



Legislation Text

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ORDINANCE NO. '065070

1 AN ORDINANCE regarding compensation, and amending Chapter 1.12 of the  
2 Tacoma Municipal Code by adding a new section thereto, to be known as  
3 Section 1.12.229; and amending Sections 1.12.230, 1.12.231, and 1.12.232  
4 thereof.

4 BE IT ORDAINED BY THE CITY OF TACOMA:

5 Section 1. That Chapter 1.12 of the Tacoma Municipal Code is hereby  
6 amended by adding a new section thereto, to be known as Section 1. 1 2.229,  
7  
8 which reads as follows:

9 1.12.229 VEBAAccountforretirees.,

10 A. The City shall deposit into a VEBA Account a sum equivalent to  
11 25 percent of the sick leave accruals of any employee who meets the following  
12  
13 criteria:

14 1. The employee must qualify under TIVIC Section 1. 1 2.229(B).

15 and

16 2. The employee must be separated from the City service due to

17 0) death or 00 retirement for disability or length of service with attendant  
18 pension payments under any City employee pension system.

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The sum deposited in the VEBA Account shall be calculated at the

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21 employee's re-regular classification rate of Pay effective at the time of retirement.

22 B. An employee shall qualify for a deposit into a VEBA Account

23 pursuant to TIVIC 1.12.229(A) if the following three criteria are met:

24 1. (a) The employee is not a member of one of the

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collective bargaining units at retirement, or,

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1 (b) if the employee is a member of a duly selected

2 collective bargaining unit at the time of his or her retirement, the employee

3 shall qualify for a deposit into a VEBA Account only if a valid collective

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bargaining agreement in force at the employee's retirement confers upon the

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employee the right to a VEBA account; and

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7 2. The employee shall qualify for a deposit into a VEBA Account

8 only if the VEBA Account deposit is a reasonable and equitable substitute for

9 the cash out Payment under TIVIC 1.12.230(D)(1) which was in effect

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immediately prior to the effective date of this section. However, an employee

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may apply for a cash out where the VEBA account will be clearly detrimental

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13 when compared to the preexisting benefit in the unusual circumstances of his

14 or her particular case. The employee must prove he or she is not qualified

15 under a preponderance of evidence standard for a VEBA Account due to one

16 or more of the following circumstances: (a) the employee has access to

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alternative post-retirement benefits and therefore will not use the VEBA

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Account in a reasonably foreseeable time or manner following separation from

19

20 the City: (b) the employee, his or her spouse, and dependents have only

21 nominal medical expenses and the panel is convinced that, due to the

22 employee's circumstances, projected medical expenses will be substantially

23 below what would normally be expected: (c) the employee possesses a

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compelling immediate need for cash to prevent a hardship to the employee or

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26 his or her dependents, such as loss of shelter or inability to obtain food: (d) a

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1 bona fide emergency need exists due to events beyond the control of the  
2 employee, such as for airfare to attend a seriously ill or incapacitated relative in  
3 the absence of other reasonable alternative methods of payment: or (e) such  
4 similar circumstance as the panel finds unique and compelling which would  
5 render the VEBA deposit an inequitable or unreasonable alternative to the cash  
6 out Payment. An employee's desire for cash without any additional compelling  
7 factors set forth above shall not render the VEBA deposit an unreasonable or  
8 inequitable benefits and  
9 3. The total sum due to the employee is \$1 00 or greater.

