

## Appendix A

### Surveyed Municipality Findings

As presented in this report, the following 60 municipalities provided information and documents in response to OSC's survey regarding their sick and vacation leave policies. OSC has reviewed the responses, ordinances, policies, individual employment contracts, and collective bargaining agreements that were either provided or publicly available on the [Public Employment Relations Commission's \(PERC\) website](#).

OSC provided a copy of its draft findings to the municipalities for their review and comment. Some municipalities provided responses to OSC's findings as well as supplemental documentation. The findings below incorporate that additional information. OSC also notes that, as a result of the survey request or in response to its draft findings, many municipalities have already taken or indicated their intent to take steps to correct identified issues. OSC has not verified the action taken or evaluated whether it addresses OSC's findings in this report.

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# Atlantic County

## Egg Harbor Township

### *Summary of Relevant Contract Provisions and Ordinances*

Egg Harbor Township's Ordinance 44-13 allows an employee hired after July 1, 1995 but prior to July 1, 2016 to be paid for accrued sick leave at retirement or resignation in good standing with over 10 years of service, at 25 percent value, capped at \$5,000. If an employee dies, the estate is entitled to the accrued sick leave payment at 50 percent value. If the employee dies with 25 or more years of service, the estate is entitled to the accrued sick leave payment at 100 percent value. Egg Harbor Township allows annual sick leave payments of 50 percent of unused sick leave from the prior year or the option, for those employees who have accrued over 75 days of sick leave, to receive payment for 25 days.

Egg Harbor Township also has an individual employment contract that allows for the payment of up to 25 unused annual sick days and the payment of accrued sick leave at separation up to \$30,000.

The Township's union contracts have similar sick leave provisions. One union contract provides that employees hired after January 1, 1996, who resign or retire after 10 years of service, can receive payment of accrued sick time at 25 percent value capped at \$10,000. Another contract has a progressive payment schedule: (1) employees with 10 years of service can receive payment of 25 percent value of accrued sick leave capped at \$5,000, if they are laid off, resign, or retire; (2) employees with 20 years receive payment of 50 percent value of accrued sick leave capped at \$15,000, if they are laid off, resign, or retire; and (3) employees that retire with 25 years of service receive payment of 100 percent value up to \$15,000.

A third contract caps the payment of accrued sick leave, upon retirement or resignation in good standing, at 1,980 hours (for 9-hour or longer days) or 1,760 hours (for 8-hour days). Employees are paid at 50 percent value for 11 to 15 years of service; 75 percent for 16 to 22 years; and 100 percent value for 23 years of service. The payment for employees hired after January 1, 2016 who retire or resign is capped at \$15,000.

Two of the above union contracts allow payment for unused annual sick leave similar to the Township's ordinance. In one, employees may receive payment for 50 percent of annual sick leave from the prior year or, if they have accrued 75 days, they may receive payment for a maximum of 25 days. The other union contract has three forms of payment. The first option is an annual payment of 50 percent of unused annual sick leave

from the prior year, paid at last year's rate. The second and third payment options are triggered when an employee has accrued over 675 hours (for 9-hour or longer days) or 600 hours (for 8-hour days) of saved sick leave. The second optional payment allows the employee to receive payment for up to 225 hours (for 9-hour or longer days) or 200 hours (for 8-hour days) of accrued sick leave. The third payment is for 50 percent of all unused sick leave. The third payment is not optional and occurs automatically if the employee who has accrued sick leave has not used the other options.

In two of its union contracts, Egg Harbor Township allows employees to accrue five vacation days to the following year. The third contract allows employees hired prior to January 1, 2016 to accrue 30 days (270 hours per 9-hour day or 240 hours per 8-hour day). Those hired after January 1, 2016 may only accrue one year of vacation time up to 20 days. That contract also allows employees to be paid for unused vacation time.

### *Findings*

Based on Egg Harbor Township's response to OSC's survey, its ordinances, and union contracts, OSC finds that:

1. The terms of Egg Harbor Township's Ordinance 44-13 do not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*). The ordinance allows covered employees that are subject to that law to receive annual sick leave payments and at a time other than retirement. The individual employment contract provided by the Township also provides for payment in excess of the \$15,000 cap.
2. The terms of Egg Harbor Township's Ordinance 44-13 and union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*). The ordinance and two of its union contracts allow annual sick leave payments for employees hired after May 21, 2010. The ordinance and all three union contracts allow payments for accrued sick leave at a time other than retirement for employees hired after May 21, 2010. One of its contracts allows employees hired after May 21, 2010 to receive greater than \$15,000 in accrued sick leave at retirement.
3. For one of Egg Harbor Township's union contracts, the vacation policy does not comply with the 2010 law (*N.J.S.A. 40A:9-10.5*) because it allows the accrual of more than one year of vacation time for employees hired after May 21, 2010.

# Bergen County

## Hackensack City

### *Summary of Relevant Contract Provisions and Ordinances*

Hackensack's Ordinance 17-17 limits the payment for accrued sick leave to \$15,000 for employees hired after July 1, 2014. Hackensack allows such payment at either the retirement or death of the employee. Employees hired after January 1, 2018 are not entitled to any payment for accrued sick leave. The City's union contracts generally limit payment for accrued sick leave at or below \$15,000. Six of its union contracts have limits of \$15,000 or less for payment of accrued sick leave. However, two of those contracts implement those capped payments only for employees hired after July 1, 2014. Another contract completely eliminates sick leave payments for any employee hired after January 1, 2019, and a separate contract completely eliminates sick leave payments for any employee hired after January 1, 2018.

Two additional union contracts do not specify a dollar limit cap for payment of accrued sick leave. Those contracts limit payment of accrued sick leave to retirement with 25 years of service capped at 50 percent of final annual salary. Another contract allows employees to receive payment of unused annual sick leave by paying for their following year's healthcare premiums.

Hackensack's Ordinance 17-15 and three of its union contracts all provide that vacation leave must be taken in the calendar year or it is forfeited. Two other contracts allow accrual with the permission of the department head, and two allow five days accrual to the following year only. One contract makes no mention of vacation accrual.

### *Findings*

Based on Hackensack's response to OSC's survey, its ordinance, and union contracts, OSC finds that:

1. The terms of Hackensack's ordinance do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*). Ordinance 17-17 does not address the requirements of the 2007 law (*N.J.S.A. 11A:6-19.1*) regarding the limitation of payment of accrued sick leave for covered employees as of 2007.
2. The terms of Hackensack's ordinance and its union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) with regard to payment of accrued sick leave because Ordinance 17-17 allows for employees hired after May 21, 2010 to receive

more than \$15,000 at retirement and allows for payment of accrued sick leave at a time other than retirement. Two of its union contracts allow for payment of accrued sick leave greater than \$15,000 for employees hired after May 21, 2010; another contract allows for payment of unused annual sick leave to be used for the following year's healthcare premiums; and two more contracts do not specify a dollar limit cap for payment of accrued sick leave for employees hired after May 21, 2010.

## Lyndhurst Township

### *Summary of Relevant Contract Provisions and Ordinances*

Lyndhurst's Ordinance 5-13 caps payment for sick leave accrued prior to January 1, 2012 at \$15,000, to be paid at retirement only. The municipality does not issue payment for sick leave accrued after January 1, 2012. Although Lyndhurst reported in its survey response that non-union employees do not receive payment for unused annual sick leave, Lyndhurst's Ordinance allows, at the discretion of the Township, payment for annual unused sick leave of up to 20 sick days for any employee that does not use any sick days during the year, as long as the employee has 10 remaining accrued sick days.

Lyndhurst's union contracts allow for payment of unused annual sick leave. One contract allows, at the discretion of the Township, employees to receive payment for up to 12 sick days annually if the employee does not use any that year and has 10 remaining accrued sick days banked. This contract also allows payment for accrued sick leave at time of death.

Two other union contracts allow for payment of annual sick leave to be used for a Benefits Offset Account. Along with vacation, personal, and compensatory time, accrued sick leave may be liquidated and used to pay for healthcare benefits out of the Benefits Offset Account. Those two contracts also allow employees hired on or after July 1, 1997 to receive a cash settlement for accumulated sick leave up to 70 days at retirement. In one, employees have the option of choosing the cash settlement with the maximum days applicable and the remaining days as paid terminal leave or choosing to take all accumulated sick time as paid terminal leave based on yearly salary at the time of retirement. The other contract allows individual employees "to negotiate the terms of his/her retirement independently from any other member of [the union] . . . ." However, that retirement agreement cannot be less in benefit or value than the collective bargaining agreement terms.

Lyndhurst's Ordinance 5-12 on vacation time allows employees to accrue five vacation days to the succeeding year only with consent of the board of commissioners. While



one union contract does not have a provision on vacation leave accrual, the other two allow for the accrual of up to 60 hours vacation time to the following year.

### *Findings*

Based on Lyndhurst's response to OSC's survey, its ordinances, and union contracts, OSC finds that:

1. The terms of Lyndhurst's Ordinance 5-13 do not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) regarding payment of sick leave. The Ordinance allows for the payment of annual unused sick leave for covered employees.
2. The terms of Lyndhurst's Ordinance 5-13 and three union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) regarding payment of accrued sick leave for employees hired after May 21, 2010. Lyndhurst's Ordinance 5-13 and one union contract allow payment for annual unused sick leave. That contract also allows payment of accrued sick leave upon an employee's death. Another union contract allows for the payment of unused sick leave to be used for a Benefits Offset Account, which allows for payment of accrued sick leave as terminal leave prior to retirement. The third union contract allows negotiation of individual retirement contracts which potentially allows the Township to circumvent the payment limits or manner of payment under the 2010 law (*N.J.S.A. 40A:9-10.4*).

## **Mahwah Township**

### *Summary of Relevant Contract Provisions and Ordinances*

Two of Mahwah's union contracts cap payment for accrued sick leave at \$10,000, and only at retirement for employees hired after May 21, 2010. The contracts state:

Employees eligible for accumulated sick leave and hired on or after May 21, 2010, shall not be afforded payment and/or compensation for accumulated sick leave except for at the time of retirement from a State-administered or locally-administered retirement system based on the leave credited on the date of retirement pursuant to *N.J.S.A. 40A:9-10.4*.

Another union contract allows officers who qualify for retirement up to a third of a year's compensation as terminal leave which can be paid in a lump sum or as four months of leave prior to the date of retirement, but such leave is not associated with the accumulation of sick leave.

Mahwah's sick leave policy for non-union employees provides that "at the time of separation from service employees will be paid for one-half of their total accumulated unused sick time up to a maximum of \$10,000.00."

Two of its contracts allow vacation time to accrue to the following year only. One allows accumulation with consent of the department head, without any specified limit.

### *Findings*

Based on Mahwah's response to OSC's survey, its sick leave policy, and union contracts, OSC finds that:

1. The terms of Mahwah's policies, as self-reported in the survey response to OSC, do not comply with the 2007 (*N.J.S.A. 40A:9-10.2*) and 2010 law (*N.J.S.A. 40A:9-10.4*) regarding payment of accrued sick leave for its non-union employees. Its policy allows the payment for accrued sick leave at separation, and not just at retirement for employees covered by the 2007 law and for employees hired after May 21, 2010.
2. The terms of one of Mahwah's contracts is not in compliance with the 2010 law (*N.J.S.A. 40A:9-10.5*) regarding vacation accrual because accrual based on the discretion of the department head could allow accrual of vacation time beyond the following year.

## **Ridgefield Park Village**

### *Summary of Relevant Contract Provisions and Ordinances*

Ridgefield Park Village's Employee Handbook states that "employees will be paid for a maximum of thirty (30) days of their total accumulated unused sick time, after ten (10) years of service, at the time the employee resigns or retires from employment." One union contract allows employees the option of accruing up to 30 days of unused sick leave, receiving annual payment for unused sick days or some combination of both. That contract also allows the payment for accrued sick leave at resignation or retirement at 100 percent value of the accrued sick leave bank of 30 days. Another contract requires the payment for any unused sick leave every year, with no accrual allowed.

With regard to vacation days, Ridgefield Park's Employee Handbook specifies only five vacation days can carry over to the next quarter only or be forfeited. One contract requires approval for any carryover of vacation time. The other contract allows employees to accrue up to 25 days with approval, but any such accrual will not be paid upon separation from employment unless the use of the accrued vacation leave is denied.

## *Findings*

Based on Ridgefield Park's response to OSC's survey, its Employee Handbook, and union contracts, OSC finds that:

1. Ridgefield Park's Employee Handbook does not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) regarding payment for accrued sick leave. It allows payment of accrued sick leave at a time other than retirement and allows potential payment greater than the statutorily mandated capped amount for covered employees.
2. The terms of Ridgefield Park's policies and union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) with regard to payment of accrued sick leave. Its policies and one of its contracts allow employees to receive payment for accrued sick leave at a time other than retirement and to receive potentially more than \$15,000 for employees hired after May 21, 2010. Its union contracts also allow union employees to receive annual sick leave payments in lieu of accrual for employees hired after May 21, 2010.
3. The terms of one of Ridgefield Park's union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.5*) regarding vacation accrual. The contract may allow more than one year's accrued vacation to carry over to the following year.

## **Rutherford Borough**

### *Summary of Relevant Contract Provisions and Ordinances*

The Borough of Rutherford's Ordinance 70-24(A) states that accrued sick leave will be paid out "upon regular retirement, disability retirement or resignation." Specifically, Ordinance 70-24 provides that non-union employees performing clerical or administrative duties are governed by terms set in "the [union contract] in effect at the time of retirement or by any individual agreement between the employee and the Borough." Additionally, non-union department managers are governed by the terms set in "the [union contract] in effect at the time of retirement or by any individual agreement between the employee and the Borough."

One of Rutherford's union contracts allows payment for accrued sick leave at resignation, retirement, or death capped at \$15,000 for employees hired after December 31, 2011. Another contract allows payment for accrued sick leave at "retirement, disability retirement or resignation or death," capped at \$15,000 for existing employees and capped at \$10,000 for all new hires and promotions.

Another union contract allows payment of accrued sick leave at death, resignation, or retirement with 25 years of service and is capped at \$10,000. That contract also implements an incentive program for employees that do not use sick leave; they are entered into a bonus lottery if they use no sick days in a month (\$100), a quarter (\$200), or a year (\$500).

One contract froze all accrued sick leave as of December 18, 2013, setting the cash value as “50% of each officer’s last per diem rate just prior to retirement, and paid upon the separation of employment with the Borough.” An additional \$15,000 cap for accrued sick leave is imposed on any sick leave earned after that date.

According to Ordinance 70-23 and all four union contracts, vacation time accrues to the following year only.

