



Benefits Study – High Priority/Short-Term Evaluation Items

Policy Change Summary + Implementation Frequently Asked Questions (FAQs)

August 2025

As part of the ongoing, comprehensive benefits study, the City of Harrisonburg Personnel Handbook has been updated. The Departments of Human Resources and Finance have utilized the policy revision as an opportunity to recommend to Administration, Executive Leadership Team (ELT), and Deputies Leadership Team (DLT) some policy formatting and language clarifications. Therefore, this summary only includes information related to changes generated from the benefits study. Please find the summaries of those policy changes and anticipated frequently asked questions (FAQs) for each section below.

Vacation Leave – Section 6.5

- Section 6.5(A) – Revised: Creation of a new leave chart (with the removal of Paid Time Off/“PTO”, increase in vacation accrual rates, and increased maximum carryover limits)
- Section 6.5(B) – Added: Vacation leave payout – leave accumulated over an employee’s maximum carryover limit, up to 80 hours, will be automatically paid out following the end of the calendar year
- Section 6.5(E) – Added: Payment at separation – an employee who is retiring from City employment under VRS service or disability retirement will be paid their vacation leave balance up to 80 hours above the maximum carryover limit (at any time during the year)
- Section 6.5(F) – Added: Vacation Leave Cashout Option (Previously only permitted for PTO leave model type)
- Removal of PTO policy section (previously Section 6.6) – based on listening session feedback, employees expressed a desire to move from a PTO leave model to a vacation and sick leave model for all

Vacation Leave FAQs:

- *I am currently receiving PTO and understand that the leave model type is changing to a Vacation Leave/ Sick Leave model for all employees. What is going to happen to my current PTO leave balance?*
Your PTO leave balance is going to be converted to vacation leave, hour-for-hour.

- *I see that employees can now have the option of being paid out vacation leave and/or can cashout vacation leave. What is the difference between these benefits?*

The previous PTO leave policy allowed only eligible employees under the PTO leave model to cashout up to 40 hours of PTO at the end of the calendar year. This benefit is now being provided to all full-time employees, subject to the applicable policy conditions. Leave cashout **requires that an employee complete a form** to request the number of hours (maximum of 40 hours) to be cashed out. Employees may go below their maximum carryover limit with the leave cashout. A leave cashout request form is generally due around the middle of December and then paid on the first pay in January.

Leave payout is an **automatic process** whereby the Department of Finance generates a report including employees who have vacation leave balances exceeding the maximum carryover limits specified in the leave policy and leave chart. Employees are paid up to 80 hours of vacation leave that would otherwise be lost, generally, on the second pay in January.

A maximum of 80 hours can be paid between both the leave cashout policy and leave payout policy, combined.

- *I am an employee currently in the Vacation/ Sick Leave Model. Will any changes occur related to my leave?*
Employees hired prior to January 1, 2014 in the vacation/sick leave model will receive vacation leave accrual rates (more vacation leave per month!) and will see a higher vacation leave maximum carryover limit.

Sick Leave – Section 6.7

- Section 6.7(A) – Revised: Creation of a new leave chart with sick leave accruals (based on hire date, VRS plan type, and participation in short-term disability)
- Section 6.7(B) – Added: Sick leave maximum accumulation for some classifications (those electing short-term disability or required short-term disability)
- Section 6.7(D) – Removed: 48-hour restriction for the Sick Leave – Dependent Care/Bereavement (care for immediate family member)

- Section 6.7(D) – Added: “Immediate family member” definition – parent, spouse/partner, child, individual for which you are an appointed legal guardian, equivalent step-relations, individual residing in household
- Section 6.7(J) – Revised/Added: Payment of Sick Leave at Separation – added leave payment chart distinguishing between employment separation and VRS retirement at separation; increased sick leave payout for VRS retirement at time of separation
- Section 6.7(K) – Added: Sick Leave – Provided at Time of Hire – added one week of sick leave (hours prorated depending on personnel salary schedule) for new employees for unexpected illness (self or dependent care)

Sick Leave FAQs:

- *I am currently receiving PTO and understand that the leave model type is changing to a Vacation Leave/ Sick Leave model for all employees. I understand that all of my PTO is going to be converted to vacation leave, hour for hour. What about sick leave?*

You will receive sick leave retroactively. Depending on your full-time hire date and Virginia Retirement System (VRS) classification (Plan 1, Plan 2, Hybrid Plan), you will receive a prescribed number of hours of sick leave per consecutive months of full-time service, starting at your most recent leave anniversary date. Employees who are currently receiving PTO will receive retroactive sick leave according to the below chart:

