**PTO / Vacation / Sick Leave Cash-Out Election, LMC Model Form**

*League staff thoughtfully develops models for a city’s consideration. Models should be customized as appropriate for an individual city’s circumstances in consultation with the city’s attorney. Helpful background information on this model may be found in the* [*City Employment Basics*](https://www.lmc.org/resources/hr-reference-manual-chapter-1-city-employment-basics/) *chapter of the HR Reference Manual.*

**This icon marks places where the city must customize the model. They offer additional provisions, optional language, or comments for your consideration. The icon, and language you do not wish to include, should be deleted from this model before use. Make other changes, as needed, to customize the model for your city.**

**\_\_\_\_\_\_\_** **PTO/Vacation/Sick Leave Cash-Out Election**

**For 20****Calendar Year**

*Insert name of City PTO/Vacation Program*

The undersigned employee is a participant (“Participant”) in the \_\_\_\_\_\_\_ (the “Program”) and, at the time of this election, is scheduled to earn \_\_\_\_\_\_\_ hours of \_\_\_\_\_\_\_ leave under the Program in 20. The Participant wishes to make an irrevocable election to receive cash equal to the value of \_\_\_\_\_\_\_ hours the \_\_\_\_\_\_\_ leave the Participant will earn in 20 instead of being credited with that number of \_\_\_\_\_\_\_ leave hours under the Program. The number of hours the Participant may elect to receive in cash under this election shall not exceed \_\_\_\_\_\_\_.

*In the first sentence insert name of City PTO/Vacation/Sick Leave Program, the number of hours and the type of leave (either PTO, vacation, or sick leave) in the blanks. In the second sentence insert the number of hours, then the type of leave (either PTO, vacation or sick leave) in the last two blanks. Insert the limit in the last sentence.*

The dollar amount of the cash the Participant elects to receive pursuant to this election will be paid to the Participant no later than December 31, 20. This amount will be taxable to the Participant as regular compensation income in 20.

Solely for purposes of this election, the dollar value of an hour of\_\_\_\_\_\_\_ leave earned in 20 shall be equal to \_\_\_\_\_\_% of the Participant’s hourly rate of compensation in 20, as determined by the city of \_\_\_\_\_\_\_.

*Insert the type of leave (either PTO, vacation, or sick) in the first blank, the percentage of the Participant’s normal hourly rate to be used when converting to cash (e.g., 100%, 80%, 75%) in the second blank, and the city’s name in the third blank.*

This election, once made, is irrevocable. The Participant will not be permitted to bank or use the \_\_\_\_\_\_\_ hours the Participant elects to convert to cash pursuant to this election.

*Insert the type of leave, either PTO, vacation, or sick leave.*

Dated: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ PARTICIPANT

 [Insert Participant’s Name]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Insert Participant’s signature]