### *Findings*

Based on Rutherford’s response to OSC’s survey, its ordinance, and union contracts, OSC finds that:

1. The terms of Rutherford’s Ordinance 70-24 do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) regarding payment of accrued sick leave. Its ordinance allows for payment of accrued sick leave at a time other than retirement for covered employees.
2. The provisions of all four of Rutherford’s union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) with regard to payment of accrued sick time. They all allow payment for accrued sick leave to employees hired after May 1, 2010 at a time other than retirement. One allows employees who were hired after May 21, 2010 to potentially receive more than \$15,000 for accrued sick leave.

## **Burlington County**

### **Burlington Township**

#### *Summary of Relevant Contract Provisions and Ordinances*

For employees hired after January 1, 2010, Burlington Township’s Employee Handbook limits the payment for accrued sick leave to \$15,000 to be paid at retirement only. However, its Ordinance 20-67, which provides for benefits for non-contract management personnel, does not limit the payment for accrued sick leave and allows for payment at termination, for any reason except a disciplinary violation and death. The Ordinance also

allows for a perfect attendance incentive bonus, which increases for each consecutive year of perfect attendance, up to \$300 issued as a savings bond.

Four of Burlington Township's contracts specifically state: "Employees who were hired after May 21, 2010 may not receive upon retirement an amount greater than \$15,000 for unused sick leave. This is in accordance with N.J.S.A. 11A:6-19.2." Additionally, the four union contracts also prohibit employees hired after May 21, 2010 "from participating in the Sick Time Buy Back program." However, two of the contracts also allow payment upon the death of the employee of 65 percent of accumulated sick leave to the estate without limit.

Despite Burlington Township's prohibitions on payment for accrued sick leave and participation in the Sick Time Buy Back program, all four union contracts contain some form of other attendance incentive. One allows for the conversion of 5 unused sick days to vacation days to be used the following year and an attendance bonus up to \$600. One allows an attendance incentive bonus, which increases for each consecutive year of perfect attendance, of up to \$500. For employees hired after May 10, 2010, two of the contracts allow for an attendance incentive of \$1,600 for only using between 24 and 48 hours of sick leave in a year and \$2,250 for using 24 hours of sick leave or less. Those contracts also allow any employee who uses less than 48 hours of accumulated sick time in the current year to convert up to 60 hours of the sick leave hours earned in the previous calendar year to vacation hours.

Burlington Township's policy allows accrual of up to five vacation days to the following year only. Its union contracts allow vacation leave to accrue to the following year only for all union employees.

### *Findings*

Based on Burlington Township's response to OSC's survey, its ordinances, Employee Handbook, and union contracts, OSC finds that:

1. The text of Burlington Township's Ordinance 20-67 does not comply with the 2007 law (*N.J.S.A.* 11A:6-19.1). The Ordinance allows employees covered by the 2007 law to receive greater than \$15,000 accrued sick leave payment and at a time other than retirement.
2. The text of Burlington Township's Ordinance and all four union contracts do not comply with the 2010 law (*N.J.S.A.* 11A:6-19.2). All four union contracts allow for the annual conversion of sick leave to vacation leave. Two of them allow for the

payment of accrued sick leave at a time other than at retirement for employees hired after May 21, 2010.

## Evesham Township

### *Summary of Relevant Contract Provisions and Ordinances*

Evesham's Ordinance 22-9 allows a payment for accrued sick leave for employees hired after January 1, 1997 of up to 60 days at 50 percent value at retirement or at resignation.

One union contract allows payment of up to 60 days of accrued sick leave at resignation in good-standing, retirement, leaves due to disability, or layoff. However, another contract differentiates between the payment for accrued sick leave at resignation or layoff, which is paid out at 50 percent value for up to 60 accrued sick days, and the payment at retirement with at least 15 years of service, which is paid at 50 percent value for all accrued sick leave. That contract also allows payment of accrued sick leave upon the death of the employee.

Two other union contracts state: "Members hired after May 21, 2010 shall be compensated for unused leave pursuant to P.L. 2010, c.3, sub-section 2, effective May 21, 2010." However, another contract allows for the payment for annual unused sick leave of up to 24 hours of sick time for employees with at least 100 hours of accrued sick time.

Evesham's Ordinance 22-9 and three union contracts permit the accrual of vacation time to the following year only. The fourth contract allows for employees to receive payment for up to 14 hours of vacation time annually.

### *Findings*

Based on Evesham's response to OSC's survey, its ordinance, and union contracts, OSC finds that:

1. The terms of Evesham's ordinance do not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) with regard to payment of accrued sick leave. Its ordinance allows for payment of accrued sick leave at a time other than retirement and potentially more than \$15,000 for covered employees.
2. The terms of Evesham's union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) regarding payment of accrued sick leave. Two contracts allow the payment for accrued sick leave greater than \$15,000 at a time other than

retirement and another allows the payment for annual unused sick leave for employees hired after May 21, 2010.

## Lumberton Township

### *Summary of Relevant Contract Provisions and Ordinances*

Lumberton's Policies and Procedure Manual prohibits reimbursement for accumulated sick leave by non-union employees hired after May 20, 1991. One union contract allows payment for accrued sick leave up to \$15,000 at retirement only and only \$7,500 for employees hired after January 1, 2016. Another union contract limits payment of accrued sick leave at \$15,000 for retiring employees with at least 15 years of service. However, that contract states that "[i]n the event of death of a member prior to retirement, the reimbursement of sick leave shall be calculated as a death benefit to be paid to his/her estate."

Lumberton's union contracts limit accrual of vacation leave to the following year only. However, its Policies and Procedure Manual allows non-union employees to accrue vacation for up to three years.

### *Findings*

Based on Lumberton's response to OSC's survey, its Policies and Procedure Manual, and union contracts, OSC finds that:

1. The text of Lumberton's Policies and Procedure Manual does not comply with the 2007 law (*N.J.S.A. 40A:9-10.3*). The Manual allows for accrual of vacation leave beyond the following year for covered employees.
2. The text of one of Lumberton's contracts does not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) regarding sick leave. It allows for the payment of accrued sick leave at a time other than retirement for employees hired after May 21, 2010.
3. The text of Lumberton's Policies and Procedure Manual does not comply with the 2010 law (*N.J.S.A. 40A:9-10.5*). The Manual allows for accrual of vacation leave beyond the following year for employees hired after May 21, 2010.

## Moorestown Township

### *Summary of Relevant Contract Provisions and Ordinances*

Moorestown's Personnel Policies and Procedures Manual and Employee Handbook ("Personnel Manual") states that "[u]nused sick leave shall accumulate from year-to-year without limit (subject to P.L. 2007, c. 92)." The Township limits payment of accrued sick leave to \$15,000. However, it allows such payment if the employee is in good standing and dies, leaves after ten years of service, or after the age of 55. Three of Moorestown's union contracts allow payment for accrued sick leave on a sliding scale of increasing value but cap the payment at a maximum of \$15,000 for an employee in good standing that leaves Township employment or dies with at least ten years of service or after turning the age of 55. Two other union contracts allow payment for 50 percent of an employee's accrued sick leave at either death or retirement capped at \$15,000.

Moorestown's Personnel Manual allows non-uniformed police, supervisory, and technical employees to receive payment for unused annual sick days if the employee uses less than three days. Two contracts allow employees to receive payment for unused sick days annually. If they use less than three sick days in the year, they can receive payment from five to ten unused sick days, depending on the number of sick days used. Two other contracts allow employees to receive payment for unused sick days annually. Employees who use less than three sick days in a year can receive payment from 60 to 84 unused sick leave hours, depending on the number of sick days used.

Moorestown's Personnel Manual allow accrual of two years of vacation leave total. The Township may grant payment in lieu of vacation leave if leave could not be granted due to work requirements. Two of its union contracts allow accrual of vacation to the following year only. Two others allow accrual of vacation leave beyond two years if "for reason of injury or sickness, either while on duty or off duty, the employee is not able to utilize such accumulated vacation leave."

### *Findings*

Based on Moorestown's response to OSC's survey, its Personnel Manual, and union contracts, OSC finds that:

1. The terms of Moorestown's Personnel Manual do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) with regard to sick leave. It allows for payment at a time other than retirement and payment for annual unused sick leave for covered employees.



2. The terms of Moorestown's Personnel Manual and union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*). The terms of its Personnel Manual and all of its union contracts allow for the payment of accrued sick leave at a time other than retirement and allow for payment for unused annual sick leave for employees hired after May 21, 2010.
3. The terms of two of Moorestown's union contracts do not comply with *N.J.S.A. 11A:6-3(e)* with regard to vacation accrual. They allow accrual beyond the following year that is not based on duties directly related to a state of emergency declared by the Governor.

## Pemberton Township

### *Summary of Relevant Contract Provisions and Ordinances*

Pemberton's Ordinance 38-3 provides non-union employees with the same personal, sick, vacation, and bereavement leave as are available in one of Pemberton's union contracts. That contract, as well as another union contract limit the payment of accrued sick time, valued at 50 percent, at \$5,000, or up to \$10,000 for employees who had already accrued \$10,000 as of December 18, 2003. One of the contracts allows the payment at termination in good standing or retirement. Another contract allows payment for accrued sick leave, valued at 50 percent, at retirement up to \$10,000 for employees hired prior to December 8, 2000, and \$5,000 for employees hired after that date.

Pemberton allows vacation accrual to the following year only in two of its union contracts, with no provision for accrual in the other contract.

### *Findings*

Based on Pemberton's response to OSC's survey, its ordinance, and union contracts, OSC finds that:

1. The terms of one of Pemberton's contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*). That contract allows for the payment of accrued sick leave at a time other than retirement for employees hired after May 21, 2010.

# Camden County

## Bellmawr Borough

### *Summary of Relevant Contract Provisions and Ordinances*

Bellmawr's Personnel Policies and Procedures manual allows employees to accrue sick leave (PTO leave) of up to 90 days. However, accrued PTO leave is not paid upon termination of employment. According to Bellmawr's survey response, it has paid department heads for annual unused sick leave based on "[Collective Negotiation Agreements], Individual Contract[s], Resolution and Informal Policy."

One of Bellmawr's union contracts prohibits payments for accrued sick leave, but it does allow employees annually to receive payment for up to 50 percent of unused sick leave sold back to the Borough. Another contract also allows for payment of up to half of unused sick leave annually. It also allows employees to receive payment for an additional 10 accrued sick leave after 10 years of service and 25 sick days after 15 years of service. Upon retirement, the employee is entitled to receive payment for the remaining accrued sick leave capped at \$10,000. If an employee retires due to a job-related disability or dies prior to retirement, the accrued sick leave is paid "with no maximum amount of compensation."

Bellmawr's Personnel Policies and Procedures manual only allows vacation to accrue to the following year.

### *Findings*

Based on Bellmawr's response to OSC's survey, its personnel manual, and union contracts, OSC finds that:

1. The terms of Bellmawr's Personnel Policies and Procedures manual complies with the 2007 law (*N.J.S.A. 40A:9-10.2*) concerning the payment of accrued sick leave for covered employees. However, its informal policy of allowing payment for annual unused sick leave does not comply with the 2007 law for covered employees.
2. The terms of Bellmawr's union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) regarding payment of accrued sick leave. One contract allows payment of accrued sick leave at a time other than retirement and that payment may exceed the statutory cap for employees hired after May 21, 2010. Both of the

contracts allow payment for annual unused sick leave for employees hired after May 21, 2010.

## Gloucester City

### *Summary of Relevant Contract Provisions and Ordinances*

One of Gloucester City's union contracts caps the payment for accrued sick leave at \$15,000 or less at resignation or retirement for employees who have worked for the city for 20 years or more. Another Gloucester City union contract caps payment for accrued sick leave at \$10,000. However, that contract allows for annual payment for unused sick leave up to 15 days for employees hired after April 1, 1994 with a minimum of 75 days accrued. It also allows a bonus of \$375 for an employee who does not use sick time during the year.

Two other Gloucester City union contracts end payments for accumulated sick leave for employees hired after January 1, 2014. However, employees hired prior to that date can receive payment for accrued sick leave at retirement up to 75 percent value of 1,644 hours (approximately 200 days) for the members of one union and 100 percent value of 1,096 hours for members of the other union. Both contracts also allow for the annual payment for unused sick leave, up to 180 hours, as long as the employee maintains an accrual of 1,000 hours. Two other contracts cap payment of accrued sick leave at \$15,000 but allow the payment for unused sick time annually for employees that have accrued more than 600 hours.

Two of Gloucester City's contracts limit vacation accrual to the following year. Four others have no provisions on vacation accrual. One of the contracts allows payment of up to ten unused vacation days annually and two allow employees to receive payment for unused vacation time with approval.

### *Findings*

Based on Gloucester City's response to OSC's survey and its union contracts, OSC finds that:

1. The terms of Gloucester City's union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) regarding payment of accrued sick leave. Two contracts allow payment for accrued sick leave at a time other than retirement for employees hired after May 21, 2010. Four contracts allow for the annual payment of unused sick leave for employees hired after May 21, 2010. Two contracts cap the payment

for accrued sick leave based on the number of hours, not at \$15,000, for employees hired after May 21, 2010.

## Gloucester Township

### *Summary of Relevant Contract Provisions and Ordinances*

Four of Gloucester Township's contracts allow payment for accrued sick leave upon retirement, death, or layoff, capped at \$15,000. Two of those contracts allow payment of accrued sick leave upon the employee's death. Three of the four contracts allow for an attendance bonus. For each period of unused sick time (40 hours, 35 hours, or 5 days, depending on the union), the employee receives a 0.5 percent salary bonus up to a maximum of 2 percent.

One Gloucester Township contract caps payment for accrued sick leave at \$15,000 for employees hired after December 21, 2010. Another contract does the same for employees hired after February 23, 2015. Both allow for payment of accrued sick leave at retirement only.

Gloucester's six union contracts allow accrual of vacation leave to the following year only. However, one refers to a January 26, 2017 agreement not provided to OSC that addresses vacation carryover. Two other contracts allow employees to receive payment for up to 60 hours of vacation time based on years of service. One contract permits the department head to authorize the payment of unused vacation time that had accrued from the prior year if it would be lost due to the pressure of work. Another allows employees with at least 15 years of service to receive payment for 80 hours of vacation leave per year.

### *Findings*

Based on Gloucester Township's response to OSC's survey and its union contracts, OSC finds that:

1. The terms of Gloucester Township's union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) regarding payment for accrued sick leave. Two union contracts allow sick leave payment at a time other than retirement for employees hired after May 21, 2010.

## Haddonfield Borough

### *Summary of Relevant Contract Provisions and Ordinances*

Haddonfield's Policy and Procedure Manual and two union contracts prohibit payment of accrued sick leave upon retirement. However, its Policy and Procedure Manual and one of those contracts do allow employees that have accrued at least 80 sick days to receive payment for unused sick leave of up to 7 sick days annually. The other union contract has similar provisions for employees with a minimum of 960 hours banked. The employees in that union can receive payment for a certain number of hours annually based on their position, ranging from 56 hours to 84 hours.

