

1 **ISSUE # 8 – Terminal Pay**

2 8. Article XIII – Terminal Pay (for both Teachers and Paraprofessionals

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4 *What shall be the Terminal Pay benefits for eligible employees that have unused*
5 *accumulated sick leave upon retirement?*

6 **MEA Position:** MEA seeks to return the Terminal Pay benefits for payment upon retirement for unused
7 accumulated sick leave to the language prior to the imposition of June 7, 2011. The imposed language is
8 complicated, difficult for employees to track and significantly reduces the benefit of retaining sick leave
9 days. The impact of the imposed language is that accumulated days will have half the value of prior
10 years earned but unused days upon retirement. In addition, all unused days after July 1, 2011 are to be
11 paid based on the salary of the day earned rather than the salary at retirement.

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13 **MEA Proposal:**

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15 **ARTICLE XIII-TERMINAL PAY**

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17 **Section 1 - Early Retirement Terminal Sick Leave Benefit**

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19 1. Benefits Upon Early Retirement: Each full time employee of the bargaining unit shall be
20 eligible for terminal pay at early retirement if the employee is eligible for retirement benefits
21 at the time of separation, and has applied for retirement in accordance with the following
22 formula:

23
24 a. During the first three (3) years of service in Manatee County, the daily rate of pay
25 multiplied by 35 percent time the number of days of sick leave accumulated in Manatee
26 County.

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28 b. During the next three (3) years of service in Manatee County, the daily rate of pay
29 multiplied by 40 percent time the number of days of sick leave accumulated in Manatee
30 County.

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32 c. During the next three (3) years of service in Manatee County, the daily rate of pay
33 multiplies by 45 percent times the number of days of sick leave accumulated in Manatee
34 County.

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36 d. During and after the tenth (10th) year of service in Manatee County, the daily rate of pay
37 multiplied by 50 percent times the number of days sick leave accumulated in Manatee
38 County.

- 1 e. No teacher shall take a reduction in benefits over the administrative practice which was in
2 effect prior to implementation of this provision.
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- 4 f. Early retirement is defined as retirement in which the employee is eligible to receive and
5 has applied for retirement benefits from the Florida Retirement System, but does not
6 meet the requirements for normal retirement.
7 1. ~~The terminal sick leave benefit shall be provided in a manner consistent with Florida~~
8 ~~Statutes for all teachers in the bargaining unit.~~
9 2. ~~Under the FRS defined benefit plan, normal retirement is defined as the attainment of age~~
10 ~~62 with a minimum of six years of service or obtaining a total of 30 years of service in~~
11 ~~the FRS regardless of age attained.~~
12 3. ~~Under the FRS defined contribution plan, for terminal pay purposes, normal retirement is~~
13 ~~defined as the attainment of age 55 with six years of service or obtaining of 25 years of~~
14 ~~service in the FRS regardless of age.~~
15 4. ~~For terminal pay purposes, early retirement is defined as retirement from the FRS any~~
16 ~~time earlier than the time specified above, after obtaining six years of service in the FRS.~~
17 5. ~~If a retiree who has previously received terminal pay benefits returns to active~~
18 ~~employment, they are not eligible for additional terminal pay benefits.~~
19 6. ~~General provisions: Only those sick days earned during employment with Manatee~~
20 ~~County School Board shall be used to calculate terminal pay benefits.~~
21 a. ~~For teachers, the order of use for sick days shall be earliest earned will be used first~~
22 ~~(First In First Out) except for days earned as of June 30, 2011. The days earned as of~~
23 ~~June 30, 2011, shall be the last sick days used.~~
24 b. ~~For teachers, the daily rate for payment of terminal pay for those days earned as of~~
25 ~~June 30, 2011, shall be the daily rate at the time of the employees' retirement.~~
26 c. ~~For teachers, the daily rate to be used for terminal pay purpose for those days earned~~
27 ~~after June 30, 2011, shall be the daily rate as of June 30 for the year the days were~~
28 ~~earned.~~
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31 Section 2 - Normal Retirement

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- 33 ~~1. 1. Benefits Upon Normal Retirement for Sick Leave Days Earned Before July 1, 2011:~~
34 Each full time employee of the bargaining unit shall be eligible for terminal pay at normal
35 retirement if the employee is eligible for normal retirement benefits at the time of separation,
36 and has applied for retirement in accordance with the following formula:

