Leave Change Proposals

Option 2

• Allow faculty paying 3% retirement contribution to choose between 3% salary increase and current leave structure.

Yes for 3% salary increase:

- Vacation payout reduced to 200 hours
- Vacation annual maximum reduced to 352 hours
- Sick leave payment eliminated
Leave Change Proposals

Option 2 (continued)

No for 3% salary increase:

- No change in sick or vacation leave payments
- No change in maximum accrual of vacation
- Faculty enrolled in DROP who retire by June 30, 2016, would keep current leave structure
Example

Faculty earning $50,000
3% equals $1,500
Over 7 years $10,500 (not including other increases)
Average sick leave payment at 280 hours - $6,704
Questions/Comments?
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