12 C. In the event an employee contends he or she is entitled to the cash o-ut  
13 upon application for retirement, he or she shall submit to the Human Resources  
14 Department a written application on such form as the Human Resources  
15 Department shall identify and require. The Human Resources Department shall  
16 then convene a panel to consider such declaration. The panel shall be comprised  
17 of the Director or Acting Director of the Human Resources Department, the  
18 Manager or Acting Manager of the Risk Management Division of Human  
19 Resources, the City Treasurer or Acting City Treasurer, the City Attorney or his or  
20 her designee, and a representative appointed by the Joint Labor Council. Such  
21 panel shall convene within 14 days of receipt of the declaration, and shall render  
22 its decision within 28 days of receipt of the declaration. Such panel shall receive  
23 evidence from the employee in a manner Prescribed by the panel. In no case  
24 shall a cash out Payment be made until the panel has issued its decision. The

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1 panel shall determine whether an employee is qualified for the VEBA deposit  
2 solely upon the criteria set forth in this Section 1. 1 2.229 and such administrative  
3 guidelines as the Human Resources Director shall issue to aid in the interpretation  
4 of Section 1.12.229. The determination of the panel shall be binding.

5 Section 2. That Section 1.12.230 of the Tacoma Municipal Code is hereby  
6 amended to read as follows:  
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8 1.12.230 Sick allowance with pay. It is the policy of the City of  
9 Tacoma to pay its employees on account of sickness or accident disability in  
10 accordance with the provisions set forth herein.

11 A. Eligibility for Sick Leave. The following provisions, unless otherwise

12  
13 specified, apply to all regular, probationary, or appointive full-time employees  
14 except those employees of the Tacoma Municipal Belt Line Railway set forth in  
15 Section 1.12.231 and members of the Police and Fire Departments covered by  
16 RCW 41.26 (LEOFF I Pension System) set forth in Section 1. 12.232.

17  
18 1. Accrual. Regular, probationary, or appointive full-time  
19 employees shall accrue sick leave at the rate of 3.69 hours for each 80 hours  
20 in which he/she is in paid status. Eligible employees who are on leave of  
21 absence for active duty training or for inductive purposes shall accrue sick  
22 leave.  
23 a. Sick leave earned shall be credited to an employee's  
24 accruals after the completion of each biweekly pay period and may not be used  
25 in the pay period earned.  
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1 b. For purposes of this section, eligible permanent  
2 employees of the Municipal Belt Line Railway assigned to the Extra Board will  
3 be considered as full-time employees.

4 2. Permissible Use of Paid Sick Leave.

5  
6 a. Sick leave may be taken in tenths (0.10) of an hour  
7 increments.

8 b. Injury or illness of employee to such extent as to  
9 constitute a hazard to the safety or health of himself/herself or other  
10 employees.

11 c. Medical or dental care for the employee. Supervisors  
12  
13 should attempt to accommodate appointments for care. Employees should

14 attempt to schedule such appointments to minimize disruption to work.

15 d. Quarantine of employee due to exposure to a

16 contagious disease.

17 e. On-the-job injuries during the first three days if not

18

19 eligible for Worker's Compensation and as a supplement to Worker's

20 Compensation at the rate of one-half day of sick leave per day absence after

21 the 120-day supplementary on-the-job injury benefits provided under Section

22 1.12.090.

23 f. Death of a spouse, father, mother, foster parent, brother,

24 sister, child, foster child, grandparents or grandchildren of employee or

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1 relatives of the spouse of the employee in the same categories of relationship

2 subject to the requirements of subsection B.6. hereinafter set forth.

3 g. Serious injury or illness to those relatives living with and

4 dependent upon the employee, constituting an emergency or crisis, and

5

6 requiring the attention of a physician subject to the requirements of subsection

7 B.5 hereinafter set forth.

8 h. Employees working shifts other than the regular Monday

9 through Friday workweek shall be paid holiday pay plus paid sick leave when

10 scheduled to work on a holiday and they are unable to work due to illness or

11

injury. Such employees when not scheduled to work on a holiday, shall not be

12

13 entitled to paid sick leave therefor.

14 i. Pre-induction physical for service in the Armed Forces.

15 j. Illness or disability due to pregnancy or conditions  
16 related thereto.  
17

18 k. Care for children under the age of 18 when there is a  
19 health condition which requires treatment or supervision.