Haddonfield's Policy and Procedure Manual and its two union contracts do not allow vacation to accrue to the following year except if authorized to carry over by the Borough Administrator. However, one contract allows an employee who is eligible for 20 vacation days to receive payment for 5 of those days annually.

### *Findings*

Based on Haddonfield Borough's response to OSC's survey, its Policy and Procedure Manual, and union contracts, OSC finds that:

1. The text of Haddonfield's Policy and Procedure Manual does not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*). Its Policy and Procedure Manual allows for payment for annual unused sick days of up to seven days for covered employees.
2. The text of Haddonfield's two union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) regarding payment of accrued sick leave. They allow for payment for annual unused sick leave for employees hired after May 21, 2010.

## Winslow Township

### *Summary of Relevant Contract Provisions and Ordinances*

Winslow's Ordinance 52-11(l) allows for the payment for accrued sick leave at retirement of 75 percent value, up to \$25,000. Four union contracts all cap the payment for accrued sick leave at retirement to \$15,000 for employees hired after May 21, 2010. However, Winslow's contracts all allow the employee the option of foregoing the payment of accumulated sick leave to include 100 percent of accumulated sick leave into a "bankable retainer fund" up to \$50,000, to be used exclusively for the employee's retirement medical

coverage. Three of the union contracts allow the conversion of unused annual sick time to compensatory time at 50 percent value for employees hired prior to February 26, 2013.

According to Ordinance 52-18(B) and all of its union contracts, Winslow allows the accrual of vacation to the following year only.

### *Findings*

Based on Winslow's response to OSC's survey, its ordinances, and union contracts, OSC finds that:

1. The terms of Winslow's ordinance do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) with regard to sick leave payments. Ordinance 52-11 allows payment for accrued sick leave greater than \$15,000 for covered employees.
2. The terms of Winslow's policies do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) regarding payment of accrued sick leave. Its ordinance allows non-union employees hired after May 21, 2010 to receive payment for accrued sick leave in excess of \$15,000. Four union contracts allow payment of accrued sick leave into a "bankable retainer fund" of up to \$50,000 for employees hired after May 21, 2010 that exceeds the \$15,000 cap for payment. Also, three union contracts allow unused sick time to be converted to compensatory time for employees hired after May 21, 2010.

## **Cape May County**

### **Upper Township**

#### *Summary of Relevant Contract Provisions and Ordinances*

Upper Township's Personnel Manual and one of its union contracts cap payment for accrued sick leave at retirement only for 50 percent value with a maximum amount of \$10,000. Department heads and supervisors are allowed 75 percent value. Unused vacation time may be carried forward into the next succeeding year only.

### *Findings*

Based on Upper Township's response to OSC's survey, its Personnel Manual, and union contract, OSC issues no findings.

# Essex County

## Belleville Township

### *Summary of Relevant Contract Provisions and Ordinances*

Belleville's Ordinance 2-19.6(c) allows for all employees to receive payment for accrued sick leave at retirement at 50 percent value, limited to an average of six months of the annual salary of the employee's last year. Ordinance 2-19.6(g) also allows for the payment to be paid upon the death of the employee. One of its most recently available union contracts limits sick leave payments to \$7,500 at retirement. Another of its most recently available contracts allows payment of accrued sick leave at retirement or death and is capped at \$15,000.

Belleville's Ordinances are silent on the accrual of vacation time year-to-year. One union contract allows accrual of vacation time with the approval of the township manager in accordance with state and federal statutes.

### *Findings*

Based on Belleville's response to OSC's survey, its ordinances, and union contracts, OSC finds that:

1. The terms of Belleville's Ordinance 2-19.6 do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*). The Ordinance allows covered employees to receive sick leave payments greater than \$15,000 and at a time other than retirement.
2. The terms of Belleville's Ordinance 2-19.6 and one of its union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*). They allow payment of accrued sick leave at a time other than at retirement for employees hired after May 21, 2010.

## East Orange City

### *Summary of Relevant Contract Provisions and Ordinances*

East Orange's Ordinance 60-100 states that non-union employees with 10 years of service who have accrued at least 100 sick days are entitled to payment for unused sick leave at 50 percent value at retirement, with a cap of \$15,000. Those with 10 years of service and 100 hours as of December 31, 2011 are limited to half of the employee's annual salary.

Five of East Orange's seven union contracts limit payment for accrued sick leave to \$15,000 at retirement only.

Two of East Orange's contracts allow payment of accrued sick leave up to \$15,000 if the employee is eligible for retirement but is killed in the line of duty or dies while employed. The contracts also have an incentive program allowing employees to earn up to five additional vacation days based on the number of sick days taken during the year.

With respect to vacation leave, East Orange's Ordinance 60-53(B) allows for accrual of unused vacation time to the following year only. One union contract provides that employees are permitted to carry up to one year of accrued vacation into the following year.

### *Findings*

Based on East Orange's response to OSC's survey, its ordinances, and union contracts, OSC finds that:

1. The terms of two of East Orange's contracts are not in compliance with the 2010 law (*N.J.S.A. 11A:6-19.2*) with regard to payment of accrued sick leave. The contracts allow the payment of accrued sick leave at a time other than retirement for employees hired after May 21, 2010.

## **Verona Township**

### *Summary of Relevant Contract Provisions and Ordinances*

Verona's Ordinance 79-22 limits payment for accumulated sick leave for all employees hired between May 21, 2010 and November 30, 2015 at \$15,000 for retirement only. Recently hired employees will no longer receive payment for any accrued sick leave. This includes non-union employees hired after December 1, 2015 and members of certain unions hired after January 1, 2019 or January 1, 2018.

However, one contract still allows the payment of 100 accrued sick leave days as terminal leave for employees regardless of when they are hired. That contract also maintains an incentive program for certain employees; those employees can receive one compensatory day for each half calendar year when no sick days were used, for a total of two per year.

Verona allows vacation days to accrue to the following year only.



## *Findings*

Based on Verona's response to OSC's survey, the text of its ordinances, and union contracts, OSC finds that:

1. The terms of one of Verona's union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) with regard to payment for accrued sick leave. The contract allows employees hired after May 21, 2010 terminal leave of up to 100 days which may be in excess of the \$15,000 cap.

## **West Orange Township**

### *Summary of Relevant Contract Provisions and Ordinances*

West Orange's Employee Manual states that all non-union employees are entitled to payment of accrued sick leave at retirement or death at half their rate of pay, limited to \$12,000. Three of its employee union contracts limit payment of accrued sick leave to be paid at retirement only, for a maximum of \$7,500. However, in two of those unions, the \$7,500 cap applies to employees hired after January 1, 2013 and in one union it applies to personnel hired after January 31, 2014.

Four employee union contracts do not cap the payment for accrued sick leave. Two of those contracts allow for the payment for accrued sick leave of 50 percent for the first \$12,000, then 15 percent value for any sick leave accrued beyond that amount. The payment can be made at either separation or retirement. The other two contracts have the same allowed payment structure but have no explicit reference to payment limits and instead only state that "[p]resent practice concerning sick leave entitlement shall be maintained as per the 1972 revised General Ordinances of the Township of West Orange as amended and supplemented." West Orange's response to OSC's 2021 Municipal Survey provides that the payment for accrued sick leave is "limited to 50% value of the first \$24,000 (\$12,000) and 15% of the remainder" value for any sick leave accrued beyond that amount.

With respect to vacation time, three of West Orange's union contracts have similar language: all new employees – those hired after January 1, 2013 for two of the unions, and January 1, 2014 for another – "must use their vacation time during the year it is received or it shall be forfeited." Four other union contracts allow accrual to the following year only.

## *Findings*

Based on West Orange's response to OSC's survey, its Employee Manual, and union contracts, OSC finds that:

1. The terms of West Orange's Employee Manual do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*). Its Employee Manual allows payment for accrued sick leave at a time other than at retirement for covered employees.
2. The terms of West Orange's Employee Manual do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*). Its Employee Manual allows payment for accrued sick leave at a time other than at retirement for non-union employees hired after May 21, 2010.
3. The terms of West Orange's union contracts are not in compliance with the 2010 law (*N.J.S.A. 11A:6-19.2*) with regard to payment of accrued sick leave because they allow for payments at a time other than at retirement and do not cap the payment at \$15,000 for employees hired after May 21, 2010 in four of its contracts.

## **Gloucester County**

### **Franklin Township**

#### *Summary of Relevant Contract Provisions and Ordinances*

Franklin Township's union contracts allow for the payment of unused annual sick leave. One contract allows employees with at least 20 accumulated sick days to receive payment for up to 5 unused sick days annually. Two contracts allow employees with 480 hours of accumulated leave to receive payment for up to 72 hours or 80 hours of unused sick leave annually, depending on the union.

One union contract allows for payment of accrued sick leave at retirement only at 50 percent value without limit. Another contract allows employees to be paid for up to 480 hours (60 8-hour days) of accrued sick leave at retirement. A third contract limits the payment for accrued sick leave to \$15,000. Two of these contracts define retirement as the permanent leaving from the Township following 25 years of service in law enforcement, with the final 10 years or more with the Township.

At OSC's request, Franklin Township provided individual employment contracts for the Township Administrator and Community Development Director. The Township Administrator's contract states that "[u]nused sick days shall accumulate from year to

year and [the Township Administrator] will be entitled to utilize and receive payment for those days consistent with the Township policies relating to other managerial employees.” The Community Development Director’s contract states that the Director is provided 88 hours of “sick/personal leave” and 120 hours vacation leave. The Director may receive payment for any unused annual sick or vacation days.

Three of Franklin Township’s union contracts allow accrual of vacation time to the following year only. However, two of those also allow for the payment of up to 80 hours of unused vacation time each year.

### *Findings*

Based on Franklin Township’s response to OSC’s survey and its individual employment and union contracts, OSC finds that:

1. The terms of one of Franklin Township’s individual employee contracts does not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*). The contract includes provisions for payment of annual unused sick leave.
2. The terms of Franklin Township’s union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) regarding payment for accrued sick leave for employees hired after May 21, 2010. One contract allows payment for accrued sick leave at retirement without limit. Two allow payment of accrued sick leave at a time other than retirement from a state or locally-administered retirement system. All of Franklin Township’s union contracts allow payment for annual unused sick leave.

## **Mantua Township**

### *Summary of Relevant Contract Provisions and Ordinances*

Mantua’s Personnel Policies and Procedures allow payment of accrued sick leave of up to 12 sick days at 75 percent value for employees with less than 25 years of service in the pension system. Those with more than 25 years of service are eligible for payment of up to 30 days at 75 percent. That provision excludes employees hired on or after May 21, 2010. Employees with at least five years of service may receive payment after retirement for unused sick time at 75 percent value limited to “applicable statutory maximums.”

Mantua’s two union contracts limit payment at retirement for accrued sick leave for employees hired after May 21, 2010 to \$15,000. However, one contract allows payment of 75 percent of accumulated sick leave if an employee resigns in good standing, is laid

off, or if the employee dies. The other contract allows payment in case of an employee's death after 25 years of service.

Although Mantua does limit payment for accrued sick leave for employees hired after May 21, 2010, it still allows payment for unused annual sick leave. One union contract allows payment annually for up to six days of unused sick time at 75 percent value. The other allows payment annually of up to seven days of unused sick time at 75 percent value.

Mantua's Personnel Policies and Procedures allow five vacation days to accrue to the following year only. One union contract allows vacation to accrue to the following year only due to illness or work as a result of an emergency. The vacation may be carried to the first quarter only, and it may be paid or taken as vacation days. The other union contract has no provision allowing the accrual of vacation leave.

### *Findings*

Based on Mantua's response to OSC's survey, its Personnel Policies and Procedures, and union contracts, OSC finds that:

1. The provisions of Mantua's personnel policies do not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) with regard to payment of accrued sick leave. Its policies allow payment for annual unused sick leave for covered employees. Its personnel policy also has the potential for payment at retirement greater than the statutory cap for covered employees.
2. The provisions of Mantua's two union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) requirements for payment of accrued sick leave. Its union contracts allow for payment of annual unused sick leave for employees hired after May 21, 2010. They both also allow for payment at a time other than retirement for employees hired after May 21, 2010.

## **Woolwich Township**

### *Summary of Relevant Contract Provisions and Ordinances*

Woolwich Township's Personnel Manual limits payment of accrued sick leave at retirement and caps payment at \$10,000. However, it allows for the payment of all accumulated sick leave upon an employee's death to the dependent spouse or child. Its union contract does not allow payment of accrued sick leave under any circumstances.

Under both its Personnel Manual and its union contract, Woolwich allows the accrual of five vacation days to the following year only.

### *Findings*

Based on Woolwich's response to OSC's survey, its Personnel Manual, and union contract, OSC finds that:

1. The text of Woolwich's Personnel Manual does not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) because it allows for payment of accrued sick leave at a time other than retirement for covered employees.
2. The text of Woolwich's Personnel Manual does not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because it allows for payment of accrued sick leave at a time other than retirement for employees hired after May 21, 2010.

## **Hudson County**

### **Hoboken City**

#### *Summary of Relevant Contract Provisions and Ordinances*

Hoboken's union contracts do not issue payment for accumulated sick leave, but instead have a system that issues terminal leave based on an assessment of a retiring employee's yearly usage of sick leave. Under this system, at retirement, a set number of days of terminal leave is awarded based on each year of service, but the yearly allotment is decreased if an employee used ten or more sick leave days during that year. Hoboken Ordinance 63-6 provides the same sick time benefits to its mayor, department heads, municipal manager, and corporation counsel as set forth in the union contract.

Hoboken provides other incentive programs for the non-use of sick leave in its union contracts. Three contracts provide a cash bonus when sick leave is not used; two of those contracts grant a flat \$1,000 per six-month period where no sick leave was granted, the other union contract grants annual payment on a tiered system—\$2,000 for no sick days, \$750 for one, and \$500 for two to three days. Ordinance 63-6 bars the mayor, department heads, municipal manager, and corporation counsel from perfect attendance awards.

Vacation leave is generally accrued to the following year only. Hoboken Ordinance 63-7 limits accrual to the following year for the mayor, directors, municipal manager, and corporation counsel. One union contract allows employees to accrue up to three years of vacation prior to retirement which can be paid out in a lump sum. Two other union

contracts allow for the accrual of up to two years of vacation leave. Both of these contracts allow for the annual payment of unused vacation time at the employee's request.

