

# **Texas Woman's University University Regulation and Procedure**

**Regulation and Procedure Name: Sick Leave Donation**

**Regulation and Procedure  
Number: URP: 05.525**

**Policy Owner: Finance and Administration**

## **POLICY STATEMENT**

Texas Woman’s University will administer a sick leave donation program that allows all eligible employees to transfer sick leave hours voluntarily to another eligible employee within Texas Woman’s University who has exhausted their own sick leave accruals, including any time the employee may be eligible to withdraw from the sick leave pool.

A sick leave donation to another employee should not be confused with a donation of hours to the sick leave pool. This leave benefit is another option to assist employees who have exhausted their available sick leave to remain in a paid leave status and allow time off to recover from an illness or injury. Employees may use donated sick leave to care for eligible family members. Sick leave may be used to care for immediate family members who do not reside in the same household due to a documented medical condition.

Donated sick leave will be used in accordance with sick leave regulations, with the exception that donated hours cannot be used for retirement credit. An employee may not provide or receive remuneration or a gift in exchange for a donation. Sick leave donations will be considered a taxable event to the donor unless the situation qualifies as a medical emergency pursuant to IRS guidelines.

## **APPLICABILITY**

This policy is applicable to all regular (non-temporary) part time and full time employees.

## **DEFINITIONS**

1. “Donated sick leave” means paid leave donated by one employee to another, meeting the eligibility requirements of this policy.

2. “Donor” means an eligible employee who voluntarily gives a portion of their accrued sick leave to another eligible employee.
3. “Eligible employee” means all regular (non-temporary) part time and full time employees (faculty and staff) who are employed to work twenty (20) hours or more per week for a period of four and one-half continuous months, and who also meet sick leave eligibility requirements.
4. “Immediate family” is defined as individuals related by kinship, adoption, or marriage who live in the same household; foster children who reside in the same household; and minor children, regardless of whether they live in the same household.
5. “Sick Pool” is defined as a bank of donated sick leave which provides a source of additional sick leave to help employees and their families if a catastrophic illness or injury forces an employee to exhaust all paid leave and to lose compensation as a result.
6. “Medical Emergency” is defined as a major illness or other medical condition that requires a prolonged absence from work (40 hours), including intermittent absences that are related to the same illness or condition.

## **REGULATION AND PROCEDURE**

### **I. Sick Leave Donors**

- A. Employees who wish to donate sick leave to another employee will complete the Sick Leave Direct Donation – Donor Form and submit it to the Office of Human Resources.
- B. A donor may donate any amount of his or her available sick leave accruals to an eligible recipient.
- C. Sick leave donations will be considered a taxable event to the donor unless the situation qualifies as a medical emergency pursuant to IRS guidelines.
- D. Donations not qualified as medical emergencies will have the cash value of the donated sick leave included in gross income of the donor, and will be treated as wages for employment tax purposes.
  1. **IMPORTANT: Tax Implications** – In accordance with Internal Revenue Service policy, unless a medical emergency applies the cash value of donated leave is includable in the donor’s gross income and will be treated as wages for employment tax purposes with such wages being considered a lump-sum payment subject to 25% income tax, applicable Medicare, and applicable Social Security withholdings.

- E. Once sick leave is donated it will no longer be the donor's property and will not be returned to the donor if the recipient is unable to use the donated sick leave. Donated sick leave will not be paid to the Estate, donated to the sick pool, transferred to another state agency, or transferred to another employee.

II. Sick Leave Recipients

Employees may receive hours if they:

- A. Are in the same agency (Texas Woman's University);
- B. Have exhausted all of their sick leave accruals;
- C. Have exhausted any previously donated hours they received; and
- D. Have exhausted the full allocation of hours from the sick leave pool.

III. Eligibility to Receive Sick Leave Donation

<b>Can You Have a Vacation Leave Balance?</b>	<b>Can You Have a Sick Leave Balance?</b>	<b>Can You Have a Sick Leave Pool Balance?</b>	<b>Can you Have a Donated Sick Leave Balance (from a prior donation)?</b>
Yes	No	No, if condition is eligible for sick pool	No

IV. Sick Leave Donation Forms

Sick leave Donations will be processed using these forms:

- A. Sick Leave Direct Donation – Donor Form
- B. Sick Leave Direct Donation – Recipient Form

V. Sick Leave Donation Transactions

- A. The donor completes the Donor Form and submits the form to the Office of Human Resources for review.
- B. The recipient completes the Recipient Form and submits the form and medical documentation to the Office of Human Resources.
- C. Upon receipt of the Donor and Recipient Forms and medical documentation, the Office of Human Resources will review the documentation and will determine eligibility based on the following:

1. Nature of the illness or injury,
  2. Whether or not the condition is a medical emergency, and
  3. Probability of the employee returning to work at some date.
- D. Status of application will be communicated by the Office of Human Resources to the donor, recipient, and respective supervisors.
- E. Approved sick leave donations will be processed by the Office of Human Resources deducting sick leave hours from the donor's account and adding the donation to the recipient's donated sick leave.
- F. If the condition is determined to be a non-medical emergency, The Office of Human Resources, in accordance with Internal Revenue Service policy, will include the cash value of donated leave in the donor's gross income and it will be treated as wages for employment tax purposes with such wages being considered a lump-sum payment subject to 25% income tax, applicable Medicare, and applicable Social Security withholdings.

## REVIEW

This policy will remain in effect and published until it is reviewed, updated, or archived. This policy is to be reviewed once every six years. Interim review may be required as a result of updates to federal and state law or regulations, Board of Regents policies, or internal processes or procedures.

## REFERENCES

Texas Government Code Chapter 661, Subchapter A

Texas Government Code Chapter 661, Subchapter B

## FORMS AND TOOLS

[Sick Leave Donor Form](#)

[Sick Leave Recipient Form](#)

**Publication Date:**

**Next Review:**

