

STATE OF MINNESOTA
OFFICE OF HIGHER EDUCATION
UNCLASSIFIED PERSONNEL COMPENSATION PLAN

Effective
July 1, 2023 through June 30, 2025
(FY 2024 – FY 2025)

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UNCLASSIFIED PERSONNEL COMPENSATION PLAN

A. Purpose

The purpose of this Plan is to comply with applicable statutes and to set forth clear Office of Higher Education (OHE) policies within which human resources may be fairly and effectively managed to achieve the following objectives:

1. To promote and foster effective management of the office and to ensure professional staff development;
2. To achieve and maintain a competitive compensation position in a special employment market so as to attract and retain qualified personnel, and to attain and ensure equity with Minnesota public postsecondary education systems and state agencies;
3. To ensure that compensation is internally consistent in terms of relative responsibility and individual performance; and
4. To maintain maximum flexibility so that the office may respond to changing mandates or special assignments from the legislature and governor.

~~OHE may correct typographical / spelling / mathematical errors and make non-substantive changes to this Plan during the biennium. OHE will publish the most up-to-date Plan on OHE's intranet.~~

If this plan is silent on specific circumstances that may arise, OHE will defer to the Managerial Plan which covers the biennium beginning on July 1, 2023 and ending on June 30, 2025.

If the Subcommittee on Employee Relations or the legislature approves a Memorandum of Understanding (MOU) amending or supplementing the terms of a collective bargaining agreement, Employees covered by this Plan may be covered by the terms and conditions of that MOU at the sole discretion of the Commissioner of Minnesota Management and Budget.

Employees covered by this Plan are invited to submit comments, questions, and suggestions regarding the Plan at any time. Written comments should refer to specific Plan provisions and be addressed to OHE Human Resources or to:

Office of the Commissioner
Office of Higher Education
1450 Energy Park Drive, Suite 350
Saint Paul, Minnesota 55108

B. Appointments

Unclassified employees covered by this Plan shall be appointed by the OHE Commissioner or their designee and shall serve at the pleasure of the OHE Commissioner.

C. Definition and Responsibility

Definition. For the purpose of this Plan, unclassified employees are those described in Minnesota Statutes Section 136A.03, including entry-level personnel who may be required for general or specialized staff assistance appointed in accordance with Minnesota Statutes Section 136A.03.

For the purpose of this Plan, the following definitions may apply:

- a. A “full-time unclassified employee” means an employee who is scheduled to work an average of eighty (80) hours per bi-weekly payroll period.
- b. A “part-time unclassified employee” means an employee who is scheduled to work on a regular and recurring schedule of less than eighty (80) hours in a bi-weekly payroll period.
- c. A “temporary unclassified employee” means an employee who is appointed with a definite ending date. A temporary appointment may not exceed a total of twelve (12) months. A temporary employee will not receive vacation, sick leave, a floating holiday or insurance benefits.
- d. “Appointing Authority” means a person or a group of persons empowered by the Constitution, statute, or executive order to employ persons in or to make appointments to positions in the civil service.
- e. "Appointment" means the act of filling a civil service position.
- ~~f. “Employee” means an unclassified employee (as defined in MN Statutes 43A.08) covered by this Plan, and who not covered by any other contract or plan.~~

Responsibility.

Members of the OHE staff who serve in the unclassified service shall be regarded as professional employees who are selected for their special competence and ability to fulfill responsibilities in research, planning, or administration of programs and activities of the OHE. As professional employees, unclassified personnel will be expected to perform those duties which reasonably can be included among the responsibilities of their respective positions as defined and interpreted by and under the general supervision of the OHE Commissioner or their designee. It is recognized that the nature of the responsibilities for which such professional personnel are appointed is defined in terms of the activities to be performed with objectives to be accomplished.

D. Work Schedule

Standard Work Schedules.

It is recognized that because of the nature of their work, employees covered by this Plan may be required to work varied hours, work on holidays and weekends, making the maintaining of consistent starting and stopping times or the assignment of the number of hours worked in one day sometimes impossible. Employee’s hours may be adjusted in accordance with circumstances and with the approval of the Appointing Authority or their designee.