### *Findings*

Based on Hoboken's response to OSC's survey, its ordinances, and union contracts, OSC finds that:

1. The terms of one of Hoboken's contracts do not comply with *N.J.S.A. 11A:6-3(e)* in that they allow the accrual of more than one year of vacation time for employees.

## **Union City**

### *Summary of Relevant Contract Provisions and Ordinances*

One of Union City's union contracts provides for 7.5 days of terminal leave for every year of service. For employees hired after October 28, 2013, the employee earns five days of terminal leave for every year of service and the terminal leave is limited to \$15,000. For each additional used sick day after five used sick days, a half day is deducted from the terminal leave allotment. Thus, an employee using 20 sick days in a calendar year would not accrue any terminal leave for that year.

Another union contract allows the payment for accrued sick leave at 50 percent value, at the time of retirement or death, without limit. The contract also allows a bonus payment of \$150 per year for employees who use no sick leave during the year and \$75 for those who only use one sick day. Another one of Union City's union contracts caps the payment for terminal leave at retirement only, in accordance with *N.J.S.A. 11A:6-19.2*, for all employees hired after May 21, 2010.

One union contract allows vacation leave to accrue to the following year only. Another allows officers to accrue two years of vacation leave in addition to the current year's allotted amount. The last contract allows vacation to accrue indefinitely, but limits payment upon retirement to two years of accrued vacation time.

### *Findings*

Based on Union City's response to OSC's survey and its union contracts, OSC finds that:

1. The provisions of one of Union City's union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) regarding sick leave because they allow payment at a time other than retirement for employees hired after May 21, 2010 and do not have a capped amount.
2. The terms of two of Union City's contracts do not comply with *N.J.S.A. 11A:6-3(e)* because they allow the accrual of more than one year of vacation leave.

## Town of West New York

### *Summary of Relevant Contract Provisions and Ordinances*

Two of West New York's union contracts are phrased so as to limit payment for accrued sick leave to the statutory maximum. Another union contract allows payment of up to \$18,000 for any accrued sick leave at resignation, death, or retirement. The recent extension to that contract does, however, have a catch-all provision stating:

If not stated herein, all applicable terms and conditions in the [Collective Bargaining Agreement (CBA)] shall remain the same and represents the complete understanding of the parties, except that all applicable federal or state laws that contradict any term in the CBA or this MOA shall supersede.

All union contracts include an incentive program to reduce employees' use of sick days: (1) one contract grants a personal day for an employee that uses less than three sick days; (2) another has a tiered system of annual payment of up to five days' pay for the non-use of sick leave; and (3) a third contract has a tiered system of annual payment of up to six days' pay for the non-use of sick leave.

All three contracts limit vacation leave accrual to the following year only.

### *Findings*

Based on West New York's response to OSC's survey and its union contracts, OSC finds that:

1. The terms of one of West New York's union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) with regard to payment of accrued sick leave because they allow payment at a time other than at retirement and more than \$15,000 for employees hired after May 21, 2010.

# Hunterdon County

## Raritan Township

### *Summary of Relevant Contract Provisions and Ordinances*

Only one of Raritan Township's union contracts explicitly ends the practice of payment for accrued sick leave. That contract states that "[e]mployees hired after January 1, 2013 . . . shall not receive any payment for sick time upon separation from employment including retirement." It also explicitly caps the prior payments for accrued sick leave at \$15,000. Three of Raritan's other union contracts all allow payment of accrued sick leave at retirement at 35 percent value up to 200 days for employees hired on or prior to January 1, 2012. Two of those contracts specifically limit such payment to \$15,000. The third one states that the terms are "[s]ubject to NJSA language limiting the same."

Three union contracts allow employees hired on or prior to January 1, 2012 to receive payment for accrued sick leave up to 25 percent value up to 200 days upon separation at a time other than retirement. The terms are repeated in the lay-off provision in the contracts. However, one contract does not limit the payment in that section to employees hired prior to a specific date.

The Township's ordinances for non-union employees reflect a similar calculation as the some of the union contracts. Ordinance 121-8(A) states that "[a]t retirement, employees shall be paid 35% of the daily rate of pay in effect and for the number of days accumulated on the effective date of Ordinance No. 11-7 [April 5, 2011] for each accumulated day up to a maximum of 200 days." It goes on to say that "[a]t other separation of employment, except in the case of firing, employees shall be paid 25% of the daily rate of pay in effect and for the number of days accumulated on the effective date of Ordinance No. 11-7 for each accumulated day up to a maximum of 200 days." The Ordinance also specifically states that there is a statutory limit on compensation: "Payment for accumulated sick and vacation leave shall not exceed the statutory amounts set forth in N.J.S.A. 40A:9-10.2 and 40A:9-10.3."

One of Raritan's union contracts allows employees hired prior to January 1, 2016 to receive payment for up to 25 unused annual sick days at 25 percent value. Three others allow the payment of up to 20 annual unused sick days at 25 percent value for employees hired prior to January 1, 2020.

For two separate union contracts, Raritan distinguishes between employees hired before and after January 1, 2013. For those hired prior to January 1, 2013, they are entitled to payment of 50 percent value of accumulated sick leave, capped at 1,320 hours. All or part



of the sick leave may be used for terminal leave. For those hired after January 1, 2013, they are allowed up to six months of sick leave and compensatory time to be used for terminal leave with any remaining unused sick time paid “in accordance with the law.”

Ordinance 121-9 allows vacation leave to accrue to the next year only. One union contract does not allow vacation time to accrue to the next year, but three others allow accrual of vacation leave to the following year only. Two different contracts allow employees either the option of accruing time to the following year or payment for unused vacation time only if the needs of the department do not allow the employee to use all vacation leave.

### *Findings*

Based on Raritan Township’s response to OSC’s survey, its ordinances, and union contracts, OSC finds that:

1. The terms related to sick leave in the Township Ordinance 121-8 do not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) because Raritan Township allows payment for accrued sick leave other than at retirement for covered employees.
2. The terms related to sick leave in two of Raritan’s union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because they permit employees hired after May 21, 2010 payment for accrued sick leave other than at retirement, allow for payment to employees at an amount greater than \$15,000, and allow employees to receive terminal leave payments based on accrued sick leave in addition to receiving a lump-sum payment.
3. The terms related to sick leave in another contract do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because they permit employees hired after May 21, 2010 to receive accrued sick leave payment in excess of \$15,000.
4. The terms related to sick leave in three other union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because they permit employees hired after May 21, 2010 to receive accrued sick leave payment at a time other than at retirement and in excess of \$15,000.
5. The terms related to sick leave in four contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because they permit employees hired after May 21, 2010 to receive payment for annual unused sick leave.

# Mercer County

## Hamilton Township

### *Summary of Relevant Contract Provisions and Ordinances*

Hamilton's eight union contracts regarding payment of accrued sick leave are mostly consistent. In all eight, Hamilton limits payment for accrued sick leave at \$15,000. However, they all allow payment for accrued sick leave at retirement or if the employee dies before retirement. All eight contracts also allow for the payment of unused sick leave of up to five days annually.

One contract has no provisions on sick leave accrual or payment, nor does it provide for any vacation leave.

With regard to the accrual of vacation time, four of Hamilton's union contracts allow vacation time to accrue to the following year only. Four others allow for the carryover of vacation time for more than one year. Two of those allow employees to carry 240 hours year-to-year, which is more than one year's worth of vacation time for any employee with less than nine years of service. They also allow payment for five unused vacation days per year. The two other contracts allow one year's worth of vacation to be carried to the following year but allow for accrual to continue beyond, stating:

No carried over vacation time may be further carried over or accumulated unless the employee is unable or prevented from taking vacation as a result of municipal business, working conditions, illness or injury; this earned accumulated vacation shall be carried over into the next calendar year no matter the number of unused carried vacation days. However, this time must be used up during that following year or the employee shall forfeit same providing all conditions are met.

Hamilton's Employee Handbook does not refer to payment for accrued sick leave, but it does allow payment for unused sick leave of up to five days annually for all employees. The Handbook does not have a provision addressing vacation time accrual for non-union employees; instead, it states union-represented employees should consult their union contracts for such accrual.

## *Findings*

Based on Hamilton's response to OSC's survey, its Employee Handbook, and union contracts, OSC finds that:

1. The terms of Hamilton's sick leave policy in its Employee Handbook and one union contract do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) because they allow payment of sick leave annually and potentially pay more than \$15,000 for covered employees.
2. The terms of Hamilton's eight union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) because they allow the payment of accrued sick leave at a time other than retirement.
3. Hamilton's sick leave policy in its Employee Handbook and the terms of Hamilton's eight union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) because they allow the payment of unused sick leave annually for employees hired after May 21, 2010.
4. The terms of four of Hamilton's contracts do not comply with *N.J.S.A. 11A:6-3(e)* because they allow vacation leave to accrue for more than one year. The provision in two contracts for extending vacation leave accrual does not match the exceptions allowed under *N.J.S.A. 11A:6-3(e)* (i.e., a gubernatorial issued state of emergency). The two other contracts allow accrual based on hours, which is greater than what an employee with less than nine years of employment earns in one year.

## **Hopewell Township**

### *Summary of Relevant Contract Provisions and Ordinances*

Hopewell Township's Personnel Policy Manual and all five of its union contracts are consistent in capping accrued sick leave payments at \$15,000. However, two union contracts allow payment for accrued sick leave payments at retirement or at the death of an employee eligible to retire.

With regard to the accrual of vacation time, Hopewell Township's Personnel Policy Manual states that employees hired prior to May 21, 2010 may accrue and carry forward up to two years of vacation time. For employees hired after May 21, 2010, only one year of vacation is allowed to be carried over to the following year only.

However, all five of Hopewell Township's union contracts allow for the accrual of up to two years vacation leave into the following year. One states that the "[m]aximum annual leave accumulation will be limited to that which accrues to an employee in two years[.]" Two others state that "[no] more than two years accumulation of earned vacation leave may be carried over into the following year." The remaining two allow up to two years of vacation leave to accrue to the following year.

### *Findings*

Based on Hopewell Township's response to OSC's survey, its Personnel Policy Manual, and union contracts, OSC finds that:

1. The terms of two of Hopewell's union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because they allow the payment of accrued sick leave at a time other than at retirement for employees hired after May 21, 2010.
2. The terms of five of Hopewell's union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.5*) because they allow the accrual of more than one year of vacation leave for employees hired after May 21, 2010.

## **West Windsor Township**

### *Summary of Relevant Contract Provisions and Ordinances*

Two of West Windsor's union contracts cap the payment for accrued sick leave at \$10,000. One contract caps payment of lump-sum sick leave at \$15,000 but allows 50 percent of sick days to be used as terminal leave prior to retirement.

Another contract offers the choice of a lump-sum payment of accrued sick leave capped at \$20,000, or time off prior to retirement (terminal leave) of up to 50 percent of the number of sick days accrued. That contract also allows payment of accrued sick leave for employees with at least six years of service who are terminated "under honorable circumstances," capped at \$15,000. Another contract allows either a lump-sum payment or terminal leave. However, that contract does not limit the payment amount, only the percentage of total sick days accrued (at 50 percent). All three contracts also allow payment of accrued sick leave to the estate if the employee dies.

Two contracts state that "[a]n employee who has in excess of five (5) days unused annual sick time, may elect to sell the excess days back to the Township at 50% of the value of the days," whereas two other contracts allow the annual payment of any unused leave.

With regard to vacation time, the three contracts limit accrual of vacation leave to ten days carryover to the next year only. Two other contracts, however, make no reference to vacation accrual limits. Those contracts do state that an employee “will have the option of including unused vacation time in their sick time bank.”

### *Findings*

Based on West Windsor’s response to OSC’s survey and its union contracts, OSC finds that:

1. The terms of two of West Windsor’s contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because they allow payments of accrued sick leave other than at retirement and in excess of \$15,000 for employees hired after May 21, 2010.
2. The terms of another contract do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because they allow payment of accrued sick leave other than at retirement for employees hired after May 21, 2010.
3. The terms of four contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because they allow for the payment of unused annual sick leave for employees hired after May 21, 2010.
4. The terms of two contracts also do not comply with the 2010 law (*N.J.S.A. 40A:9-10.5*) because they allow vacation leave to accrue without limit by converting the time to the employee’s sick bank for employees hired after May 21, 2010.

## **Middlesex County**

### **Monroe Township**

#### *Summary of Relevant Contract Provisions and Ordinances*

Monroe Township’s Ordinance 78-32.2, Personnel Policy Manual and three of four of its union contracts cap the payment for accrued sick leave to a maximum of \$15,000. They all also allow payment for accrued sick leave at retirement only. The fourth contract differs in that it allows for the payment of terminal leave, stating that “[i]n addition to the \$15,000 max cash-in, a retiring officer shall have the right to use up to 30 sick days as paid time off immediately prior to his retirement date.”

Two of Monroe Township's contracts allow an employee that has accrued sick leave of 240 hours to convert up to 80 sick hours to compensatory time to be used during the year requested. Another contract has a similar provision but it is limited to a particular type of position only.

Monroe Township's Ordinance 78-30 and two of its union contracts allow the accrual of vacation to the following year only.

### *Findings*

Based on the Monroe Township's response to OSC's survey, its ordinances, Personnel Policy Manual, and union contracts, OSC finds that:

1. The terms of one of Monroe Township's union contracts do not comply with 2010 law (*N.J.S.A. 40A:9-10.4*) because they allow terminal leave payments for employees hired after May 21, 2010 in excess of \$15,000. That contract, and another, also do not comply by allowing the annual conversion of sick leave to compensatory time.

## **Old Bridge Township**

### *Summary of Relevant Contract Provisions and Ordinances*

Old Bridge's Ordinance 351-3 allows payment for accrued sick leave at separation in good standing due to layoff, retirement, or death. For non-union employees hired on or after July 1, 1993, Ordinance 351-3 limits payment for accrued sick leave at \$7,500.

Four of Old Bridge's union contracts also limit payment for accrued sick leave at \$7,500 and include the following language:

All employees hired on or after May 21, 2010 shall not be afforded payment and/or compensation for unused sick leave during the calendar year pursuant to *N.J.S.A. 40A:9-10.4*. Payment for accumulated sick leave shall be known as supplemental compensation. Supplemental compensation shall be payable only at the time of retirement from a State-administered or locally-administered retirement system based on the leave credited on the date of retirement in compliance with New Jersey state law (*N.J.S.A. 40A:9-10.4*). Additionally, employees shall not be afforded supplemental

compensation upon layoff, resignation and/or termination in compliance with New Jersey state law (N.J.S.A. 40A:9-10.4).

Three of Old Bridge's union contracts allow for payment of accrued sick leave up to \$15,000 at retirement or resignation. By issuing Memoranda of Agreement (MOAs) in 2017, the modified union contracts now also state that "[e]mployees hired on or after May 21, 2010 shall not be afforded any payment or compensation for unused sick days during their employment . . . in compliance with N.J.S.A. 40A:9-10.4."