<i>Hours of Retroactive Sick Leave for Employees Hired After 1/1/2014</i>			
	VRS Plan 1 or Plan 2 – Electing Short Term Disability	VRS Plan 1 or Plan 2 – Waiving Short Term Disability	VRS Hybrid – Required Short-Term Disability
General Employee	3 hrs x consecutive months of FT service (max. 440 hrs)	6 hrs x consecutive months of FT service (no max.)	3 hrs x consecutive months of FT service (max. 440 hrs)
Fire Suppression	4.5 hrs x consecutive months of FT service (max. 572 hrs)	9 hrs x consecutive months of FT service (no max.)	4.5 hrs x consecutive months of FT service (max. 572 hrs)
School Bus/ Driver/Aide	2.25 hrs x consecutive months of FT service (max. 330 hrs)	4.5 hrs x consecutive months of FT service (no max.)	2.25 hrs x consecutive months of FT service (max. 330 hrs)

Sick leave accrual will then begin after the effective date of October 1, 2025, according to the new leave chart/sick leave policy.

Due to the new policy related to sick leave being provided at the time of hire, employees currently on the PTO leave model will receive a minimum of 40 hours of sick leave (hours prorated depending on personnel salary schedule).

- *As it pertains to receiving sick leave, why does my hire date and VRS classification matter?*

VRS plan type is important because the Commonwealth of Virginia **requires** that VRS Hybrid Plan members (employees hired after January 1, 2014, in a non-hazardous duty position) receive a short-term disability policy. Therefore, sick leave is appropriately prorated to recognize the provision of the short-term disability benefit. In the event an employee becomes partially or fully disabled (unable to perform the essential functions of their job), a percentage of income replacement (depending on months of consecutive service) is provided for up to 125 workdays. In addition, in 2014, the City made a decision to switch to a PTO leave model and provided all post-January 1, 2014 hires a short-term disability policy, including employees who joined the City as VRS Plan 1 or Plan 2 member. As the City moves to a vacation/sick leave model for all, **VRS Plan 1 and Plan 2 members will be able to choose to continue to elect short-term disability or waive short-term disability.** That decision will impact the amount of sick leave those employees will accrue on a monthly basis.

- *How do I know if I am a VRS Plan 1 or Plan 2 employee needing to make a decision related to continuing to elect short-term disability or waiving short-term disability?*

There are 170 employees who are VRS Plan 1 or Plan 2 currently on the PTO leave model who will be provided the opportunity to make a decision. Human Resources has created a report of employees in these plan types and has notified their departmental representative that they will need to attend an informational presentation pertaining to their respective options. There will be an election form provided at the time of your presentation that will be due to Human Resources by September 5, 2025.

If you were hired after January 1, 2014 and are a VRS Hybrid Plan member – OR – you are a VRS Plan 1 or Plan 2 member hired with the City prior to January 1, 2014, you do not need to take any action.

- *I currently have sick leave and am aware that there is a 48-hour per year restriction on its usage for care for dependents. Is that going to be the case with these changes, effective October 1, 2025?*

All employees will be able to utilize their sick leave to care for a parent, spouse/partner, spouse/partner's parent, child, individual for which they are an appointed legal guardian, equivalent step-relations, and individual residing in the household (per City policy). Effective October 1, 2025, there will no longer be a 48 hour per year restriction on the use of sick leave for the aforementioned purpose. It is important to communicate with your supervisor and Human Resources your need to take leave to care for dependents who may have a serious health condition (as defined under the Family & Medical Leave Act policy).

- *I noticed in the new policy that sick leave payout is increasing in some instances. Can you explain the new sick leave payout model and policy?*

The current sick leave payout policy provides employees a percentage of their sick leave bank at the time of separation, based on consecutive years of service, as follows:

- 5 years of consecutive service = 25% (\$5,000 maximum)
- 12 years of consecutive service = 25% (\$7,500 maximum)
- 20 years of consecutive service = 25% (\$10,000 maximum)

The revised policy discerns between employment separation conditions. If an employee leaves City service other than VRS retirement, they are eligible to receive sick leave payout according to the following schedule:

- 5 years of consecutive service = 25% (\$2,500 maximum)
- 10 years of consecutive service = 25% (\$5,000 maximum)
- 15 years of consecutive service = 25% (\$7,500 maximum)
- 20 years of consecutive service = 25% (\$10,000 maximum)

If an employee retires with VRS at the time of separation, they are eligible to receive sick leave payout according to the enhanced schedule:

