MEMORANDUM OF UNDERSTANDING
PTO DONATION PROGRAM

728.   Within thirty (30) days of the ratification of this agreement, the University and the Association agree to convene a work group to create a system for administration of a Paid Time Off (PTO) donation program for employees under this agreement. The PTO donation program will be implemented no later than January 1, 2012. Key components of the PTO donation program will include the following:

1. PTO donation program would be open only to members of the UMPNC bargaining unit (i.e. only those in the bargaining unit are eligible to donate PTO or to receive donated PTO).
2. Donation will be of PTO hours, not cash equivalent.
3. Donation will be made in four-hour blocks.
4. The donating employee must have at least 80 hours of PTO remaining in his or her PTO bank after the donated hours are deducted (this could be prorated according to donor FTE).
5. Donation will be made to a central pool.
6. Donations must be voluntary; recipients are not permitted to solicit co-workers for PTO donations.
7. Donations, once made, may not be rescinded.
8. Employees who donate PTO will not realize any income in connection with the donation, nor may the donated time be considered a "charitable gift" for income tax purposes. The donated PTO will not be considered as time paid for the donating employee. Donated leave is treated as wage income that is taxed when the recipient receives the payment, and will be paid at the recipient's regular rate of pay.
9. An employee who is paid from a sponsored research project (grant or contract) is ineligible to donate PTO, but is eligible to receive donated PTO as described below.
10. Individuals who satisfy the following criteria may apply to receive donated PTO:
    a. The recipient must have a regular appointment that is eligible to accrue PTO.
    b. The recipient must have exhausted all paid leave time, including PTO and Extended Sick, before applying to receive donated PTO.
    c. The recipient must demonstrate that:
        i. the employee or his/her immediate family member is experiencing a serious medical hardship or catastrophic illness or injury (e.g., cancer, major surgery, serious accident, heart attack, stroke) or
        ii. the employee is experiencing a serious and significant crisis that requires immediate attention and absence from work (e.g. house fire, executor responsibilities out of state).
    d. Donated PTO may not be used to supplement disability pay or workers' compensation payments.
    e. Donated PTO may not be used to exceed the recipient's normally scheduled work hours per pay period.
    f. Requests to receive donated PTO made by individuals in the disciplinary process for attendance-related concerns will be considered on an exception basis only.
    g. An employee will not accrue PTO will receiving donated PTO.

11. Decisions regarding receipt of donated PTO will be made by the PTO Donation Committee. The PTO Donation Committee will be comprised of three members: a representative of UMHS HR, a representative appointed by Nursing Services, and a representative appointed by UMPNC. The PTO Donation Committee will review requests to receive donated PTO and requests to donate PTO for compliance with the above requirements. If the available pool of donated PTO hours is less than the number requested by one or more employees eligible to receive donated PTO, the PTO Donation Committee will allocate available donated

hours consistent with the criteria above. Decisions regarding the allocation of donated PTO are not subject to the Dispute Process or Arbitration Process.

12. A donor may express a preference for an individual to whom he or she wishes to donate, but decisions on allocation of donated PTO will be made by the PTO Donation Committee.
13. A recipient may receive up to four (4) weeks of donated PTO (up to 160 hours, prorated based on FTE) hours of donated PTO in a twelve-month period.
14. The PTO donation program will be reviewed after a one year period to assess the effectiveness of the program, necessary changes to the program, etc.