Flexible Work Schedules.

Upon approval of Appointing Authority or their designee and employee flex-schedule may be established or terminated.

Emergency Work Schedules.

In emergency situations, the Appointing Authority or their designee may change work schedules without advance notice for such time periods as the Appointing Authority or their designee determines that alternative schedules are necessary.

Work Week Defined.

A fixed and regularly recurring period of seven (7) consecutive calendar days that are chosen by the Appointing Authority or their designee.

Overtime Eligibility.

Due to their exempt status, OHE professional personnel are exempt from the provisions of the Federal Fair Labor Standards Act and are normally not eligible for overtime pay or compensatory time off with pay. During a work-related emergency or other critical time periods when balancing hours is not feasible, and upon request of an Appointing Authority, the Commissioner of Minnesota Management and Budget may approve overtime for a limited period. Overtime will not be approved for circumstances such as seasonal fluctuation in workload (e.g., Legislative session, budget development, peak reporting periods, etc.) which occur on a regular and reasonably predictable basis.

If compensation is authorized, payment shall either be at straight time in either cash or compensatory time. The election of payment type is at the Appointing Authority's option.

E. Termination of Appointment

~~E.~~

Employment of personnel serving in the unclassified service may be terminated at any time by the Appointing Authority or their designee. An employee who wishes to resign shall be expected to submit his/her resignation to the OHE Commissioner or their designee at least two (2) weeks prior to the effective date of the resignation. Severance pay shall be in accordance with the provisions of this Plan as outlined in Section R.

F. Position Descriptions

~~A new or promoted employee shall receive a current position description on or before the effective date of employment. Therefore, such position descriptions should be reviewed by the employee and supervisor on a regular basis (at least annually) to determine if changes have occurred that should be incorporated into the position description.~~

Fiscal Year 2024 Salary Ranges: (Effective 7/1/2023 - 6/30/2024)									
Job Code	Job Class	FLSA Status	Owning BARG	BARGS Used at OHE	GRID	7/1/2023 MIN/HR	7/1/2023 MAX/HR	COMP CODE	OHE RANGE
8068	OHE Senior Executive	Exempt Exec	220	220	HEPB	\$52.94	\$73.86	08B	8
						\$110,539	\$154,220		
8725	OHE Executive	Exempt Exec	220	220	HEPB	\$49.41	\$68.91	07B	7
						\$103,168	\$143,884		
8454	OHE Director	Exempt Exec	220	220	HEPB	\$44.39	\$61.98	06B	6
						\$92,686	\$129,414		
8531	OHE Senior Manager	Exempt Admin	220	220	HEPB	\$39.37	\$54.44	05B	5
						\$82,205	\$113,671		
8532	OHE Manager	Exempt Exec	220	220	HEPB	\$34.12	\$47.19	04B	4
						\$71,243	\$98,533		
8533	OHE Administrator	Exempt Prof	219	219	HEPA	\$29.28	\$40.04	03B	3
						\$61,137	\$83,604		
8534	OHE Coordinator	Exempt Prof	219	219	HEPA	\$24.11	\$32.66	02B	2
						\$50,342	\$68,194		

Fiscal Year 2025 Salary Ranges: (Effective 7/1/2024 - 6/30/2025)									
Job Code	Job Class	FLSA Status	Owning BARG	BARGS Used at OHE	GRID	7/1/2024 MIN/HR	7/1/2024 MAX/HR	COMP CODE	OHE RANGE
8068	OHE Senior Executive	Exempt Exec	220	220	HEPB	\$55.32 \$115,508	\$77.18 \$161,152	08B	8
8725	OHE Executive	Exempt Exec	220	220	HEPB	\$51.63 \$107,803	\$72.01 \$150,357	07B	7
8454	OHE Director	Exempt Exec	220	220	HEPB	\$46.39 \$96,862	\$64.77 \$135,240	06B	6
8531	OHE Senior Manager	Exempt Admin	220	220	HEPB	\$41.14 \$85,900	\$56.89 \$118,786	05B	5
8532	OHE Manager	Exempt Exec	220	220	HEPB	\$35.66 \$74,458	\$49.31 \$102,959	04B	4
8533	OHE Administrator	Exempt Prof	219	219	HEPA	\$30.60 \$63,893	\$41.84 \$87,362	03B	3
8534	OHE Coordinator	Exempt Prof	219	219	HEPA	\$25.19 \$52,597	\$34.13 \$71,263	02B	2