20 B. Requirements for all Paid Sick Leave.

21 1. Every employee must report to the designated representative

22 of his/her department head the reason for an absence prior to the beginning of  
23 his/her scheduled workday or such earlier time as required by his/her  
24 department or division head.

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1 2. An employee must keep his/her department head informed of

2 his/her condition if an absence is of more than four working days in duration.

3 3. For each absence an employee must submit an explanation of  
4

5 the reason for such absence. A statement by the attending physician is  
6 required if requested by the department head.

7 4. Employee must permit home visits or medical examinations at

8 the expense and convenience of the City.

9 5. Upon approval by the department head a maximum of four  
10 days' sick leave may be granted for a serious illness or injury suffered by a

11 relative living with and dependent upon the employee. In the event of any such  
12 absence, a statement by the attending physician attesting to the nature and  
13

14 seriousness of said injury or illness shall be required if requested by the

15 department head.

16 6. a. Upon approval by the department head, a maximum of  
17

18 four days' sick leave may be granted for the death of spouse, father, mother,  
19 foster parent, brother, sister, child or foster child of employee.

20 b. For the purpose of attending the funeral, upon approval

21 by the department head, a maximum of one day's sick leave may be granted for  
22 the death of grandparent, grandchild, son-in-law, daughter-in-law, brother-in-  
23 law, or sister-in-law of the employee or the death of a father, mother, foster

24 parent, brother, brother-in-law, sister, sister-in-law, child, foster child,  
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26 grandparent, or grandchild of the spouse of the employee.

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1           7. An employee who has served in higher or lower positions on  
2 temporary appointments shall be paid for sick leave at the rate of pay at which  
3 he/she has worked for a majority of the time in the six-month period  
4 immediately prior to the effective date of the sick leave taken. If the employee  
5  
6 has been serving on numerous appointments at different rates of pay during  
7 said six-month period and has not worked any single rate for a majority of the  
8 time, he/she shall be paid sick leave at the rate of pay which together with any  
9 higher rates of pay would constitute a majority of the time worked.

10           8. Employees shall accrue sick leave according to the provisions  
11 of this section; provided, however, that any employee who leaves the City  
12  
13 service during the first six months of employment shall not be compensated for  
14 any accrued sick leave.

15           C. Enforcement of Sick Leave Provisions.

16           1. Misrepresentation of any material facts in connection with paid  
17 sick leave by any employee shall constitute grounds for suspension or  
18  
19 discharge.

20           2. It shall be the responsibility of the department head or his/her  
21 designated representative to:

22 a. Review all applications for sick leave and approve those  
23 which are bona fide and comply with the provisions of this section. Employees  
24 still absent at the end of a pay period may be certified for payment of sick leave  
25  
26 by the department head by his/her signing the payroll timecards, subject to

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1 department head's approval for sick leave pay immediately upon the  
2 employee's return to work.

3 b. Investigate any suspected abuse of sick leave.

4 c. Withhold approval of sick leave pay in the event of  
5  
6 unauthorized use.

7 d. Initiate disciplinary action if, as a result of investigation,  
8 it is determined that an employee has been guilty of willful misrepresentation in  
9 a request for sick leave pay.

10 D. Incentive Payments for Non-use of Sick Leave Accruals.

11 1. An employee separated from the City service due to death or  
12  
13 retirement for disability or length of service with attendant pension Payments  
14 under any City employee pension system who does not qualify for a VIEBA  
15 deposit under TMC 1. 1 2.229 shall be compensated at his/her regular  
16 classification rate of pay in effect at the time of retirement to the extent of



17 25 percent of his/her sick leave accruals.