37 ~~Employees paid under the teacher salary schedules hired before July 1, 2011, shall be eligible for~~
38 ~~terminal sick pay benefits at the time of their retirement from Manatee County School Board, if~~
39 ~~they elect to take normal retirement as defined above. Benefits will be paid in accordance with~~
40 ~~the following formula for days earned prior to July 1, 2011:~~

- 41 a. During the first three (3) years of service in Manatee County, the daily rate of pay
42 multiplied by 35 percent time the number of days of sick leave accumulated in Manatee
43 County.
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- 45 b. During the next three (3) years of service in Manatee County, the daily rate of pay
46 multiplied by 40 percent time the number days of sick leave accumulated in Manatee
47 County.

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- 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 accumulate 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.
- ~~a. From zero (0) year to the completion of the third (3) year of service in Manatee County, the daily rate of pay multiplied by thirty five percent (35%) times the number of days of sick leave accumulated.~~
- ~~b. Beginning year four (4) to the completion of year six (6), the daily rate of pay multiplied by forty percent (40%) times the number of days of sick leave accumulated.~~
- ~~c. Beginning year seven (7) to the completion of year ten (10), the daily rate of pay multiplied by forty five percent (45%) times the number of days of sick leave accumulated.~~
- ~~d. Beginning year 11 through completion of year 15, the daily rate of pay multiplied by fifty percent (50%) times the number of days of sick leave accumulated.~~
- ~~e. Beginning year 16 through completion of year 20, the daily rate of pay multiplied by sixty percent (60%) times the number of days of sick leave accumulated.~~

- 1 ~~f. Beginning year 21 through completion of year 25, the daily rate of pay multiplied by~~
2 ~~seventy five percent (75%) times the number of days of sick leave accumulated.~~
3 ~~g. Beginning year 26 and thereafter, the daily rate of pay multiplied by one hundred percent~~
4 ~~(100%) times the number of days of sick leave accumulated.~~

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6 ~~2. Benefits Upon Normal Retirement for Sick Leave Days Earned on/or After July 1, 2011:~~

7 ~~Benefits payable under normal retirement for sick days accrued on/or after July 1, 2011, for~~
8 ~~employees paid under the teacher salary schedules shall be paid in accordance with the~~
9 ~~following formula:~~

- 10 ~~a. From zero (0) year to the completion of the third year of service in Manatee County, the~~
11 ~~daily rate of pay multiplied by zero percent (0%) times the number of days of sick leave~~
12 ~~accumulated.~~
13 ~~b. Beginning year four (4) to the completion of year six (6), the daily rate of pay multiplied~~
14 ~~by zero percent (0%) times the number of days of sick leave accumulated.~~
15 ~~c. Beginning year seven (7) to the completion of year ten (10), the daily rate of pay~~
16 ~~multiplied by thirty percent (30%) times the number of days of sick leave accumulated.~~
17 ~~d. Beginning year 11 through completion of year 15, the daily rate of pay multiplied by~~
18 ~~thirty five percent (35%) times the number of days of sick leave accumulated.~~
19 ~~e. Beginning year 16 through completion of year 20, the daily rate of pay multiplied by~~
20 ~~forty percent (40%) times the number of days of sick leave accumulated.~~
21 ~~f. Beginning year 21 through completion of year 25, the daily rate of pay multiplied by~~
22 ~~forty five percent (45%) times the number of days of sick leave accumulated.~~
23 ~~g. Beginning year 26 and thereafter, the daily rate of pay multiplied by fifty percent (50%)~~
24 ~~times the number of days of sick leave accumulated.~~

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26 ~~Section 3 — Early Retirement~~

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28 ~~1. Benefits Upon Early Retirement for Sick Leave Days Earned Before July 1, 2011:~~

29 ~~Employees paid under the teacher salary schedules shall be eligible for terminal sick pay benefits~~
30 ~~at the time of their retirement from Manatee County School Board, if they elect to take early~~
31 ~~retirement as defined above. Benefits will be paid in accordance with the following formula for~~
32 ~~days earned prior to July 1, 2011:~~

