

Sick Leave Direct Donations

Individual employees may voluntarily donate sick leave hours to another employee as authorized by House Bill 1771. A sick leave donation to another employee should not be confused with a donation of hours to the sick leave pool.

This leave benefit is another option to assist those who have exhausted their available sick leave to remain in a paid leave status and allow them time off to recover from an illness or injury. Employees may also use donated sick leave to care for eligible family members.

General Information

Employees may use donated hours for several reasons, including

- 1) during the 160-hour waiting period for sick leave pool purposes,
- 2) after the employee has exhausted his or her pool benefit, and
- 3) for less catastrophic conditions which do not rise to the level of the need for sick leave pool hours.

Donated sick leave will be used in accordance with sick leave regulations, with the exception that donated hours cannot be used for retirement credit. An employee may not provide or receive remuneration or a gift in exchange for a donation.

Sick leave donations will be processed using these forms:

- [Sick Leave Direct Donation – Donor Form](#)
- [Sick Leave Direct Donation – Recipient Form](#)

Sick leave donations will be considered a taxable event to the donor unless the situation qualifies as a medical emergency pursuant to IRS guidelines. For sick leave donation purposes, a medical emergency is defined as “a major illness or other medical condition that requires a prolonged absence from work (40 hours), including intermittent absences that are related to the same illness or condition”. Donations not qualified as medical emergencies will have the cash value of the donated sick leave included in gross income of the donor and will be treated as wages for employment tax purposes. Such wages will be considered a lump-sum payment and subject to 25% income tax, Medicare, and applicable social security withholdings. Individuals donating are encouraged to consult a tax advisor.

Sick Leave Donors

- Employees who wish to donate sick leave to another employee will complete the Sick Leave Direct Donation – Donor Form and submit it to Human Resources.
- An employee is not required to be in a leave-accruing position at the time a donation is made but will need to have sufficient hours to cover the donation.



- A donor may donate any amount of his or her available sick leave accruals to an eligible recipient.
- **IMPORTANT:** Tax implications - in accordance with Internal Revenue Service policy, unless a medical emergency applies the cash value of donated sick leave is includable in your (the donor's) gross income and will be treated as wages for employment tax purposes with such wages being considered a lump-sum payment subject to 25% income tax, Medicare, and applicable social security withholdings.
- **NOTE:** Once sick leave is donated it will no longer be your property and may not be returned to the donor if the recipient is unable to use the donated sick leave. Donated sick leave may not be paid to the Estate, donated to sick leave pool or transferred to another employee.

Sick Leave Recipients

Employees may receive hours if they:

- are in the same agency as the donor;
- have exhausted all of their sick leave accruals;
- have exhausted any previously donated hours they received; and
- have exhausted the full allocation of hours from the sick leave pool.

Eligibility to Receive Sick Leave Donation

Can You Have a Vacation Leave Balance?	Can You Have a Sick Leave Balance?	Can You Have a Sick Leave Pool Balance?	Can You Have a Donated Sick Leave Balance?	Do You Need to Be out More Than 160 Hours?
Yes	No	Maybe	No	No

Sick Leave Donation Transactions

Upon full completion of the Sick Leave Direct Donation – Donor Form, the form should be submitted to Human Resources for review the donation request and confirmation of eligibility. Following approval of the donation, Human Resources provide the Sick Leave Direct Donation – Recipient Form to the recipient for completion along with requesting appropriate medical certification to determine qualification for medical emergency.

Approved sick leave donations will be processed by Human Resources deducting sick leave hours from the donor's account and adding the donation to the recipient's donated sick leave. A confirmation notice will be sent to the HR Liaison/Leave Administrator for each of the respective departments. Human Resources will notify a department to make



the necessary transactions if another leave database is utilized by the donors' or recipients' department.

Example Scenarios:

Vacation Leave Balance	Sick Leave Balance	Sick Leave Pool Balance	Donated Sick Leave Balance	Out more than 160 hours?	Eligible to Receive
40	40	0	0	No	Nothing ¹
40	0	0	0	No	Sick Leave Donation ²
0	0	0	0	Yes	Sick Leave Pool ³
0	0	0	20	No	Nothing ⁴
40	0	0	20	Yes	Nothing ⁵
0	0	40	0	Yes	Sick Leave Donation only if not related to condition approved for Sick Leave Pool ⁶
0	0	Employee exhausted maximum 720 hours	0	Yes	Sick Leave Donation ⁷ or Additional Paid Sick Leave

¹ The employee has a sick leave balance of 40 hours, so he or she is not eligible to receive donated sick leave or SLP hours.

² The employee has a zero balance in sick leave, SLP, and donated sick leave and has not satisfied the 160-hour requirement, so be SLP cannot be accessed. Therefore, they are eligible to receive a sick leave donation.

³ The employee has a zero balance in all leave types and has been out for 160 hours. The employee should apply for Sick Leave Pool hours. If the pool request is denied, the employee may receive a sick leave donation.

⁴ The employee has a donated sick leave balance of 20 hours, so is not eligible to receive donated sick leave or SLP hours.

⁵ The employee has a donated sick leave balance of 20 hours, so is not eligible to receive donated sick leave or SLP hours.



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⁶ The employee has a 40-hour SLP balance; therefore, may not receive sick leave donations unless the donation would be used for a sickness not covered under the Sick Leave Pool approved condition.

⁷ The employee has exhausted the sick leave pool benefit but may continue to receive sick leave donations.