18

19 2. A regular or appointive employee separated in good standing

20 from the City service for any other reason than death or retirement due to

21 disability or length of service with attendant Pension Payments under any City

22 employee Pension system pursuant to TMC 1.12.229 who has a minimum of

23 10 days accrual shall be compensated at his/her regular classification rate of

24 pay to the extent of 10 percent of his/her sick leave accruals up to a maximum

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26 accrual of 120 days. An employee separated from the City service due to layoff

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1 may, upon reemployment from the eligible list or departmental reemployment

2 list upon which placed as provided in Section 1.24.900, have his/her sick leave

3 accrual restored upon repayment to the City of the 10 percent payment as

4 herein provided. If appointed from other employment lists within the two-year

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period of eligibility, such repayment may also apply.

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7 E. Authorization - Police and Fire Disability Payments. Certification for

8 payment for absences due to injury or illness covered by the State of

9 Washington Police or Fire Pension Acts shall not be made by the Human

10 Resources Director until authorization is received from the appropriate Pension

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Board.

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13 Section 3. That Section 1. 1 2.231 of the Tacoma Municipal Code is hereby

14 amended to read as follows:

15 1.12.231 Sickallowancewithpay-LocomotiveEngineerRailway

16 Switch Operator, Railway Switching Supervisor, and Railway Yardmaster.

17

The following provisions apply to permanent full-time or permanent Extra Board

18

19 employees of the Tacoma Municipal Belt Line Railway in the classifications of

20 Locomotive Engineer, Railway Switch Operator, Railway Switching Supervisor

21 and Railway Yardmaster.

22 A. Each regular full-time, probationary or permanent Extra Board

23 employee shall accrue sick leave at the rate of 3.69 hours for each biweekly

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pay period in which he/she has any regular time for which regular pay will be

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26 received. Eligible employees who are on a leave of absence for active duty

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1 training or for inductive purposes shall accrue sick leave. Sick leave shall be

2 credited to an employee's accruals after the completion of each biweekly pay

3 period and may not be used in the pay period earned. There shall be no limit

4 on sick leave accruals.

5

B. Sickness benefits shall be equal to 100 percent of the employee's

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7 regular basic daily rate; provided that if the employee has served in higher or

8 lower positions on temporary appointments, benefits shall be computed on the

9 pay rate appropriate to the class of position that the employee has worked on

10 for the majority of time in the six-month period immediately prior to the effective

11

date of the sick leave taken.

12

13 C. Where the benefits under this section supplement an allowance from

14 the Railroad Retirement Board, the combined total of such supplemental

15 benefits and the allowance received from the Railroad Retirement Board for

16 any one day shall not exceed 100 percent of the appropriate basic daily rate.

17

An employee who forfeits any allowance from the Railroad Retirement Board

18

because of failure to timely file for such benefits shall also forfeit any benefits

19

20 he/she would otherwise be entitled to under this section.

21 The City will pay the employee 100 percent of his/her basic daily rate

22 including benefits received from the Railroad Retirement Board and the

23 employee upon receipt of those benefits shall endorse and turn over to the Belt

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Line Railway moneys received. Failure to comply with this provision shall be

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26 cause for forfeiture of all benefits under this provision, including moneys and

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1 hours. Flagrant violations of this provision could be cause for disciplinary

2 action. Employees paid in advance, under the provisions of this section, and

3 failing in their responsibility that causes forfeiture of benefits shall be liable to

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5 repay to the City moneys received.

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7 D. Upon approval by the Superintendent, a maximum of four days' sick

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9 leave may be granted for a serious illness or injury suffered by a relative living

10 with and dependent upon the employee, constituting an emergency or crisis,

11 and requiring the attention of a physician. In the event of any such absence, a  
12 statement by the attending physician attesting to the nature and seriousness of

13 said injury or illness shall be required if requested by the Superintendent.

14

15 E. An employee separated from the City service due to death or

16 retirement for disability or length of service under Railroad Retirement pension

17 with attendant Pension Payments, who does not qualify for a VEBA deposit

18 under TIVIC Section 1. 1 2.229, shall be compensated to the extent of 25 percent

19 of his/her sick leave accruals. A permanent employee separated in good

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21 standing from the City service for any other reason than death or retirement

22 shall be compensated to the extent of 10 percent of his/her sick leave accruals

23 up to a maximum accrual of 120 days.

