

## Sick Leave Direct Donation

Individual employees may voluntarily donate sick leave hours to another employee as authorized by House Bill 1771.

This leave benefit is another option to assist those who have exhausted their available sick leave to remain in a paid leave status and allow them time off to recover from an illness or injury. Employees may also use donated sick leave to care for eligible family members. Donated sick leave must be used in accordance with sick leave regulations, with the exception that donated hours cannot be used for retirement credit.

Employees may use directly donated sick leave hours for several reasons, including:

- 1.) During the 80-hour waiting period for sick leave pool benefits
  - 2.) After the employee has exhausted his or her sick leave pool benefit
  - 3.) For less catastrophic conditions which do not rise to the level to need sick leave pool hours.
- An employee may not provide or receive remuneration or a gift in exchange for a donation.
  - An employee is not required to be in a leave-accruing position at the time a donation is made, but will need to have sufficient hours to cover the donation.
  - A donor may donate any amount of his or her available sick leave accruals to an eligible recipient. A minimum donation of one hour is required. Partial hour donations must be in quarter (.25) hour increments.
  - **IMPORTANT: Tax implications** - In accordance with Internal Revenue Service policy, unless a medical emergency applies the cash value of donated sick 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, Medicare, and applicable social security withholdings. Individuals making a donation are encouraged to consult a tax advisor.
    - A 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".

- NOTE: Once sick leave is donated, it will no longer be the donor's property and may not be returned to the donor if the recipient is unable to use the donated sick leave. Donated sick leave may not be paid to the Estate of a deceased employee, donated to the sick leave pool or transferred to another employee.

## Process

### **Donations will be processed using the following forms**

Sick Leave Direct Donation – Donor Form

Sick Leave Direct Donation – Recipient Form

### **Donation and Use of Donated Sick Leave**

1. Employees wishing to donate sick leave to another employee should submit a completed **Sick Leave Direct Donation – Donor Form** to Employee Services for review of the donation request and confirmation of eligibility.
2. Following approval of the donation, Employee Services will provide the **Sick Leave Direct Donation – Recipient Form** to the recipient for completion along with a request for medical certification, if needed, to determine qualification for medical emergency.
3. Approved sick leave donations will be processed by Employee Services deducting sick leave hours from the donor's account and adding the donation to the recipient's donated sick leave and processing tax withholding if applicable.
4. No medical information will be shared with Donor.
5. Donors will not be disclosed to the recipient.

Employees may receive donated sick leave hours if they:

- are in the same agency (Texas A&M System Member) as the donor;
- have exhausted all of their sick leave accruals;
- have exhausted any previously donated hours they received; and
- have exhausted the full allocation of hours they are eligible for from the sick leave pool.