Another union contract allows sick leave payments at a time other than retirement (resignation, retirement, lay off, or disability) capped at \$7,500.

Old Bridge's Ordinance 351-5 and eight union contracts are all consistent regarding vacation time accrual; all require any permissible accrual to be used during the following year only.

### *Findings*

Based on Old Bridge's response to OSC's survey, its ordinances, and union contracts, OSC finds that:

1. The terms of Old Bridge's Ordinance 351-3 do not comply with the 2007 law (N.J.S.A. 40A:9-10.2) with regard to payment of accrued sick leave. The Ordinance allows payment of accumulated sick leave for covered employees at a time other than retirement.
2. The terms of three of Old Bridge's contracts do not comply with 2010 law (N.J.S.A. 40A:9-10.4) by allowing payment of accrued sick leave at a time other than retirement for employees hired after May 21, 2010.

## **Piscataway Township**

### *Summary of Relevant Contract Provisions and Ordinances*

Piscataway's Personnel Manual allows five sick days per year to accrue into the employees "Accumulated Sick Bank." Payment for accrued time in the sick bank can be paid at retirement only and is capped at \$15,000 or less. However, Piscataway also allows the conversion of any remaining unused annual sick time in excess of five days to be "compensatory sick time." Such time is capped at 140 hours and payment for such time may be made at separation for any reason. Further, employees can use sick time and "compensatory sick time" to fund their deferred compensation plans.

The Personnel Manual's section concerning retirement does not cap "compensatory sick time" when paid to either retirees or employees leaving in good standing. The provisions allow those employees to receive "all" compensatory sick time. Finally, Piscataway allows payment of capped sick leave as terminal leave.

Two of Piscataway's union contracts allow 5 days of unused annual sick leave to accrue toward "early retirement," capped at 240 days, or a maximum payment of \$15,000 or less. Any remaining unused sick days can be converted to "compensatory sick time," which can be used the following year in the same manner as personal time. If not used the following year, the "compensatory sick time" is lost. Finally, the accumulated sick days for "early retirement" can also be paid to the heirs or designated beneficiary of any employee who dies while in the employment of the Township.

Two other contracts have similar provisions: both allow one day for every 5 accrued sick days for early retirement, up to 240 days, capping payment at \$15,000 for employees hired after September 2000 (or \$7,500 hired after July 4, 2012). That amount may also be used as terminal leave. However, the contracts also allow the conversion of excess unused sick time (over the five used for early retirement) to "compensatory sick time" or vacation time.

With regard to vacation time, Piscataway's Personnel Manual states that:

Accumulation of vacation leave beyond that earned in a twelve-month period shall not be permitted, except with prior approval of the Department Head and the Business Administrator. No employee shall be permitted to accumulate more than 20 days of unused vacation leave. Up to 10 days of accumulated vacation over the 20 days unused will be paid out upon the employees request during the last pay period of the year. Anything over the 10 days not used will be lost.

Two of the contracts limit accrual to the following year only. The other two contracts have no provision for vacation leave accrual. They do make reference to allowing vacation time to be converted to compensatory time. In its sick leave policy of converting vacation time (already converted from accumulated sick leave) to compensatory time, the contracts state: "[u]se of the excess time as vacation time shall be subject to the provisions of this Agreement governing vacation time and may be converted to compensatory time at the discretion of the Employee."



## *Findings*

Based on Piscataway's response to OSC's survey, its Personnel Manual, and union contracts, OSC finds that:

1. The terms of Piscataway's Personnel Manual do not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) and the 2010 law (*N.J.S.A. 40A:9-10.4*) with regard to payment for accrued sick leave. Its Personnel Manual does not limit the payment of sick leave at retirement only for covered employees or non-union employees hired after May 21, 2010.
2. The terms of two of Piscataway's contracts do not comply with 2010 law (*N.J.S.A. 40A:9-10.4*). Both allow payment of accrued sick leave other than at retirement and allow conversion of sick leave to other forms of leave that could be received as payment by employees hired after May 21, 2010.
3. The terms of two other Piscataway's contracts do not comply with 2010 law (*N.J.S.A. 40A:9-10.4*). Both allow payment of accrued sick leave other than at retirement, allow terminal leave payments, and allow conversion of sick to other forms of leave that could be received as payment by employees hired after May 21, 2010.

## **South Brunswick Township**

### *Summary of Relevant Contract Provisions and Ordinances*

South Brunswick's Policy Manual and its union contracts all consistently cap accrued sick leave payments at \$20,000. Its Policy Manual states non-union full-time employees are "entitled to receive such compensation for accrued sick time as is required by the [the union] collective bargaining agreement." Under the Policy Manual, employees who resign in good standing are entitled to a percentage of accrued sick time depending on the number of years of service: if less than five years of service, the employee receives payment of 25 percent value of accrued sick time; five to ten years of service – payment of 33 percent value of accrued sick time; and ten or more years of service – payment of 50 percent value of accrued sick time. The Township issues payment of 100 percent of accrued sick leave up to \$20,000 to the estate of an employee that has died.

One of South Brunswick's contracts has the same terms for sick leave payments as the Township's Policy Manual discussed above. However, the contract also allows the union members to receive payment for unused annual sick leave, stating:

Any employee represented by [the union] who uses 3 or fewer sick days (or the equivalent in hours) in a calendar year may choose to sell back the balance of unused full sick days for that year at a rate of \$100.00 per day; provided the employee has at least 350 hours of sick time left in his/her bank.

Two other contracts allow payment of \$20,000 at retirement or death, as well as payment of a percentage of sick leave if the employee leaves the service for reasons other than disciplinary action. These contracts allow an employee who uses 3 or fewer sick days (or the equivalent in hours) in a calendar year to receive payment for the balance of unused full sick days at \$100 per day provided the officer has at least 400 hours sick time accrued. One of these contracts also permits an employee who, as of the first of the calendar year has accumulated 50 or more sick days, to receive payment for each of the 15 unused annual sick days at \$40 per day provided the employee has at least 400 hours sick time accrued. Both contracts allow for the payment of terminal leave, stating:

[T]here shall be a terminal leave provision established for employees scheduled to retire in the amount of [ . . . ] 30 work days which may be funded by unused paid leave time for vacation, personal and uniform maintenance days, comp time and sick days.

A separate contract allows the same benefits as the above contract, except it does not provide for payment of unused sick leave at the beginning of the year for \$40 per day.

South Brunswick's Policy Manual and all union contracts, except two contracts, allow only 10 days of vacation to accrue to the following year. The two contracts allow employees to accrue up to 95 earned and accumulated vacation hours into the next calendar year to be used that year. The contract allows further accrual if the employee is unable or prevented from taking any vacation due as a result of municipal business, working conditions, or job related injuries. If so, the employees' earned accumulated vacation may accrue to the next calendar year no matter the number of unused earned vacation hours.

### *Findings*

Based on South Brunswick Township's response to OSC's survey, its Policy Manual, and union contracts, OSC finds that:

1. The terms of South Brunswick's Policy Manual do not comply with the 2007 law (*N.J.S.A. 40A: 9-10.2*) with regard to payment of sick leave. Its Policy Manual does

not cap sick leave payments at \$15,000, nor does it limit the payment of sick leave to retirement only for covered employees.

2. The terms of two of South Brunswick's contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) with regard to sick leave payments. They allow payment of accrued sick leave greater than \$15,000, at a time other than at retirement, and payment for unused annual sick leave for employees hired after May 21, 2010.
3. The terms of two of South Brunswick's contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) with regard to sick leave payments. They allow payment of accrued sick leave greater than \$15,000, payment of sick leave other than at retirement, payment for unused annual sick leave, and terminal leave for employees hired after May 21, 2010.
4. The terms of two of South Brunswick's contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.5*) regarding vacation time for those employees hired after May 21, 2010. The contracts allows accrual of vacation leave beyond the following year without a governor-declared state of emergency.

## South Plainfield Borough

### *Summary of Relevant Contract Provisions and Ordinances*

South Plainfield's Personnel Manual states that "[a]n employee may accumulate up to 6 calendar months (180 days) of sick time which will be compensated for upon retirement." One of its contracts contains similar language.

Another contract states that payment for accrued sick leave is capped at \$15,000, but allows payment for employees that die or leave in good standing with 10 years of service. The payment can be in a lump sum or as terminal leave. A different contract also allows for payment for sick leave as terminal leave, stating that "[t]he Employee may choose to receive the payment in bi-weekly payroll checks or a lump sum payroll check at the most current rate of pay. . . . The official retirement date will occur when the employee has depleted and been paid for all accrued vacation and sick time."

Two other contracts do not provide for the payment of accrued sick leave. Both state that "[s]ick time shall be based on [*N.J.S.A.*] Title 40A:14-137." One contract has a sick leave incentive program in which employees achieving perfect attendance for any six-month period of time receive a stipend in the amount of \$500, not to exceed \$1,000 for any calendar year.

All of South Plainfield's contracts and its Personnel Manual limit vacation accrual to the following year only.

### *Findings*

Based on South Plainfield's response to OSC's survey, its Personal Policy Manual, and union contracts, OSC finds that:

1. South Plainfield's policies do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) with regard to payment of accrued sick leave. Its Personnel Manual does not cap payments of accrued sick leave at \$15,000 for those covered employees.
2. The terms of two of South Plainfield's contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) with regard to payment of accrued sick leave. They both allow payments in excess of \$15,000 for employees hired after May 21, 2010.
3. The terms of one of South Plainfield's contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) regarding payment of accrued sick leave. They allow payments of accrued sick leave other than at retirement for employees hired after May 21, 2010.
4. The terms of two of South Plainfield's contracts also do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) by allowing payment of accrued sick leave as terminal leave for employees hired after May 21, 2010.

## **Monmouth County**

### **Freehold Township**

#### *Summary of Relevant Contract Provisions and Ordinances*

Freehold Township Ordinance 47-12 concerning sick leave payments for non-union workers caps the payment for accrued sick leave at \$15,000 for employees hired prior to March 1, 2016 at 50 percent value of sick leave at retirement only and with 10 years of service. If an employee accrued more than \$15,000 sick leave at the time of the Ordinance's enactment in 2007, that employee is limited to that amount, but not more than \$17,500. Non-union employees hired after March 1, 2016 receive no payment for accrued sick leave.

Two of Freehold's contracts cap payment for accrued sick leave at retirement to \$15,000 for all employees hired after May 21, 2010. Payment for accrued sick leave for employees hired after January 1, 2017 is limited in both contracts to \$7,500 at retirement only.

These contracts allow for conversion of sick leave to vacation time. Employees hired prior to January 1, 2017 with 110 sick days accrued are allowed to convert 3 sick days to vacation leave to be used the following year. Employees hired after January 1, 2017 with 120 sick days accrued are allowed to convert 5 sick days to vacation time. The contracts also provide a separate sick leave incentive program for the non-use of sick leave. If employees use 2 or less sick days in a calendar year, they are provided "compensatory time," up to 40 hours. The employees may receive payment for that compensatory time pursuant to the provisions of the contracts.

A separate contract allows for the payment of accrued sick leave at retirement of up to \$17,500 for employees with 10 years of service hired prior to July 1, 2017. Another contract caps payment for accrued sick leave at \$15,000 for employees with 10 years of service hired prior to July 1, 2017. Under both of these contracts, all employees hired after July 1, 2017 receive no payment for unused sick leave at retirement.

Freehold's Ordinance 47-11 and all its union contracts allow the accrual of vacation leave to the following year only.

### *Findings*

Based on Freehold Township's response to OSC's survey, its ordinances, and union contracts, OSC finds that:

1. Two of Freehold's contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) by allowing the conversion of unused sick leave to vacation leave.

## **Holmdel Township**

### *Summary of Relevant Contract Provisions and Ordinances*

The policy in Holmdel's Policies and Procedures Manual for non-union employees limits payment for accrued sick leave to \$3,000, which will only be paid at retirement for employees in good standing with at least ten years of service. One of its contracts caps payment at \$12,500 for accrued sick leave to be paid at retirement only. Two other contracts limit payment for accrued sick leave at retirement only to \$15,000.

A separate contract allows payment for accrued sick leave at retirement for employees in good standing with ten years of service, capped at a total of \$4,000. A different contract has the same provision, but it caps sick leave payments at retirement at \$3,500.

Holmdel's Policies and Procedures Manual allows non-union employees to accrue five vacation days to be used by March 31 the following year. Two of its five contracts also allow five days to carry over to March 31 the following year. One contract requires an employee to take vacation in the year it is earned. The remaining two contracts have no provisions regarding accrual of vacation leave.

### *Findings*

Based on Holmdel's response to OSC's survey, its Policies and Procedures Manual, and union contracts, OSC issues no findings.

## **Middletown Township**

### *Summary of Relevant Contract Provisions and Ordinances*

In its annual 2021 Salary Ordinance, Middletown states that its non-union non-police employees are "entitled to and receive the same fringe benefits as set forth under the most recently adopted white collar contract, including but not limited to the accrual of vacation and sick time." Three of Middletown's contracts all cap sick leave payments at \$15,000 to employees who retire with 20 years of service. Under these contracts, if employees have accrued sick leave greater than \$15,000 as of January 1, 2016, then payment is capped at that amount. However, if employees use that time, payment is capped at the new lower amount. These contracts allow the payment of sick leave to be taken as a lump sum or as paid terminal leave. They allow for payment of accrued sick leave if the employee dies. They also all allow payment for unused annual sick leave at 50 percent value for those who have reached the maximum amount allowed to be accrued. For one of these contracts, if the employee only uses less than five sick days in a year, the payment for unused annual sick leave is valued at 75 percent instead of 50 percent.

Two other contracts have been extended by Memoranda of Agreement (MOAs) several times. The MOAs only reflect changes to prior contract or MOA terms. They contain the same provisions regarding sick leave. Both allow for paid sick leave as a lump-sum payment at retirement or resignation with at least 20 years of service. Payment may be either as a lump sum or as terminal leave. For employees hired after May 21, 2010, any payment for accrued sick leave is capped at \$15,000. Both contracts allow payments for unused annual sick leave. If an employee uses more than six sick days in a year, the

employee may receive payment for the remaining unused sick days at 50 percent value. If the employee uses four to six days, the employee may receive payment for the remaining time at 75 percent value. If an employee uses three or less sick days per year, the employee may receive payment for the remaining time at 85 percent value.

All of Middletown's union contracts and its 2021 Salary Ordinance have provisions limiting accrual of vacation time to the next calendar year only.

