**Special Voluntary Unpaid Leave, LMC Model Policy**

*League models are thoughtfully developed by our staff 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* [*Chapter 3*](https://www.lmc.org/resources/hr-reference-manual-chapter-3-discipline-termination/) *of the HR Reference Manual on Discipline and Termination*.

**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.**

City of \_\_\_\_\_\_\_, Minnesota

Voluntary Unpaid Leave Policy

*The purpose of a policy such as the following is to get employees to voluntarily take a week or more of unpaid leave as a cost-saving measure for the city. Therefore, the city would want to make this option as attractive as possible for employees by making special allowances that differ from their normal practice on unpaid leave. A city should not adopt a policy* like *this on a permanent basis. It is designed for times of significant budgetary difficulty when unpaid leave is in the city’s best interest. When this is not the case, the city will want to implement more restrictions and limitations on the use of unpaid leave.*

The City of \_\_\_\_\_\_\_ encourages all regular part-time and regular full-time employees to voluntarily take one or more weeks of unpaid leave as a means toward balancing the city’s budget and lessening the need for staff layoffs. As an incentive to employees to participate, the city will temporarily deviate from its normal policy on unpaid leave in the following ways:

* Vacation and sick leave will continue to accrue during the unpaid leave period.
* The employee is not required to exhaust other types of leave in order to take this unpaid leave.
* Supervisors will be instructed to approve the leave at any time that the employee wishes to take it unless it will create a severe staffing hardship or cause the city to incur additional overtime costs that keep the city from saving money on the unpaid leave. (Departments that are required to operate on a 24-hour/day, 7-day/week schedule may find it is not financially feasible to fully participate in this program.)
* The city will continue to pay its regular contribution toward all insurance benefits.

The following rules will apply to the use of this unpaid leave:

* The unpaid leave must be at least one week (40 hours or the typical number of hours a part-time employee works) but no more than eight weeks (320 hours).
* The weeks of leave may be either consecutive or intermittent, assuming that this does not create a severe staffing hardship or cause the city to incur additional costs that keep the city from saving money on the unpaid leave.
* Both the Department head and the City Administrator must approve the unpaid leave. The City Council will have final approval on any leave greater than four weeks.
* No employee, including supervisory and managerial staff, shall coerce another employee into taking the unpaid leave. Any employee violating this provision could be subject to disciplinary action.
* If the leave is taken for a reason that qualifies under the Family & Medical Leave Act (FMLA), the leave taken will be concurrent with the FMLA leave. However, all other aspects of the leave will be governed by whichever policy gives the employee the greater benefits.
* It is up to each department head and the City Administrator to determine how to cover the employee’s absence. However, the city will take measures to ensure that other employees are not unduly burdened by the leave.
* Employees who are in their last five years before retirement and are at their highest five years of earnings may wish to decline participation in this program as it may impact their overall pension benefits upon retirement.

*The city could establish a program similar to the one outlined above which would allow employees to reduce their work hours from 40 to something less than 40 on a voluntary, ongoing basis. This type of program would be easier to accomplish with non-exempt employees because they are generally paid by the hour. Most of the same provisions outlined above could be applied to this type of program as well.*