

## ISSUE SEVEN

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3 **What shall be the Terminal Pay benefits for eligible employees that have unused accumulated sick leave upon retirement?**  
4 **(Terminal Pay - Article XIII – for both Teachers and Paraprofessionals)**

### The Special Magistrate’s Recommendation

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8 *“The District’s proposal has little or no effect on this current fiscal year as it does not become effective until the end of the*  
9 *year. It is designed to ease long term liability. Given, too, that the District does not link up this proposal with its financial package, the*  
10 *benefit and contractual language are in line with comparable school districts, and the benefit is otherwise significant for retirees on a*  
11 *reduced income, the Special Magistrate recommends the parties revert back to the contractual language and benefit prior to the*  
12 *District imposing this reduced benefit.”*  
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14 **MEA Position: Accept the Special Magistrate’s Recommendation to revert back to contractual language and benefit prior to the**  
15 **District imposing the reduced benefits of Article XIII of the CBA**

### “ARTICLE XIII - TERMINAL PAY

#### Section 1 - Early Retirement

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19 **I. Benefits Upon Early Retirement:** *Each full time employee of the bargaining unit shall be eligible for terminal pay at early*  
20 *retirement if the employee is eligible for retirement benefits at the time of separation, and has applied for retirement in*  
21 *accordance with the following formula:*  
22 *a. During the first three (3) years of service in Manatee County, the daily rate of pay multiplied by 35 percent time the*  
23 *number of days of sick leave accumulated in Manatee County.*  
24 *b. During the next three (3) years of service in Manatee County, the daily rate of pay multiplied by 40 percent time the*  
25 *number of days of sick leave accumulated in Manatee County.*  
26 *c. During the next three (3) years of service in Manatee County, the daily rate of pay multiplies by 45 percent times the*  
27 *number of days of sick leave accumulated in Manatee County.*  
28 *d. During and after the tenth (10th) year of service in Manatee County, the daily rate of pay multiplied by 50 percent*  
29 *times the number of days sick leave accumulated in Manatee County.*  
30 *e. No teacher shall take a reduction in benefits over the administrative practice which was in effect prior to*  
31 *implementation of this provision.*  
32 *f. Early retirement is defined as retirement in which the employee is eligible to receive and has applied for retirement*

benefits from the Florida Retirement System, but does not meet the requirements for normal retirement.

**Section 2 - Normal Retirement**

**1. Benefits Upon Normal Retirement:** Each full time employee of the bargaining unit shall be eligible for terminal pay at normal retirement if the employee is eligible for normal retirement benefits at the time of separation, and has applied for retirement in accordance with the following formula:

- a. During the first three (3) years of service in Manatee County, the daily rate of pay multiplied by 35 percent time the number of days of sick leave accumulated in Manatee County.
- b. During the next three (3) years of service in Manatee County, the daily rate of pay multiplied by 40 percent time the number days of sick leave accumulated in Manatee County.
- c. During the next three (3) years of service to the date upon which credit is received for the 10th year of service in Manatee County, the daily rate of pay multiplied by 45 percent times the number of day of sick leave accumulated in Manatee County.
- d. Upon receiving credit for the 10th year of service and to the date on which the teacher receives credit for the 15th year of service in Manatee County, the daily rate of pay multiplied by 50 percent time the number of days of sick leave accumulated in Manatee County.
- e. Upon receiving credit for the 15th year of service and to the date on which the teacher receives credit for the 20th year of service in Manatee County, the daily rate of pay multiplied by 60 percent times the number days of sick leave accumulated in Manatee County.
- f. Upon receiving credit for the 20th year of service and to the date on which the teacher receives credit for the 25th year of service in Manatee County, the daily rate of pay multiplied by 75 percent times the number of days of sick leave accumulated in Manatee County.
- g. Upon receiving credit for the 25th year of service in Manatee County and thereafter, the daily rate of pay multiplied by 100 percent times the number of days of sick leave accumulated in Manatee County.
- h. If service is terminated by death, payment shall be made to the employee's beneficiary according to the formula in "B", regardless of the employee's retirement status.
- i. "Normal retirement" shall be defined as: (1) having 10 years of creditable service in the Florida Retirement System and being 62 years of age, or (2) having 30 years of creditable service in the Florida Retirement System."