- 33 ~~a. From zero (0) year to the completion of the third (3) year of service in Manatee County,~~
34 ~~the daily rate of pay multiplied by thirty five percent (35%) times the number of days of~~
35 ~~sick leave accumulated.~~
36 ~~b. Beginning year four (4) to the completion of year six (6), the daily rate of pay multiplied~~
37 ~~by forty percent (40%) times the number of days of sick leave accumulated.~~
38 ~~c. Beginning year seven (7) to the completion of year ten (10), the daily rate of pay~~
39 ~~multiplied by forty five percent (45%) times the number of days of sick leave~~
40 ~~accumulated.~~
41 ~~d. Beginning year eleven (11), and thereafter, the daily rate of pay multiplied by fifty~~
42 ~~percent (50%) times the number of days of sick leave accumulated.~~

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~~2. Benefits Upon Early Retirement for Sick Leave Days Earned on/or After July 1, 2011:~~

~~Benefits payable upon early retirement for employees paid under the teacher salary schedules shall be paid in accordance with the following formula for sick leave days accrued by all teachers on/or after July 1, 2011:~~

- ~~a. From zero (0) year to the completion of the third (3) year of service in Manatee County, the daily rate of pay multiplied by zero percent (0%) times the number of days of sick leave accumulated.~~
- ~~b. Beginning year four (4) to completion of year six (6), the daily rate of pay multiplied by zero percent (0%) times the number of days of sick leave accumulated.~~
- ~~c. Beginning year seven (7) to completion of year ten (10), the daily rate of pay multiplied by thirty percent (30%) times the number of days of sick leave accumulated.~~
- ~~d. Beginning year eleven (11), and thereafter, the daily rate of pay multiplied by thirty five percent (35%) times the number of days of sick leave accumulated.~~

Section ~~3~~ 4- Death Benefit

If service is terminated by death, payment shall be made to the employee's beneficiary in the manner outlined in the provisions for normal retirement regardless of the employee's status.

Section ~~4~~ 5- Requirements and Limitations

Notwithstanding the above prescribed requirements and limitations, no teacher shall receive terminal pay or accumulate sick leave in excess of the limits prescribed in Florida Statutes.

Section ~~5~~ 6- General Provisions

1. Use of Accumulated Leave from Other Florida Retirement System Employers:

Only Manatee County School Board accumulated sick leave shall be used to calculate terminal pay benefits. However, when calculating the number of Manatee County accumulated days remaining upon retirement, the following formula shall be used:

- a. Determine the number of days accrued from another Florida Retirement System employer.
- b. Subtract one-half (1/2) of the sick leave used during the time of employment.
- c. If the total is 0 or less, then all of the ending sick leave days are eligible for Terminal Sick Leave pay.
- d. If the total is greater than 0, subtract this total from the ending sick leave balance to arrive at a revised number of sick leave days that are eligible for Terminal Sick Leave pay.

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2 2. A year of service in Manatee County is defined as 1/2 the number of workdays in a year plus
3 1.
4 3. Full time Employee: An employee in a regularly established position of 20 hours or more per
5 week.
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7 **MEA Rationale:** the District imposed the modifications to the Terminal Pay language stating the District
8 must reduce the long term liability and that the District has the capability to track and report to
9 employees the complex methodology described within the imposed language simply by "flipping a
10 switch." Since the June Legislative Body Hearing, there have been a number of payroll tracking,
11 reporting and payment issues that have diminished employees' and MEA's trust that the complex model
12 can be successfully implemented. Over the summer of 2011, a number of employees were not paid for
13 work in a timely and accurate manner. At the beginning of the year, employees were inappropriately
14 docked pay for sick leave and the reporting to employees was complicated and misleading. This issue
15 has not yet been resolved. MEA does not believe that the District can successfully implement the
16 imposed plan and seeks to return to the previous language. There is no impact on the 2011-12 budget to
17 revert to the prior language at this time. The average payment for a teacher in terminal pay for 2009-12
18 was \$11,400 after twenty-eight (28) years of service and \$3,400 for paraprofessionals with twenty-five
19 (25) years of service (Union Exhibit 8A). This amount will not pay for the cost of continuing health
20 insurance benefits for the second half of the year for retirees ending their career at the end of the
21 school year in June.

22 All comparable districts have the same, or very similar, language as the current contract
23 language or language similar to the MEA proposal. Some have actually added additional provisions to
24 incent employees to not use accumulated sick leave while retaining the Terminal Pay language
25 patterned after the permissive language contained within Florida Statutes Chapter 1012.61 (Union
26 Exhibit 8B). Each of these districts reports the long term liability of Terminal Pay with Manatee being in
27 the middle of the comparable size group (Union Exhibit 8C).