### *Findings*

Based on Middletown's response to OSC's survey, its ordinance, and union contracts, OSC finds that:

1. The terms of Middletown's 2021 Salary Ordinance do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) with regard to sick leave because they adopt the sick leave policies under the most recently adopted contract which allow payment other than at retirement and allow annual sick leave payments for covered employees.
2. The terms of three of Middletown's contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) with regard to sick leave. They all allow for payment other than at retirement and allow for annual sick leave payments for employees hired after May 21, 2010.
3. The terms of two of Middletown's contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) regarding sick leave payments. They allow terminal leave payments and annual sick leave payments for employees hired after May 21, 2010.

## **Red Bank Borough**

### *Summary of Relevant Contract Provisions and Ordinances*

Two of Red Bank's union contracts and its Personnel and Policies Manual are consistent concerning payment for accrued sick leave by providing that:

1. An employee hired after January 1, 1994 is paid at retirement for one-half of the employee's accumulated sick leave, not to exceed \$15,000.00; and
2. an employee hired after January 1, 2018 is not be eligible to receive any pay for accumulated sick leave upon retirement.

Additionally, the two contracts allow a bonus of one personal day the following year for employees who do not use any sick leave during the year.

Another contract allows payment for accumulated sick leave at retirement based on half-pay per day accumulated, capped at a total of \$20,000. The contract also allows payment of accrued sick leave should the employee die while still employed.

Its Personnel and Policies Manual and all three union contracts have provisions capping accrual of vacation time to five days that can be carried over to the next calendar year only.

### *Findings*

Based on Red Bank's response to OSC's survey, its Personnel and Policies Manual, and union contracts, OSC finds that:

1. The terms of one of Red Bank's contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) with regard to sick leave. They allow for payment of accrued sick leave at retirement for an amount greater than \$15,000 for employees hired after May 21, 2010. They also allow for payment at a time other than retirement for employees hired after May 21, 2010.

## **Wall Township**

### *Summary of Relevant Contract Provisions and Ordinances*

Wall's Ordinance 33-6 and one of its contracts limit payment for accrued sick leave to \$7,500. The contract allows for payment at resignation in good standing, while Ordinance 33-7 allows payment upon retirement, separation, or death of the employee. Two of its other contracts limit payment for accrued sick leave at 50 percent value of 250 sick days. Both also allow the sick leave to be paid as either terminal leave prior to retirement or as a lump-sum payment. The lump-sum payment is also allowed at separation or upon death of the employee.

Wall Township's Ordinance 33-6 and all three union contracts state that vacation leave may only accrue to the following year only.

### *Findings*

Based on Wall Township's response to OSC's survey, its ordinances, and union contracts, OSC finds that:



1. The text of Wall Township's Ordinance 33-6 does not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) with regard to sick leave. It allows payment of accrued sick leave at a time other than retirement for covered employees.
2. The provisions of Wall Township's Ordinance 33-7 and all three union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) with regard to payment of accrued sick leave. Two of the contracts allow for terminal leave and payment greater than \$15,000 for employees hired after May 21, 2010. Also, Wall's Ordinance 33-7 and all three union contracts allow for payment at a time other than at retirement.

## Morris County

### Town of Dover

#### *Summary of Relevant Contract Provisions and Ordinances*

Two of Dover's employee union contracts cap sick leave payments at \$15,000 but allow unlimited "terminal leave." Both contracts allow an employee who is 55 years or older and has at least ten years of continuous service with the Township to receive payment of 50 percent value for accrued sick leave. The payments can be in time off or a maximum of \$15,000 cash. Although Dover did not provide an employee manual that addresses its sick leave policies, Dover's survey response indicated that it reimburses its department heads for unused annual sick leave.

Two other contracts allow payment of accrued sick leave at resignation and do not cap sick leave payments. The contracts allow an employee who "leaves employment" with at least ten years of service to receive payment of 33 1/3 percent of all accumulated sick leave. They both allow an employee who retires with 25 years of service to receive 75 percent of accumulated sick time as time off (terminal leave).

Dover allows vacation leave to accrue to the next calendar year only.

#### *Findings*

Based on Dover's response to OSC's survey and its union contracts, OSC finds that:

1. Dover's sick leave policies do not comply with the 2007 law (*N.J.S.A. 11A:6-19.*) by allowing for annual sick leave payments for covered employees.

2. The terms of Dover's union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) by allowing sick leave payments other than at retirement, failing to cap sick leave payments at \$15,000, and by paying terminal leave prior to retirement for any employee hired after May 21, 2010.

## Florham Park Borough

### *Summary of Relevant Contract Provisions and Ordinances*

Florham Park's Personnel Policies and Procedures Manual allows for payment of accrued sick leave at resignation or retirement for non-union employees with a minimum of 5 years of service, limiting the payment to 50 days, half of the number of a maximum 100 accrued days. One of Florham Park's contracts allows payment of half of an employee's accumulated sick leave for up to 60 accrued sick days if the employee retires or is permanently laid off. Another contract allows for payment of one-half day for up to 100 days of accumulated sick leave if the employee retires or is permanently laid off. Florham Park pays a bonus for annual perfect attendance of \$200 to its employees subject to one of its contract and \$500 for its employees subject to its other contract.

With regard to vacation leave, Florham Park's Personnel Policies and Procedures Manual does not allow for accrual of vacation leave to the succeeding year unless authorized by the Business Administrator or specific labor contract. One of its contracts does not allow any vacation accrual except due to pressing Township business or reasons beyond an employee's control at year end. It also allows vacation accrual into the retirement year of an employee, in which case it should be used immediately prior to retirement. Its other contract has no provision for vacation accrual, but allows employees with over 20 years of service to convert four unused vacation days to sick days to be included in the employees' accrued sick leave "bank."

### *Findings*

Based on Florham Park's response to OSC's survey, its Personnel Policies and Procedures Manual, and union contracts, OSC finds that:

1. The terms of Florham Park's sick leave policies do not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) by allowing payment of accrued sick leave at a time other than at retirement and for failing to specifically cap sick leave payments at \$15,000 for covered employees.
2. The terms of Florham Park's sick leave policies do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) by allowing payment of accrued sick leave at a time other

than at retirement and for failing to specifically cap sick leave payments at \$15,000 for employees hired after May 21, 2010.

3. The terms of Florham Park's two union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) by allowing sick leave payments other than at retirement and for failing to specifically cap sick leave payments at \$15,000.

## Lincoln Park Borough

### *Summary of Relevant Contract Provisions and Ordinances*

Lincoln Park's Personnel Manual provides that non-union employees with fifteen or more years of employment with the Borough can be paid one-half of their total accumulated unused sick time, up to a maximum of \$15,000, at the time the employee resigns or retires from employment. Two union contracts limit payment for accrued sick leave. One contract allows payment for accrued sick leave up to \$2,500 for employees with at least 25 years of service. The other contract allows payment for accrued sick leave up to \$15,000 at retirement only for employees with at least with 25 years of service. It also has a sick leave incentive program of up to \$1,000 per year for the non-use of sick leave.

A separate contract ended its process of providing a specific number of sick days per year and switched to an unlimited sick leave policy with no payment of accrued sick leave at retirement. An employee that does not take a sick day during the calendar year receives 36 paid time off (PTO) hours; employees that use 12 or less hours of sick leave accrue 12 PTO hours. The contract allows sick leave that had accrued as of December 31, 2016 to be converted to PTO time and "used for scheduled time off," but cannot be received as payment from the Borough as other accrued PTO.

Under the Personnel Manual, Lincoln Park policy allows accrual of unused vacation time to the succeeding year only. One of its contracts allows employees to receive payment for unused vacation time in the year it is earned. Its other contract allows employees to convert unused vacation time to PTO time, which may be banked without limit, used with permission of the department head, and, up to 120 hours, can be received as payment back to the Borough annually.

### *Findings*

Based on Lincoln Park's response to OSC's survey, its Personnel Manual, and union contracts, OSC finds that:

1. The terms of Lincoln Park's Personnel Manual sick leave policy do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) by allowing the payment for accrued sick leave at a time other than at retirement for covered employees.
2. The terms of Lincoln Park's Personnel Manual do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) by allowing payment for accrued sick leave at a time other than at retirement for employees hired after May 21, 2010.
3. The terms of one of Lincoln Park's contracts do not comply with *N.J.S.A. 11A:6-3(e)* with regard to vacation accrual. They allow employees to accrue unused vacation time without limit by converting such time to PTO.

## Ocean County

### Beachwood Borough

#### *Summary of Relevant Contract Provisions and Ordinances*

One of Beachwood's contracts allows for the payment of accrued sick leave upon retirement only, capped at \$20,000. Another contract also permits payment for accrued sick leave at retirement only, but the maximum is \$23,500. Both contracts give the Borough the option of purchasing an annuity contract to pay the employee a lump sum for two or three years. Under the two union contracts, Beachwood allows vacation leave to accrue to the following year only. According to its survey response, Beachwood applies the same terms regarding sick and vacation leave benefits to its management employees that are provided in one of its union contracts.

#### *Findings*

Based on Beachwood's response to OSC's survey and its union contracts, OSC finds that:

1. Beachwood's policy of providing management the same sick time benefits as is provided in one of its union contracts does not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*). The union contract allows for payment of accrued sick leave at retirement greater than the statutory cap for covered employees.
2. The terms of Beachwood's union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) regarding payment for accrued sick leave. Its contracts allow payment for accrued sick leave at retirement greater than the \$15,000 cap for employees hired after May 21, 2010.

## Lakewood Township

### *Summary of Relevant Contract Provisions and Ordinances*

Both Lakewood's Ordinance and Policy Manual cap accrued sick leave payments at \$15,000. The Ordinance allows the payment at "separation" and its Policy Manual allows it at resignation or retirement. Its union contracts all consistently cap accrued sick leave at \$15,000. All allow payment upon separation of service, not just retirement. Two of its contracts allow terminal leave, stating, "[a]n Employee may use the above earned and accumulated sick days, vacation days and holidays immediately preceding retirement or termination for any reason, but during this time of running out these earned and unused sick days, an Employee shall not accrue or accumulate sick [days/hours], vacation [days/hours] and/or holidays."

While three of Lakewood's contracts have no provisions concerning vacation accrual, Lakewood's Policy Manual and the other four union contracts are consistent in accruing vacation leave to the following year only. One of its contracts allows employees to receive payment for ten unused vacation days. Another contract allows employees to receive payment for up to 40 hours of unused holiday and vacation time.

### *Findings*

Based on Lakewood's response to OSC's survey, its ordinances, Policy Manual, and union contracts, OSC finds that:

1. The terms of Lakewood's personnel manual do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) with regard to sick leave payments. Its personnel manual allows for payment of accrued sick leave at a time other than retirement for covered employees.
2. The terms of Lakewood's union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) regarding sick leave payments. Its union contracts all allow sick leave payments at a time other than retirement for employees hired after May 21, 2010. Two of its contracts also allow payment of terminal leave for employees hired after May 21, 2010.

## Little Egg Harbor Township

### *Summary of Relevant Contract Provisions and Ordinances*

Little Egg Harbor's sick leave policies are established by contract. Its current contracts for the township administrator and chief financial officer both allow for payment at death or retirement of accrued sick leave capped at \$18,000.

One of Little Egg Harbor's contracts allows employees with ten years of service to receive payment for unused annual sick leave. It also allows those with ten years of service to convert ten sick days to vacation days that must be used during the following year. Employees hired between June 1, 1999 and January 1, 2013, with ten years of service, may receive payment for accrued sick time at separation in good standing from the Township capped at \$18,000; those hired after January 1, 2013 are limited to a payment at retirement capped at \$7,500. In both instances, if the employee dies, the estate is eligible to receive the payment.

A different contract allows for the conversion of ten sick days to vacation days to be used the following year. Employees with ten years of service hired prior to January 1, 2017 are entitled to \$18,000 of accrued sick leave at the time of separation from the Township. Those hired after January 1, 2017 are capped at \$15,000.

Another contract allows employees with at least 10 years of service to receive payment for unused annual sick leave, up to 16 days. Employees with ten years of service are also entitled to \$18,000 of accrued sick leave at time of separation in good standing from the Township. The contract also allows the conversion of all accrued sick leave to terminal leave.

A separate contract allows for the conversion of ten sick days to vacation days to be used during the following year. Employees with ten years of service are entitled to \$18,000 of accrued sick leave at the time of separation in good standing from the Township.

Two other contracts allow an employee that uses 48 hours or less of sick leave in a year and has accrued 360 hours of unused sick leave to receive payment for up to 48 hours of unused annual sick leave. Both contracts also allow employees to convert 80 hours of sick leave to 80 hours of vacation leave. Employees are entitled to accrued sick leave payment at retirement capped at \$18,000. If the employee dies prior to retirement, the estate receives the payment. Finally, an employee with at least 25 years of service credit for retirement and 20 years of service with Little Egg Harbor has the option to receive 30 accrued sick leave days as terminal leave. If the employee has 25 years of service or more

with Little Egg Harbor, the employee is entitled to 45 days of accrued sick leave days as terminal leave.

With regard to vacation leave, all contracts allow for accrual to the following year only. Four of the contracts allow the payment for unused annual vacation leave.

### *Findings*

Based on Little Egg Harbor's response to OSC's survey and its union contracts, OSC finds that:

1. The terms of two contracts do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) with regard to sick leave payments. The individual contracts for covered employees allow the payment at a time other than retirement and in excess of the \$15,000 cap.
2. The terms of Little Egg Harbor's union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) regarding sick leave payments. Four contracts all allow for payment of accrued sick leave at retirement greater than \$15,000 for employees hired after May 21, 2010. The contracts also allow for payment other than at retirement and terminal leave payments for employees hired after May 21, 2010.

## **Toms River Township**

### *Summary of Relevant Contract Provisions and Ordinances*

Toms River's Ordinance 104-5.1 and its Employee Policy Manual limit payment of accrued sick leave for non-union employees based on hire date: employees hired after January 1, 2014 do not receive accrued sick leave payments at retirement; those hired prior to January 1, 2014, with less than 20 years of service as of December 13, 2013, are capped at \$15,000.

Two contracts limit payment for accrued sick leave at a maximum of \$15,000 paid at retirement only for employees hired after May 21, 2010. One of those contracts does allow an employee to receive an attendance bonus of \$500 for each half-year period where sick leave is not used.

Two other contracts limit payment for accrued sick leave to \$15,000 upon retirement for employees with less than 20 years of service as of December 31, 2013, and those hired after May 21, 2010. However, one of those contracts allows for the payment of accrued sick leave upon the death of the employee. Employees hired on or after January 1, 2014

do not receive payment for accrued sick leave upon retirement. Both contracts allow the option to receive payment for ten accumulated sick leave days per year, at 75 percent value, for employees that have accumulated over 130 days.