**MEA Rationale:** The District's imposed language will require additional manpower, workload, accounting and reporting procedures to ensure that the complicated process is accurately managed over time. In addition the proposed changes are confusing and will require, at the least, an annual report for employees on the status of leave accumulated, leave used, what day was used for leave and the rate of pay for each remaining accumulated day from July 1, 2011. It is MEA's belief that the additional staff needed to

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1 manage the District's proposal will be more expensive over the long haul than retaining the current language. The recent errors and  
2 non-compliance with contractual benefits resulting in a grievance give employees no expectation that this imposed language will be  
3 managed appropriately.

4 The Superintendent has stated that this proposal is intended to have the bargaining unit members be consistent with  
5 the other employees. MEA sees no rationale for such consistency, particularly when many of the non-bargaining unit employees do  
6 not require a substitute when absent, have much more flexibility within their schedule and have annual leave that is available for  
7 use- even during student days- and are eligible for payments for unused accumulated annual leave upon termination of  
8 employment. The Board imposed prospective change began July, 1, 2011. It has little or no impact on the current budget and the  
9 added process to verify that the employee is receiving the correct amount of terminal pay in the future is expected to cost more  
10 than any savings that may occur over time. The question on employees' minds is how much will be expended to create the system  
11 and put in place the infrastructure to track each employee's accumulation of each day of sick leave, use of each day of sick leave, the  
12 accounting and reporting of days accumulated and used through the end of each year, the accounting and reporting of days earned,  
13 days used and the rate of pay for each day/ for each year of employment/ for each employee until retirement? The track record of  
14 the payroll department is full of errors related to computing summer pay and the beginning of the year leave process. This includes  
15 a grievance filed when the contractual paid sick leave provisions were ignored by the payroll department causing bargaining unit  
16 members to inappropriately lose pay. Responses from the district to recent MEA requests for data about sick leave accrued and  
17 taken last year include that it may take a week to retrieve the data and may require extensive work time by staff.

18 In her recommendation regarding Terminal Pay, just a few short months ago, Special Magistrate Marsha Murphy wrote,

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20 *"The parties have had a long standing and bargained for agreement that accrued sick leave be paid upon*  
21 *retirement. The parties have come to impasse over whether the present practice of paying 100% of accrued sick*  
22 *leave after 25 years of service should be changed so that the District only pays a maximum of 50% of accrued sick*  
23 *leave at retirement.*

24 *The Association's evidence about comparable School Districts was most persuasive. The Association's comparable*  
25 *data showed that the counties of Clay, Escambia, Lake, Marion, Osceola, and St. Lucie pay 100% of accrued sick leave*  
26 *after years of service. Pinellas County pays 100% of accrued sick leave after 30 years of service and 90 % after 25*  
27 *years service. Even the District's own evidence demonstrated that surrounding counties had more generous terminal*  
28 *pay plans that the one proposed by the District.*

29 *For the reasons stated above the Special Magistrate recommends that the parties retain the present language of*  
30 *Article 16 XIII of the CBA."*

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1 All comparable districts have the same or similar language as the contract language that existed prior to last year's  
2 imposition. Some have actually added additional provisions to incent employees to not use accumulated sick leave while retaining  
3 the Terminal Pay language patterned after the permissive language contained within Florida Statutes Chapter 1012.61. Terminal Pay  
4 exists merely to assist long term employees as they adjust to retirement as income becomes less than half of the salary when  
5 working and the retiree is required to pay additional health insurance costs, at least until eligible for Medicare. For the 2009-10 year,  
6 the 134 teachers that received terminal pay were employed by the district an average of 28 years and were paid for an average of 35  
7 days with an average payment of \$11,168. This means that they accumulated 1.25 unused sick leave days per year over their long  
8 careers. Seventeen (17) Paraprofessionals received terminal pay and were employed by the district an average of 25 years and were  
9 paid an average of 30 days with an average payment of \$3,458. Paraprofessionals accumulated 1.22 days per year over their career.  
10 Data for the 2010-11 year demonstrates that the average payment for Terminal Pay was approximately \$9,600 for teachers and  
11 about \$2,800 for Paraprofessionals. The average Terminal Pay for bargaining unit employees is less than the cost per employee of  
12 the recently proposed "On Time Retirement" incentive program.

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14 **MEA urges the Legislative Body to accept the Special Magistrate's Recommendation and revert back to the language prior**  
15 **to the District's imposing the modifications in the Terminal Pay language within the collective bargaining agreement.**