28 In her recommendation of April 25, 2011 (SM 2011 006), just a few short months ago, Special
29 Magistrate Marsha Murphy wrote, *"The parties have had a long standing and bargained for agreement
30 that accrued sick leave be paid upon retirement. The parties have come to impasse over whether the
31 present practice of paying 100% of accrued sick leave after 25 years of service should be changed so that
32 the District only pays a maximum of 50% of accrued sick leave at retirement.*

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

39 *For the reasons stated above the Special Magistrate recommends that the parties retain the
40 present language of Article 16 XIII of the CBA."*
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Terminal Pay Data for 2009-10

Terminal Pay 2009-10	# of Employees	Total Terminal Pay 2009-10	Average Years of FRS Service	Average days paid	Average Terminal Pay/EE	Days paid per year of service
Teachers	133	\$ 1,485,326.16	28.09	35.02	\$ 11,167.87	1.25
Paras	17	\$ 58,786.62	25.24	30.82	\$ 3,458.04	1.22

MEA Terminal Pay Comparable Data
SM 2011 091

District	2008-09 Reported
Escambia	\$ 40,331,134
Sarasota	\$ 36,286,887
Marion	\$ 31,634,401
Collier	\$ 25,957,706
Manatee	\$ 25,021,298
Lake	\$ 18,058,834
Osceola	\$ 14,774,116
St. Lucie	\$ 9,383,428

Data from each District's Annual Financial Report

Collier

12.03

Terminal Pay: Terminal pay will be paid to an EMPLOYEE (or to his beneficiary if service is terminated by death) in accordance with the following conditions:

a. Any EMPLOYEE shall be eligible to receive his/her daily rate of pay at the time of termination, and/or normal or disability retirement in accordance with the following table:

- During the first 3 years of service with the School District of Collier County as defined in 12.016 (hereinafter "service" for purpose of this section), the daily rate of pay multiplied by 35 percent times the number of days of accumulated sick leave.
- During the next 3 years of service, the daily rate of pay multiplied by 40 percent times the number of days of accumulated sick leave.
- During the next 3 years of service, the daily rate of pay multiplied by 45 percent times the number of days of accumulated sick leave.
- During the next 3 years of service, the daily rate of pay multiplied by 50 percent times the number of days of accumulated sick leave.
- During and after the 13th year of service, the daily rate of pay multiplied by 100 percent times the number of days of accumulated sick leave.

12.031 Terminal pay will not be paid for sick leave days transferred into Collier County from another school district. However, sick leave will be charged against transferred sick leave days prior to the charge of sick leave against days earned in Collier County.

12.032 Payment of terminal pay will be made by the district within thirty (30) calendar days following the EMPLOYEE's retirement or termination date. Said payment shall be deposited in a deferred compensation account in accordance with BOARD policy.

12.033 Once terminal pay has been calculated and paid, the EMPLOYEE will have no remaining balance in his sick leave account.

12.034 Terminal pay shall be reduced by 25% for any EMPLOYEE who gives less than 30 calendar days notice prior to retirement or termination. The SUPERINTENDENT may waive this provision in case of an emergency. Terminal pay will not be paid to any EMPLOYEE who is terminated for sexual molestation of students or selling controlled substances to students provided all due process rights have been afforded the EMPLOYEE.

12.035 Transfer of unused sick leave days pursuant to Florida Statutes, Chapter 231, may be initiated at anytime after retirement or termination.

12.036 In calculating terminal pay, the collective bargaining agreement in effect on the EMPLOYEE's last day of work or paid leave, excluding summer school, will be used to determine the appropriate payoff.

12.04 College Credit Reimbursement: Subject to prior approval of the SUPERINTENDENT's Office, the BOARD will reimburse each EMPLOYEE the actual amount of tuition paid, not to exceed the resident tuition rate established by the Florida State Board of Regents as of September 1, for any courses taken during the succeeding 12 months for each approved graduate or undergraduate semester hour taken. Undergraduate hours shall not be limited when taken by EMPLOYEES in order to attain certification in an area to which they have been assigned out of field.

12.041 Area(s) included are:

- a. Subject area(s) included in the EMPLOYEE's area of assignment or courses specifically related to topics within the district-approved curriculum for said EMPLOYEE, or courses in additional areas of certification as approved by the SUPERINTENDENT including educational leadership.
- b. Courses in curriculum as applicable to the EMPLOYEE's area of assignment.