24 F. Benefits under this section apply to nonoccupational injury or bona

25 fide sickness of organic origin and of sufficient severity to disable the

26 employee, provided that such nonoccupational injury or sickness was not

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1 caused by the use of drugs or intoxicants, recklessness, gross negligence or  
2 any act contrary to law.  
3 G. In order to be granted benefits under this section, the employee must  
4  
5 report to the proper authority the reason for the absence and keep the  
6 Superintendent informed of his/her condition. The Superintendent must be  
7 satisfied that the reason for the absence is legitimate and satisfactory  
8 evidence, including a verifying certificate from a reputable physician, may be  
9 required.  
10 H. Bereavement leave of up to four working days will be allowed in case  
11  
12 of employee's spouse, father, mother, foster parent, grandparent, grandchild,  
13 brother, sister, child, or foster child, or spouse's parent, brother, sister or  
14 grandparent. Each working day of such leave will be paid at the employee's  
15 regular basic daily rate; provided that if the employee has served in higher or  
16 lower positions on temporary appointments, benefits shall be computed on the  
17  
18 pay rate appropriate to the class or position that the employee has worked on  
19 for the majority of time in the six-month period immediately prior to the effective  
20 date of the sick leave taken. Bereavement leave may be charged against the  
21 employee's sick leave accruals, if any. Employees must notify the  
22 Superintendent prior to taking bereavement leave.  
23 1. Enforcement of Sick Leave Provisions.  
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1 1. Misrepresentation of any material facts in connection with paid  
2 sick leave by any employee shall constitute grounds for suspension or  
3 discharge.  
4  
5 2. It shall be the responsibility of the Superintendent or his  
6 designated representative to:  
7  
8 a. Review all applications for sick leave and approve those  
9 which are bona fide and comply with the provisions of this section and forward  
10 same to the Personnel Department. The Personnel Director shall not certify the

10 payment of sick leave until such approved applications have been received,  
11  
12 except that employees still absent at the end of a pay period may be certified  
13 for payment of sick leave by the Personnel Director upon recommendation of  
14 the department head by his signing the payroll, subject to the receipt of an  
15 approved application for sick leave pay immediately upon the employee's  
16 return to work.

17           b. Investigate any suspected abuse of sick leave.

18  
19           c. Withhold approval of sick leave pay in the event of

20 unauthorized use.

21           d. Initiate disciplinary action if, as a result of investigation,  
22 it is determined that an employee has been guilty of willful misrepresentation in  
23 a request for sick leave pay.

24           Section 4. That Section 1.12.232 of the Tacoma Municipal Code is hereby  
25 amended to read as follows:  
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1           1.12.232 Sick allowance with pay - LEOFF I Police and Fire  
2 personnel. It is the policy of the City of Tacoma to pay its employees on  
3 account of sickness or accident disability in accordance with the provisions set  
4 forth herein.

5  
6           A. Eligibility for Sick Leave. The following provisions shall apply to all  
7 regular, probationary, or appointive Police and Fire employees covered by  
8 RCW 41.26 (LEOFF I Pension System).

9           1. Accrual. Regular, probationary, or appointive full-time  
10 employees shall accrue sick leave at the rate of 3.69 hours for 80 hours in

which he/she is in paid status. Eligible employees who are on a leave of  
12

13 absence for active duty training or for inductive purposes shall accrue sick

14 leave.

15 a. Sick leave earned shall be credited to an employee's

16 accruals after the completion of each biweekly pay period and may not be used

17 in the pay period earned.  
18

19 2. Use of Paid Sick Leave.

20 a. Sick leave may be taken in tenths (0.10) of an hour

21 increments.