A separate contract caps sick leave at \$15,000 for employees hired after May 21, 2010 and prohibits payment of accrued sick leave at retirement for employees hired after January 1, 2014. It does allow employees to receive payment for 10 unused sick days per year for employees with 100 days accrued. The rate of pay is calculated from how many sick days the employee has banked, so that an employee with 100 days banked receives 80 percent rate of base pay while an employee with 130 days receives 90 percent rate of their base pay.

Two other contracts end payment of accrued sick leave for employees hired after January 1, 2015. Those hired after May 21, 2010 are capped at \$15,000 “at the time of their departure from employment with the Township.” Both contracts also allow employees to receive payment for accrued sick leave “on an annual basis,” for employees with over 100 accrued sick days.

With regard to vacation leave accrual, Tom River’s Ordinance 104-5 and three of its contracts all require that vacation be used in the year of entitlement. Another contract allows accrual of up to 40 hours of vacation time to the following year only. A separate contract allow employees to only accrue 44 hours to the following year, and a different contract allows only accrual of 40 hours. Employees under those two contracts are allowed to receive payment for two weeks of unused vacation time per year. One contract limits this payment to three times during the employee’s career; one contract allows the payment each year.

### *Findings*

Based on Toms River’s response to OSC’s survey, its ordinances, Employee Policy Manual, and union contracts, OSC finds that:

1. The terms of Toms River’s union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) regarding payment of accrued sick leave. One of its contracts allows payment of accrued sick leave at a time other than retirement. Five of its contracts allow annual payment for accrued sick leave for employees hired after May 21, 2010.



# Passaic County

## Clifton City

### *Summary of Relevant Contract Provisions and Ordinances*

Of Clifton's six union contracts, only one caps sick leave payments at \$15,000 for employees hired after May 21, 2010; the remaining five contracts merely cap payment based on the number of days. Those five contracts provide capped payments based on days or hours for all employees. Two contracts allow for the payment for 260 accrued sick days at 50 percent value as terminal leave or lump-sum payment. Another contract caps accrued sick leave payments at 230 sick days, a different contract at 180 days, and the last contract at 160 days for employees hired after December 31, 1990; all three of these contracts pay the days at 50 percent value as either terminal leave or lump-sum payment.

Clifton's Ordinances 99-8, non-uniformed officials and employees, and 99-21, officials and employees not represented by a bargaining unit, allow for the unlimited payment of accrued sick leave upon retirement or death at 50 percent value either as a lump-sum payment or as terminal leave. Ordinance 99-38 for confidential officials and employees, has the same provisions as the other ordinances, but caps the total payment at 90 accrued sick days.

When employees meet that capped number of days under the union contracts, they have the annual option to receive payment for unused annual sick leave at 50 percent value. Five contracts all include a provision that allow an employee that has reached the accrued sick leave cap to receive payment annually for unused sick time. Only one contract does not contain such a provision. According to Clifton Ordinance 99-38, confidential employees that accrue 180 sick days may receive payment for unused sick leave.

Clifton Ordinance 73-3 allows vacation time to be carried into the next succeeding year only. One contract limits the accrual to five days, but allows employees to receive payment for five additional days each year. All other contracts either do not refer to any accrual or accrual is allowed only if approved by the City.

### *Findings*

Based on Clifton's response to OSC's survey, its ordinances, and union contracts, OSC finds that:

1. The text of Ordinances 99-8, 99-21 and 99-38 do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) to the extent they allow covered employees to receive annual sick leave payments and payment for accrued sick leave other than at retirement and without monetary cap.
2. The terms of five union contracts and Ordinances 99-8, 99-21 and 99-38 do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) because they allow payment for accrued sick leave with no monetary cap and allow for payment of sick leave at a time other than at retirement for employees hired after May 21, 2010.
3. The terms of five union contracts and Ordinance 99-38 do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) by allowing payment for unused annual sick leave for employees hired after May 21, 2010.

## West Milford Township

### *Summary of Relevant Contract Provisions and Ordinances*

West Milford's Personnel Manual and three of its union contracts all cap payments for accrued sick leave at \$15,000. Only one union contract limits payment of accrued sick leave to retirement only. Four contracts and the West Milford's Personnel Manual all allow payment of accumulated sick leave at retirement or termination of employment in good standing.

Two contracts allow an employee terminated in good standing to receive a percentage of accumulated sick leave to be taken as early leave with pay and provide that an employee is entitled to receive a percentage of the balance in a cash payment. These contracts cap payment of accrued sick leave at \$13,000, but allows additional "early leave" capped at 150 days.

Three of the Township's union contracts allow for a \$500 bonus if an employee hired prior to October 18, 2017 has accrued more than 150 sick days at retirement. Also, two of these contracts allow the conversion of 10 accrued sick days into 5 vacation days to be used in that year only.

West Milford's Personnel Manual and all contracts except two limit vacation days to accrue to the next year only. These two contracts allow the employee the option to accrue up to 60 days of vacation (480 hours for one of the contracts) inclusive of the current year's allotment.

## *Findings*

Based on West Milford's response to OSC's survey, its Personnel Manual, and union contracts, OSC finds that:

1. The terms of West Milford's Personnel Manual do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) because they permit payment of accrued sick leave other than at retirement for covered employees.
2. The terms of West Milford's Personnel Manual and three union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) because they permit payment of accrued sick leave other than at retirement.
3. The terms of two of West Milford's contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) with regard to payment of accrued sick time because, by permitting early leave payments, the contracts allow for payment as terminal leave. Additionally, both fail to cap the payment at \$15,000 for employees hired after May 21, 2010 as required under *N.J.S.A. 11A:6-19.2*.
4. The terms of West Milford's union contracts do not comply with *N.J.S.A. 11A:6-3(e)* with regard to vacation accrual because two contracts allow for an accrual of 60 days, which may be greater than two years of accrued vacation time.

## **Woodland Park Borough**

### *Summary of Relevant Contract Provisions and Ordinances*

Woodland Park's policy for payment of accrued sick leave is consistent through all three union contracts and its annual salary Ordinance 21-01. Payment of sick leave for retiring employees with at least 10 years of service is nominally capped at \$10,000. However, the employee may receive the remaining balance as terminal leave at 50 percent value after reaching that cap. For example, the one contract specifies:

For employees who have completed a minimum of ten years of continued service, upon retirement, as defined pursuant to the [union's] Retirement System, all unused and accumulated sick days shall be compensated to each employee as follows:

- (a) The employee shall receive a lump sum cash payment at his/her then current rate of pay on a one for two basis until a maximum amount of Ten Thousand (\$10,000) Dollars is

due and owing said employee for unused and accumulated sick leave.

- (b) The employee shall receive terminal leave for the balance thereafter of his [sic] unused and accumulated sick leave, if any, on the basis of one for every two days of sick time.

All three union contracts allow the payment of accrued sick leave at retirement or death of the employee.

With respect to its vacation leave, Woodland Park mostly allows for the accrual of one year's worth to the succeeding year only. The Borough Ordinance 13-13.3 states, "[a]ccumulation of vacation leave beyond that earned in a one (1) year period shall be permitted only with the consent of the appointing authority." One union contract does not contain a provision regarding vacation time accrual. Another contract merely states: "Vacation time shall be used in the current calendar year."

However, the third contract allows for payment for unused accrued vacation time. The contract states that, "up to one-half (1/2) of the previous year's vacation carry-over time must be used by July 1st. Any unused vacation days from the previous calendar year shall be paid after July 1st of the following year."

### *Findings*

Based on Woodland Park's response to OSC's survey, its ordinances, and union contracts, OSC finds that:

1. The terms of its annual salary Ordinance 21-01 do not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) because they allow for payment of accrued sick leave at a time other than retirement, allow terminal leave, and potentially allow for more than the \$15,000 limit for covered employees subject to the 2007 law.
2. The terms of the annual salary Ordinance and all three union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because they allow for payment of accrued sick leave at a time other than retirement, allow terminal leave, and potentially allow for more than \$15,000 for employees hired after May 21, 2010.

# Salem County

## Pennsville Township

### *Summary of Relevant Contract Provisions and Ordinances*

Pennsville's Ordinance 2.1-7 does not allow the payments of sick leave for any non-union employee hired after May 14, 1996. One contract allows a payment to retiring employees with at least 15 years of service of \$100 per year of service. Two other contracts have the same provision, but limited to employees hired prior to January 1, 2011. One of those contracts allows for the payment of up to 35 days for accrued sick leave paid upon retirement. For employees hired after January 1, 2011, the payment is 50 percent value of accrued sick leave up to 35 days. Two other contracts cap accrued sick leave payments at retirement at \$15,000.

With regard to vacation leave accrual, Pennsville's Personnel Manual allows non-union employees to accrue 5 vacation days to the following year only. Under two contracts, employees are allowed to accrue 10 vacation days to the following year. One of those contracts allows a maximum of 15 banked vacation days, and the other contract also allows those with 20 years of service to bank 90 vacation days for "early retirement or hardship." A separate contract allows 40 vacation hours to accrue to the following year with a maximum of 80 total hours. Two other contracts allow officers to accrue up to 30 vacation days to be used in the following year.

### *Findings*

Based on Pennsville's response to OSC's survey, its ordinance, Personnel Manual, and union contracts, OSC finds that:

1. The terms of Pennsville's union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) regarding payment of accrued sick leave for employees hired after May 21, 2010. One contract allows for payment of 35 accrued sick days, which may be greater than the \$15,000 limit.
2. The terms of Pennsville's union contracts do not comply with 2010 law (*N.J.S.A. 40A:9-10.5*) with regard to vacation accrual for employees hired after May 21, 2010. Two contracts allow for the accrual of vacation leave beyond one year. One contract allows for the accrual of 90 days of vacation which can be used for early retirement. Two other contracts allow the accrual of 30 vacation days which may be more than one year's worth of vacation time.

# Somerset County

## Bridgewater Township

### *Summary of Relevant Contract Provisions and Ordinances*

Bridgewater Township through its ordinances and all union contracts, froze payment of accrued sick leave as of December 31, 2012. Township Ordinance 26-32(D) allows payment for accrued sick leave at retirement for employees hired prior to December 31, 2012 capped at 25 percent of a maximum of 180 sick days and payment at resignation or termination for employees hired prior to January 1, 2012 with at least 10 years of service at separation. Three of its contracts allow payment of accrued sick leave as of December 31, 2012 at the pay rate as of that date limited to either: 25 percent value for a maximum of 240 days for employees at resignation or termination, or 33 percent for a maximum of 240 days for employees at retirement. Another contract has the same terms as the other contracts, except it allows payment to an employee with 10 years of service of 25 percent value for a maximum of 200 sick days at resignation or termination.

Bridgewater's Ordinance 26-31 and two union contracts allow the accrual of vacation time to the following June only.

### *Findings*

Based on Bridgewater Township's response to OSC's survey, its ordinances, and union contracts, OSC finds that:

1. The text of Bridgewater's Ordinance 26-32(D) may not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*). It may allow covered employees to receive payment of accrued sick leave at a time other than retirement and greater than \$15,000, or greater than the amount accrued at the time of appointment to the covered position.
2. The text of Bridgewater's Ordinance 26-32(D)(2) and its four union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) by allowing for sick leave payments at a time other than at retirement and greater than \$15,000 for employees hired after May 21, 2010.

## Franklin Township

### *Summary of Relevant Contract Provisions and Ordinances*

Franklin's Ordinance 46-13 states that after 10 years of service, for those employees hired prior to November 12, 2018, at death or retirement, an employee will receive full payment for any unused accumulated sick leave in an amount not to exceed either \$16,500 for "confidential staff" or \$30,000 for "exempt managerial staff."

One of Franklin's contracts provides for the payment of accrued sick leave to an employee with at least 10 years of service on retirement or death, capped at \$16,500. Another contract has the same provisions, but the payment is capped at \$20,000. Two other contracts provide for payment of accrued sick leave to an employee with at least 10 years of service on retirement or death, capped at \$15,000. All four of these contracts allow for annual sick leave buybacks of up to 12 sick days per year at 60 percent value. Such annual sick leave payments can be paid to the employee or deposited into either a deferred compensation plan or flexible spending account for retirement.

Another one of Franklin's contracts provides that an employee, upon retirement or death after 10 years of service, will receive full payment for any unused accumulated sick leave up to 100 days.

Two other contracts have similar provisions. Upon retirement or death after 10 full years of service with the Township, an employee will receive full payment for any unused accumulated sick leave up to a maximum of 640 hours.

These two contracts provide two optional programs for payment for annual unused sick leave. First, an employee who has accrued 400 or more sick hours has the option of being paid \$40 for every 8 sick hours not used. Second, the employee also has the option to receive payment from the Township for sick time in excess of 150 accrued hours at 85 percent value, which would then deposit payment into the officer's Township sponsored deferred compensation plan. The maximum allowable benefit for the second option is capped at \$6,000 per year.

These two contracts also have incentive programs whereby an employee who uses 56 or less sick hours in the calendar year is paid \$10 per 8 hours of unused time and an employee who uses 24 or less hours in the calendar year is paid \$15 per 8 hours of unused time.

With regard to vacation leave, Franklin Ordinance 46-11 states: "(1) Exempt managerial staff may accumulate up to three years of earned vacation. (2) Confidential staff may

accumulate up to two years of earned vacation.” All of Franklin’s union contracts allow up to two years accrued vacation.

### *Findings*

Based on Franklin Township’s response to OSC’s survey, its ordinances, and union contracts, OSC finds that:

1. The terms of Franklin’s ordinances do not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) with regard to sick leave. Ordinance 46-13 allows payment for accrued sick leave at a time other than retirement and greater than the 2007 cap for covered employees.
2. The terms of Franklin’s ordinances do not comply with the 2007 law (*N.J.S.A. 40A:9-10.3*) with regard to vacation leave. Ordinance 46-11 allows the accrual of more than three years of vacation leave for covered employees.
3. The terms of Franklin Township’s union contracts do not comply with 2010 law (*N.J.S.A. 40A:9-10.4*) with respect to payment of accrued sick leave. Two of its contracts exceed the maximum sick leave payment of \$15,000 for employees hired after May 21, 2010. Two other contracts only cap the payment at 640 hours which has the potential to exceed the \$15,000 cap for employees hired after May 21, 2010. Another contract only caps payment at 100 days which also could also exceed the \$15,000 cap.
4. The terms of Franklin Township’s union contracts also do not comply with 2010 law (*N.J.S.A. 40A:9-10.4*) with respect to sick leave because they provide an annual sick leave payment in either cash or in deposits to the deferred compensation plan to employees hired after May 21, 2010.

## **Montgomery Township**

### *Summary of Relevant Contract Provisions and Ordinances*

According to Montgomery’s survey response, it does not issue payments for accrued sick leave. One of its contracts states, “[e]mployees are not paid for unused sick leave when they separate from Township service.” Two others do not contain a provision regarding payment for accrued sick leave.



