To the Memorandum of Understanding Between the City of Pittsburg and Teamsters, Local 856 July 1, 2022 – June 30, 2025

This will confirm an understanding reached between the City of Pittsburg and Teamsters, Local 856.

## 7.4 Vacation Buyback

a) Employees may receive vacation pay in lieu of paid time off, subject to the following limitations. Buyback shall only be made at the request of the employee and upon the approval of the City Manager. Approvals will be granted if it is determined that "buyback" will result in increased cost-effectiveness and efficiency to the City as determined by the City Manager.

Employees may elect to sell back a maximum of eighty (80) hours of vacation per calendar year. Employees desiring to sell back vacation must file an irrevocable election identifying the number of Vacation Leave hours they will sell back in November (November 1-21) of the tax year preceding the sell back. The election will apply only to Vacation Leave hours accrued in the following tax year and the employee may elect the pay-out occur in either the last paycheck in September or the first paycheck in December. Employees who do not pre-designate a sell back amount by the annual deadline will be deemed to have waived the right to sell back any Vacation Leave in the following tax year and will not be eligible to sell back Vacation Leave in that year. Vacation hours bought back shall be paid at the employee's normal hourly rate of pay at the time of the buyback, excluding any enhancements such as out of class pay. The City Manager may authorize buyback in excess of the eighty (80) hour limit in urgent and/or emergency situations.

Effective July 1, 2014 the total City-wide allocation for the buyback program will be one hundred and sixty thousand dollars (\$160,000) per fiscal year. The City shall establish an annual window period for the receipt of vacation buyback requests (November 1 – 21). At the conclusion of the window period, the City will tabulate the total dollar value of the buyback requests. If the total dollar value is less than or equal to one hundred and sixty thousand dollars (\$160,000) employee will receive, upon the City Manager's approval, payment as noted above. If the total dollar value of the requests exceeds one hundred and sixty thousand dollars (\$160,000), request hours will be pro-rated and employees paid accordingly. Should this occur, employee will be credited with vacation hours in excess of those hours determined eligible for the buyback program.

To the extent permitted by law, and so long as there is no negative impact on the Plan's qualified status, individual employees may elect to have payouts of Vacation leave deposited directly into the City's Deferred Compensation Plan. If the employee does not so elect or if the funds cannot lawfully be deposited into the employee's Deferred Compensation account (e.g. if they would exceed the

maximum contribution), the payout will be included in the employee's paycheck for the applicable pay period.

b) The prior-year pre-election requirement set forth in subdivision (a) will be effective for vacation payouts occurring in Calendar Year 2022 and later. For 2021 only, employees will be permitted to file two elections: (1) the first for payout of vacation in December 2021 and (2) the second for payout of vacation in Calendar Year 2022.

**TEAMSTERS LOCAL 856** 

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Senjor Representative

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Negotiation Team Member

CITY OF PITTSBURG

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