22 b. In all cases when eligible, employees shall be placed on

23 leave pursuant to RCW 41.26 and shall not be eligible to be paid for sick leave

24 for an absence when there is eligibility to be paid for leave under RCW 41.26;  
25

26 however, without regard to payment:

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1 (1) When such leave is determined to be not job-

2 connected, the sick leave accruals shall be debited hour-for-hour for time

3 absent from the scheduled shift;

4 (2) When such leave is determined to be job-

5 connected, sick leave shall be debited for the date of injury and up to three

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7 days when the disability leave is less than 15 calendar days;

8 (3) If the job-connected leave exceeds 15 calendar

9 days but less than 120 work days, sick leave shall be debited for the day of

10 injury only. If the job-connected disability leave exceeds 120 work days, sick

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leave shall be debited one-half day for every work day missed in excess of 120

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13 work days;

14 (4) If the officer who is on leave is not able to return

15 to work at the end of the disability leave pursuant to RCW 41.26, that person

16 shall be retired and paid off for any unused sick leave as provided herein. In no

17 such event shall an officer be placed on sick leave.

18

c. Death of a spouse, father, mother, foster parent, brother,

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20 sister, child, foster child, grandparents or grandchildren of employee or

21 relatives of the spouse of the employee in the same categories of relationship

22 subject to the requirements of subsection B.6. hereinafter set forth.

23 d. Serious injury or illness to those relatives living with and

24 dependent upon the employee, constituting an emergency or crisis and

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requiring the attention of a physician subject to the requirements of subsection

2 B.5 hereinafter set forth.

3 e. Pre-induction physical for service in the Armed Forces.

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B. Requirements for All Paid Sick Leave.

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1. Every employee must report to the designated representative

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7 of his/her department head the reason for an absence prior to the beginning of

8 his/her scheduled workday or such earlier time as required by his/her



9 department or division head.

10 2. An employee must keep his/her department head informed of  
11 his/her condition if an absence is of more than four working days in duration.

12

13 3. For each absence an employee must submit upon the  
14 approved form an explanation of the reason for such absence. A statement by  
15 the attending physician is required if an absence caused by illness or injury to  
16 the employee extends beyond four working days, or for each absence, if  
17 requested by the department head.

18 4. Employee must permit home visits or medical examinations at  
19  
20 the expense and convenience of the City.

21 5. Upon approval by the department head a maximum of four  
22 days' sick leave may be granted for a serious illness or injury suffered by a  
23 relative living with and dependent upon the employee. In the event of any such  
24 absence, a statement by the attending physician attesting to the nature and

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seriousness of said injury or illness shall be required if requested by the

2 department head.

3 6. a. Upon approval by the department head a maximum of  
4 four days' sick leave may be granted for the death of a spouse, father, mother,

5 foster parent, brother, sister, child or foster child of employee.  
6  
7 b. For the purpose of attending the funeral, upon approval  
8 by the department head, a maximum of one day's sick leave may be granted for  
9 the death of a grandparent, grandchild, son-in-law, daughter-in-law, brother-in-  
10 law, or sister-in-law of the employee or the death of father, mother, foster  
11 parent, brother-in-law, sister, sister-in-law, child, foster child, grandparent, or  
12  
13 grandchild of the spouse of the employee.

14 7. An employee who has served in higher or lower positions on  
15 temporary appointments shall be paid for sick leave at the rate of pay at which  
16 he/she has worked for a majority of the time in the six-month period  
17 immediately prior to the effective date of the sick leave taken. If the employee  
18 has been serving on numerous appointments at different rates of pay during  
19 said six-month period and has not worked at any single rate for a majority of  
20  
21 the time, he/she shall be paid for sick leave at the rate of pay which together  
22 with any higher rates of pay would constitute a majority of the time worked.

23 8. Employees shall accrue sick leave according to the provisions  
24 of this section; provided, that any employee who leaves the City service during  
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1 the first six months of employment shall not be compensated for any accrued  
2 sick leave.