With respect to vacation leave accrual, Montgomery allows ten days accrual to the next year for its employees. One of its contracts allows ten days accrual of vacation leave to the following year, while two contracts allow seven days.

### *Findings*

Based on Montgomery Township's response to OSC's survey and its union contracts, OSC issues no findings.

## **Sussex County**

### **Sparta Township**

#### *Summary of Relevant Contract Provisions and Ordinances*

Sparta's Policies and Procedures Manual caps sick leave at retirement or death at \$15,000 for employees hired after May 21, 2010. Sparta allows employees with 10 years of service to receive payment for up to 10 unused sick days a year provided the employees have accrued at least 100 sick days. The annual payment counts against the maximum amount allowed at retirement.

Two of Sparta's contracts do not allow for payment of accrued sick leave at retirement for employees hired after December 31, 2012. One contract does not allow for such payment for employees hired after December 31, 2013. Those hired prior to those dates have the ability to receive payment for 75 percent value of 150 accrued sick days upon resignation with at least 10 years of service, and, if hired after 2002, payment at retirement with at least 10 years of service of 75 percent value up to 267 accrued sick days. Eligible employees who have accrued over 100 sick days are also allowed to receive payment for 15 unused sick leave days per year.

Two contracts do not allow payment for accrued sick leave for employees hired after January 1, 2016. Those hired after January 2009 but before January 1, 2016 are entitled to sick leave payment at retirement or death up to 150 days at 75 percent value capped at \$20,000. Employees who have accrued over 100 sick days may receive payment for 15 unused sick days per year, capped at 125 total days for the employee's tenure.

One contract caps sick leave payments at retirement, death, or resignation in good standing with 10 years of service at \$15,000 for employees hired after January 1, 2009.

Sparta's Policy and Procedures Manual and all union contracts allow for vacation leave to accrue to the following year only.

## *Findings*

Based on Sparta's response to OSC's survey, its Policies and Procedures Manual, and union contracts, OSC finds that:

1. The terms of Sparta's Policies and Procedures Manual do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) regarding payment for accrued sick leave. Its Policy and Procedures Manual allows payment for unused annual sick leave and does not reflect the requirements of the 2007 law regarding payment capped at \$15,000 at retirement only for covered employees.
2. The terms of Sparta's union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) with regard to payment of accrued sick time because its union contracts allow employees hired after May 21, 2010 to receive payment at a time other than retirement, receive payment for unused annual sick leave, and to receive greater than \$15,000.

## **Wantage Township**

### *Summary of Relevant Contract Provisions and Ordinances*

Wantage's Employee Handbook allows payment for accrued sick leave at the time of resignation or retirement. It states that "[a]n employee who resigns or retires is entitled to unused Vacation, Sick and compensation time with the approval from Administrator and/or Chief Financial Officer." Wantage's two union contracts limit sick leave payments to a maximum of \$15,000 for employees. However, the contracts allow payment for unused sick leave to occur annually with a maximum of \$3,000 per year to be applied against the \$15,000 limit for accrued sick leave.

Wantage's union contracts allow vacation leave to accrue to the following year only, capped at 20 days total. However, its Employee Manual allows for an unlimited amount of vacation accrual due to work load if approved by the governing body. According to the Employee Manual, Wantage's governing body may elect to pay for vacation days in lieu of time off.

## *Findings*

Based on Wantage's response to OSC's survey, its Employee Manual, and union contracts, OSC finds that:

1. The terms of Wantage's Employee Manual do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*) because they allow for payment of accrued sick leave at a time other than retirement for covered employees.
2. The terms related to sick leave in the Employee Handbook also do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) because the Handbook allows for payment of accrued sick leave at a time other than retirement for employees hired after May 21, 2010.
3. The terms of Wantage's union contracts do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) because they allow the payment for unused annual sick leave for union employees hired after May 21, 2010.
4. The terms of Wantage's Employee Manual do not comply with *N.J.S.A. 11A:6-3(e)* with regard to accrual of vacation leave because they allow the accrual of vacation leave beyond one year based on work load, not due to duties directly related to a state of emergency declared by the Governor.

## Union County

### Berkeley Heights Township

#### *Summary of Relevant Contract Provisions and Ordinances*

Berkeley Heights Township does not make payments for accrued sick leave upon resignation or retirement. Of the five union contracts, four contain similar provisions stating that no employee shall receive or expect to receive payment for sick leave upon retirement or separation. The Township's Ordinance and the fifth union contract are silent regarding such payments.

However, the Township's Ordinance and all five union contracts do allow for annual payments for sick time to employees hired prior to January 1, 2014. The Township's Ordinance and three union contracts allow for payments for up to five unused sick days at 90 percent value if the employee uses less than five sick days in a calendar year. One contract has similar provisions, but allows a flat-rate payment of \$100 per sick day. Two contracts allow payments for up to seven days, at up to 90 percent value, if the employee uses less than five sick days in a calendar year.

The Township's Ordinance also provides an incentive of \$250 per quarter for non-use of sick time for non-union employees. Three union contracts state that "[i]f an employee does not use any sick time during each quarter of the calendar year, he/she will be entitled

to a \$250 payment for every quarter.” Two of the contracts do not contain such provisions.

The Township’s Ordinance only allows five vacation days to accrue to the following year. One contract allows five vacation days to carryover and requires them to be used by March 31 of the following year.

### *Findings*

Based on Berkeley Heights’ response to OSC’s survey, its ordinances, and union contracts, OSC finds that:

1. The terms of Berkeley Heights’s Code do not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) in allowing covered employees to receive annual sick leave payments.
2. The terms related to sick leave in the Township’s Code also do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because the Code permits employees not subject to collective bargaining agreements to receive annual sick leave payments without regard to when they were hired.
3. The terms of Berkeley Heights union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*). They allow annual sick leave payments for union employees hired between May 21, 2010 and January 1, 2014.

## **Plainfield City**

### *Summary of Relevant Contract Provisions and Ordinances*

Plainfield’s Employee Handbook caps payment for accrued sick leave at \$15,000 but allows such payment at resignation, death, or retirement. The Handbook states:

Upon regular retirement or a work related disability retirement or upon death, an employee or his/her estate will receive payment of accumulated sick time on the basis of one (1) day for every three (3) days of accumulated sick time. Upon separation, in good standing, other than retirements or death, the employee will receive payment of accumulated sick leave on the basis of one (1) day for every four (4) days of accumulated sick time. The final pay out of accumulated sick leave is capped at \$15,000.00, regardless of the total number of days accumulated.

Plainfield allows its employees to use accumulated sick leave as early or terminal leave for two to six months before retirement, depending on the union. The Employee Handbook states, “[j]ust prior to retirement an employee may take a leave of absence with pay and have the absence charged to his/her accumulated sick days.” The Employee Handbook provides a chart showing the number of months of terminal leave employees are eligible for based on their union membership or non-union status: (1) four of the unions and two non-union department heads are entitled to 6 months of terminal leave; (2) two unions and the remaining non-union management employees are entitled to 2 months of terminal leave; and (3) one union is entitled to 44 working days of terminal leave.

Plainfield allows 15 vacation days carried over to the following year only.

### *Findings*

Based on Plainfield’s response to OSC’s survey and its Employee Handbook, OSC finds that:

1. The terms related to sick leave in the Employee Handbook do not comply with the 2007 law (*N.J.S.A. 11A:6-19.1*). Plainfield allows payment for accrued sick leave at a time other than retirement for covered employees. It also permits covered employees to receive terminal leave payments based on accrued sick leave in addition to receiving a \$15,000 payment.
2. The terms related to sick leave in the Employee Handbook do not comply with the 2010 law (*N.J.S.A. 11A:6-19.2*) because they permit employees to receive payment for accrued sick leave at a time other than retirement, terminal leave payments based on accrued sick leave, in addition to receiving a \$15,000 payment for employees hired after May 21, 2010.

## **Town of Westfield**

### *Summary of Relevant Contract Provisions and Ordinances*

Westfield’s five union contracts cap payment based on the number of sick days accrued to be paid at retirement or death. All contracts cap the payment to 90 sick days, paid at 33 percent value. Westfield’s Personnel Manual limits non-union employees to 105 sick days paid at 33 percent value to be paid at retirement only “less any terms and conditions as may be set forth by state statute.”

Two of Westfield's union contracts also allow for payment of accrued sick time at "honorable discharge" – not just retirement. Although both contracts title the section "Sick Leave Payout on Retirement," the operative terms allow for payment upon "honorable discharge." A separate contract also allows payment of accrued sick leave upon the death of the employee.

With respect to vacation leave, two contracts specify the accrual of one week vacation time to be used by April 30 of the following year.

### *Findings*

Based on Westfield's response to OSC's survey, its Personnel Manual, and union contracts, OSC finds that:

1. The terms related to sick leave in the Personnel Manual do not comply with the 2007 law (*N.J.S.A. 40A:9-10.2*) because there is no monetary cap on the amount of sick leave paid to covered employees. The terms also do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) for non-union employees hired after May 21, 2010.
2. The terms of Westfield's five union contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because there is no monetary cap on the amount of sick leave paid to employees hired after May 21, 2010.
3. The terms of two contracts do not comply with the 2010 law (*N.J.S.A. 40A:9-10.4*) because the contracts allow for payment of accrued sick leave at death or "honorable discharge" for employees hired after May 21, 2010.

## Appendix B

### Noncompliance with the 2007 law

Municipality	County	Allowed annual sick leave payments for senior employees	Failed to impose the \$15,000 cap on sick leave payments on senior employees	Allowed sick leave payments to senior employees at a time other than retirement
Egg Harbor Township	Atlantic	•	•	•
Hackensack City	Bergen		•	•
Lyndhurst Township	Bergen	•		
Mahwah Township	Bergen			•
Ridgefield Park Village	Bergen		•	•
Rutherford Borough	Bergen			•
Burlington Township	Burlington		•	•
Evesham Township	Burlington		•	•
Moorestown Township	Burlington	•		•
Bellmawr Borough	Camden	•		
Haddonfield Borough	Camden	•		
Winslow Township	Camden		•	
Belleville Township	Essex		•	•
West Orange Township	Essex			•
Franklin Township	Gloucester	•		
Mantua Township	Gloucester	•	•	
Woolwich Township	Gloucester			•
Raritan Township	Hunterdon			•
Hamilton Township	Mercer	•	•	
Old Bridge Township	Middlesex			•
Piscataway Township	Middlesex		•	•
South Brunswick Township	Middlesex		•	•
South Plainfield Borough	Middlesex		•	
Middletown Township	Monmouth	•		•
Wall Township	Monmouth			•
Town of Dover	Morris	•		
Florham Park Borough	Morris		•	•

## Appendix B

### Noncompliance with the 2007 law

Municipality	County	Allowed annual sick leave payments for senior employees	Failed to impose the \$15,000 cap on sick leave payments on senior employees	Allowed sick leave payments to senior employees at a time other than retirement
Lincoln Park Borough	Morris			•
Beachwood Borough	Ocean		•	
Lakewood Township	Ocean			•
Little Egg Harbor Township	Ocean		•	•
Clifton City	Passaic	•	•	•
West Milford Township	Passaic			•
Woodland Park Borough	Passaic		•	•
Bridgewater Township	Somerset		•	•
Franklin Township	Somerset		•	•
Sparta Township	Sussex	•	•	•
Wantage Township	Sussex			•
Berkeley Heights Township	Union	•		
Plainfield City	Union		•	•
Town of Westfield	Union		•	



## Appendix C Noncompliance with the 2010 law

Municipality	County	Permit payments that exceed the \$15,000 sick leave cap	Permit payments for sick leave at times other than retirement	Have sick leave caps that take effect after May 21, 2010	Permits annual sick leave payments	Permits payments as terminal leave prior to retirement
Egg Harbor Township	Atlantic	•	•	•	•	
Hackensack City	Bergen	•	•	•	•	
Lyndhurst Township	Bergen	•	•	•	•	•
Mahwah Township	Bergen		•			
Ridgefield Park Village	Bergen	•	•		•	
Rutherford Borough	Bergen	•	•	•		
Burlington Township	Burlington		•		•	
Evesham Township	Burlington	•	•		•	
Lumberton Township	Burlington		•			
Moorestown Township	Burlington		•		•	
Pemberton Township	Burlington		•			
Bellmawr Borough	Camden	•	•		•	
Gloucester City	Camden	•	•	•	•	
Gloucester Township	Camden		•	•		
Haddonfield Borough	Camden				•	
Winslow Township	Camden	•			•	
Belleville Township	Essex	•	•			
East Orange City	Essex		•			
Verona Township	Essex	•				•
West Orange Township	Essex	•	•	•		
Franklin Township	Gloucester	•	•		•	
Mantua Township	Gloucester	•	•		•	
Woolwich Township	Gloucester		•			
Union City	Hudson	•	•			
Town of West New York	Hudson	•	•			
Raritan Township	Hunterdon	•	•	•	•	•
Hamilton Township	Mercer		•		•	
Hopewell Township	Mercer		•			
West Windsor Township	Mercer	•	•		•	•
Monroe Township	Middlesex	•			•	•

## Appendix C Noncompliance with the 2010 law

Municipality	County	Permit payments that exceed the \$15,000 sick leave cap	Permit payments for sick leave at times other than retirement	Have sick leave caps that take effect after May 21, 2010	Permits annual sick leave payments	Permits payments as terminal leave prior to retirement
Old Bridge Township	Middlesex		•			
Piscataway Township	Middlesex		•		•	•
South Brunswick Township	Middlesex	•	•		•	•
South Plainfield Borough	Middlesex	•	•			•
Freehold Township	Monmouth				•	
Middletown Township	Monmouth		•	•	•	•
Red Bank Borough	Monmouth	•	•			
Wall Township	Monmouth	•	•			•
Town of Dover	Morris	•	•			•
Florham Park Borough	Morris	•	•			
Lincoln Park Borough	Morris		•			
Beachwood Borough	Ocean	•				
Lakewood Township	Ocean		•			•
Little Egg Harbor Township	Ocean	•	•	•	•	•
Toms River Township	Ocean		•		•	
Clifton City	Passaic	•	•		•	•
West Milford Township	Passaic	•	•		•	•
Woodland Park Borough	Passaic	•	•			•
Pennsville Township	Salem	•		•		
Bridgewater Township	Somerset	•	•	•		
Franklin Township	Somerset	•	•	•	•	
Sparta Township	Sussex	•	•	•	•	
Wantage Township	Sussex		•		•	
Berkeley Heights Township	Union				•	
Plainfield City	Union	•	•			•
Town of Westfield	Union	•	•			