- 5 years of consecutive service = 25% (\$5,000 maximum)
- 10 years of consecutive service = 25% (\$10,000 maximum)
- 15 years of consecutive service = 25% (\$15,000 maximum)
- 20 years of consecutive service = 25% (\$20,000 maximum)

Bereavement Leave – Section 6.13

- Section 6.13 – Revised: Expanded definition of family; expanded length of bereavement leave (3 and 5 days to 5 days – hours depending on personnel salary schedule); added the ability to extend bereavement leave with the use of earned sick leave

Bereavement Leave FAQs:

- *Why did the Benefits Study Group recommend five days of bereavement leave?*
During the employee listening sessions, the Benefits Study Group heard from employees that there were situations when a family member passed away whereby they had to travel, settle an estate, and/or needed more than three to five days to grieve the death of an immediate family member (policy had prescribed three days for an immediate family member and five days if the deceased is a member of the household). In addition, it is recognized that in certain circumstances, an employee may need more than the allotted number of hours provided, so an employee can request from their Department Director the ability to extend bereavement leave with the use of earned sick leave.
- *I examined the expanded policy definition of immediate family member for whom I can utilize bereavement leave. What if a close family member passes away who does not meet that definition?*

Subject to Department Director approval, an employee may be permitted to utilize earned sick leave for the death of an individual who is not classified as an immediate family member.

Military Leave – Section 6.14

- Section 6.14 – Revised: Expanded from 15 days to 21 days per Federal Fiscal Year (those classified as firefighters shall receive 388 work hours of military leave with pay pursuant to State Code)
 - HR Procedures Memorandum #16 – Revised
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Education & Training – Section 7.3

- Section 7.3 – Added: “Regular, part-time employees working an average of 20 or more hours per week in a rolling 12-month lookback period” (previously 25 or more hours per week)
- HR Procedures Memorandum #17 – Revised
 - \$3,000 Per Calendar Year (previously after 12 consecutive months of employment with the City (previously a maximum of \$500 per fiscal year for employees with 1-3 years of service and a maximum of \$1,000 per fiscal year for employees with over 3 years of service)

Education & Training FAQs:

- *How did the Benefits Study Group formulate the \$3,000 per calendar year amount for education reimbursement? Also, why is the policy now changed to a calendar year basis?*
The City’s Learning & Development Specialist completed research into the average tuition costs per class, the financial need met by the current policy, and a survey of peer organizations identified by the City. For tax purposes, the Department of Finance recommended the change from a fiscal year to a calendar year.
- *How long does an employee have to work for the City to make application for participation in the Education Reimbursement Program?*
An employee must have at least one year of consecutive service with the City with satisfactory work performance upon application to the Program.
- *Who is eligible to participate in the Education Reimbursement Program?*
Regular, full-time and regular, part-time employees working an average of 20 or more hours per week based on a rolling 12-month lookback period are eligible to participate in the

Education Reimbursement Program. Formerly, the policy language specified that an employee needed to work an average of 25 or more hours per week.

General Benefits Study FAQs

- *The Benefits Study Report noted that retiree health was classified as a High Priority-Immediate Evaluation item, and I do not see any related policy changes. What is the update related to the retiree healthcare policy?*
Policy Section 5.9, Post Retirement Health Benefits, is currently under review by the Benefits Study Group and the City's actuaries. (An actuary is an individual who compiles and analyzes statistics and uses them to calculate financial risk, liability, and premiums.) Once the financial analysis has been completed, the recommendation including the budgetary impacts will be considered by Administration, and the Departments of Finance and Human Resources.
- *I have noticed on the Evaluation of Benefit Term Chart that there are some items that have been checked off for evaluation, but that there are no current policy changes being considered at this time. What is the status of these items?*
During an analysis, the Benefits Study Group may not have recommended a benefit topic, or it was not prioritized after discussion with the Executive Leadership Team/Deputy Leadership Team due to other more important benefit priorities. These items may certainly be revisited in the future.
- *This is a lot of information! How do I find out more?*
In the month of August, Human Resources Team Members and Benefits Study Group Members will be hosting in-person informational sessions. First and foremost, informational sessions will be tailored toward specific employees who will need to make a decision to elect or waive short term disability. Human Resources has been in touch with your department to notify you when your session is scheduled. Toward the end of August, VRS Plan 1 and Plan 2 employees (hired before January 1, 2014) and VRS Hybrid Plan employees will be provided information on how to sign up for presentations on the benefits study changes. These in-person sessions will be in various locations/dates/times for your convenience. There will also be a recorded presentation for those who would like to view and/or listen outside of a group presentation.

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