3 C. Enforcement of Sick Leave Provisions.

4 1. Misrepresentation of any material facts in connection with paid

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6 sick leave by any employee shall constitute grounds for suspension or  
7 discharge.

8 2. It shall be the responsibility of the department head or his/her  
9 designated representative to:

10 a. Review all applications for sick leave and approve those  
11 which are bona fide and comply with the provisions of this section. Employees  
12  
13 still absent at the end of a pay period may be certified for payment of sick leave  
14 by the department head by his/her signing the payroll timecards, subject to  
15 department head's approval for sick leave pay immediately upon the  
16 employee's return to work.

17 b. Investigate any suspected abuse of sick leave.

18  
19 c. Withhold approval of sick leave pay in the event of

20 unauthorized use.

21 d. Initiate disciplinary action if, as a result of investigation,  
22 it is determined that an employee has been guilty of willful misrepresentation in  
23 a request for sick leave pay.

24 D. Incentive Payments for Non-Use of Sick Leave Accruals.

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I 1. An employee separated from the City service due to death or

2 retirement for disability or length of service with attendant Pension payments  
3 under any City employee pension system, who does not qualify for a VEBA  
4 deposit under TIVIC Section 1. 1 2.229, shall be compensated at his/her regular  
5  
6 classification rate of pay in effect at the time of retirement to the extent of  
7 25 percent of his/her sick leave accruals.

8         2. A regular or appointive employee separated in good standing  
9 from the City service for any other reason who has a minimum of 10 days  
10 accrual shall be compensated at his/her regular classification rate of pay to the  
11  
12 extent of 10 percent of his/her sick leave accruals up to a maximum accrual of  
13 120 days. An employee separated from the City service due to layoff may, upon  
14 reemployment from the eligible list or departmental reemployment list upon  
15 which placed as provided in Section 1.24.900, have his/her sick leave accrual  
16 restored upon repayment to the City of the 10 percent payment as herein  
17 provided. If appointed from other employment lists within the two-year period of

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19 eligibility, such repayment may also apply.

20 3. Sick leave accruals for each Police and Fire service employee

21 shall be redetermined as of April 30, 1989. Such accruals shall be

22 redetermined by charging all illness and injury claims, arising after March 1,

23 1970, other than claims for which leave under RCW 41.26 could have been

24 used against sick leave credits in the same manner as charged against other

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26 employees of the City. These sick leave accruals are available to be drawn on

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LEG 004 (11/89)

1 for required sick leave pursuant to this chapter and are included under the

2 incentive payment plan referred to in D. 1, above.

3 4. Such Police and Fire service employees shall have their sick

4 leave accruals and charges against sick leave determined in the manner set

5

forth in this chapter, irrespective of any benefits to which the Police and Fire

6

7 service employees are entitled by State and Federal law, as of April 30, 1989.

8 E. Authorization - Police and Fire Disability Payments. Certification for  
9 payment for absences due to injury or illness covered by the State of  
10 Washington Police or Fire Pension Acts shall not be made by the Human  
11 Resources Director until authorization is received from the appropriate Pension  
12  
13 Board.

14 Section 5. This ordinance shall be effective as provided by law.

15 Passed SEP 30 1997

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20 Attest: City Clerk

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Approved as to form and legality:

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24 AssistAn %ity Attooeey

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OR RESOLUTION'

Ordinance

Resolution

1. DATE: May 5,1997

2. REQUeSTING DEPARTMENT/DMSION/PROGP\_4,M  
PHONExXTENSION

3. CONTACT PFRSON (for questions):

Human Resources

Andy Michels

591-5444

4. PREPARATION OF AN ORDINANCE IS REQUESTED FOR THE CITY COUNCIL MEETING OF TUESDAY MAY 13, 1997.

5. SUMMARY TITLE/RECOMMENDATION: (A concise sentence, as it will appear on the Council Agenda)

An Ordinance amending Tacoma Municipal Code Sections 1.12.230, 1.12.231, and 1.12.232 to rescind Incentive Payments for Non-Use of Sick Leave Accruals for qualified employees separated from the City for death or retirement for disability or length of service; and to create a new Section 1.12.229 to replace the Incentive Payments by providing for sick leave accumulations of qualified employees at retirement to be deposited in Voluntary Employee Benefit Association (VEBA) Medical Savings Accounts.

6. BACKGROUND INFORMATION/GENERAL DISCUSSION: (Why is this request necessary? Are there legal requirements? What are the viable alternatives? Who has been involved in the process?)

The Voluntary Employee Benefit Association (VEBA) Medical Savings Accounts generally provide a greater benefit than the Incentive Payments for the same cost because they are created under tax laws which allow the deposits to be made without taxation, whereas the Incentive Payments are taxed at cash out. Certain employees, however, will not be qualified for the new benefit if the Account is not a reasonable and equitable substitute for the Incentive Payment. These nonqualified employees will retain the Incentive Payment. In addition, employees who are members of collective bargaining units do not qualify for the Accounts until the Accounts and Administration Plan have been adopted by collective bargaining agreement.

7. FINANCIAL INTACT: (Future impact on the budget.)

8. LIST ALL MATERIAL AVAILABLE AS BACKUP INFORMATION FOR THE REQUEST AND INDICATE WHERE FILED:

Source Documents/Backup Material

Location of Document

The Voluntary Employee Benefit Association (VEBA) Medical Savings Account (MSA) Plan for Public Service Employees in the State of Washington, Master Employer Benefit Plan, as Amended and Restated October 26, 1994

City Clerk's Office

9. FUNDING SOURCE: (Enter amount of funding from each source)

Fund Number & Name:	State S	city	Other S	Total Am-bunt
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If an expenditure, is it budgeted?	0 Yes D No	Where? Org
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Acct

Approved as to Availability of Funds

10. Department Director/Ut@ @ @ivisjon Approval  
Ublities Approval  
r-reha.do,

Director of Finance

r111

City of Tacoma

Memorandum

TO: Ray E. Corpuz, Jr.  
City Manager

FROM: J. C. Gilbertson  
Human Resources D

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SUBJECT: Ordinance Disclosure

DATE: May 7, 1997

On the agenda for Council action on May 13, 1997 will be an ordinance to amend the Compensation Plan. This memorandum discloses the contents of that ordinance pursuant to Section 1.12.970 of the Tacoma Municipal Code.

This ordinance creates Section 1.12.229 and amends Sections 1.12.230, 1.12.231 and 1.12.232 to provide for employee participation in Voluntary Employee Benefit Association (VEBA) Medical Savings Accounts as an alternative to the present Incentive Payments for Non-use of Sick Leave. By depositing untaxed severance pay in the VEBA account, a retiring employee receives addition funds for post retirement medical expenses, without any additional cost to the City. This savings plan is authorized by the Internal Revenue Code section 501 (c) (9).

A resolution to enter into a VEBA agreement is scheduled to be considered by the City Council as a resolution on May 13, 1997.

I would be happy to answer any questions you may have.

9-9

'0--S070  
Ordinance No.

MAY 20 1997 c&4 3:77  
First Reading of Ordinance: t4 AV Jq97

Final Reading of Ordinance: SEP 30 1997

Passed: - SEP 30 1997-

Roll Call Vote:

MEMBERS	JAYES	NAYS-	ABSTAIN	JABSENT
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Mr. Baarsma

Mr. Crowley

Mr. De Forrest

Mr. Evans

Mr. Kirby

Dr. McGavick

Mr. Miller

Dr. Silas

Mayor Ebersole





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Subscribed and sworn before me this

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Notary Public in and for the State of Washingt

Residing at Tacoma, Pierce County, Washing