G.F. Salary Ranges and Classifications

1. The OHE Commissioner shall be appointed by and shall serve at the pleasure of the Governor. The Governor sets the OHE Commissioner's salary rate within the salary limits as specified in MN Statutes 15A.0815, Subd.1.

Consistent with existing statutes and Section F-2 of this Plan, unclassified positions within the OHE will be assigned to the following range structure:

2. Assignment of positions to these salary ranges shall be based upon the following classification system for Agency's unclassified employees:

OHE Senior Executive	Appointed by the OHE Commissioner, this position is to work in concert with the Commissioner to provide leadership in developing and implementing the Agency's vision and strategy. When assigned, this position will represent the Commissioner.
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OHE Executive	Broad executive managerial responsibility including planning, directing, coordinating, and developmental responsibility for agency administration and operations, long-range programs, strategic planning, research projects, organizational planning activities and administration of personnel organized as a separate division or major area of responsibility. Responsible for high-level policy development.
OHE Director	Broad managerial responsibility including planning, directing, coordinating, and developmental responsibility for long-range programs or research projects.
OHE Senior Manager	Direct managerial, administrative, coordinative, and/or developmental responsibility for a specific program(s); provide leadership; analytical planning for projects, have the authority to exercise discretionary powers on a regular basis and/or supervision of personnel for an office or section of the agency.
OHE Manager	Direct administrative or mid-managerial responsibility for program(s); advanced statistical research and/or programmatic responsibility, and/or supervision of personnel within a division.
OHE Administrator	Specialized research, planning, and/or programmatic administrative responsibilities within a division.
OHE Coordinator	Professional positions with responsibility for program evaluations, planning, program administration, or research analyses and studies that are assigned by a supervisor in the division or an Executive.

3. The salary ranges set forth above will be reviewed continuously (at least biennially) to ensure adequacy of salaries paid and flexibility in established compensation practices. Changes in salary ranges must be approved by the Appointing Authority or their designee and forwarded for review and approval to the Commissioner of Minnesota Management and Budget and the Joint Subcommittee on Employee Relations of the Legislative Coordinating Commission prior to implementation.

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H.G. _____ Salary Administration

Salary Range.

Each unclassified position is compared to a specific job class at the time a position is established. Each class, shall be assigned to a salary range as indicated in Section G of this plan.

Salary Rates and Limits.

The salary rate for each unclassified plan employee shall be set by the Appointing Authority within the limits of the salary range to which the employee's class is assigned, subject to the limitations of Personnel Rule 3900.2100 **and this Section**. An employee's salary rate may not exceed the maximum of the salary range except as provided in ~~this Section and/or~~ OHE Compensation ~~Guideline~~**Guidelines, this Section** or by law.

General Salary Increases.

Employees covered by this Plan shall receive a general salary increase of five and one-half percent (5.5%), rounded to the nearest cent per hour effective July 1, 2023, if the Appointing Authority or their designee certifies that the employee has achieved performance standards or objectives. This salary increase shall not result in a salary above the new maximum of the salary range for the classification.

Effective July 1, 2024, employees covered by this Plan may receive a salary increase of four and one-half percent (4.5%) rounded to the nearest cent per hour, if the Appointing Authority or their designee certifies that the employee has achieved performance standards or objectives. This salary increase also applies to employees whose rates of pay exceed the new maximum of their salary range.

Performance-Based Salary Increases.

Salary increases for individual employees are based upon their performance appraisal.

An employee who is covered by this Plan, effective the closest pay period to January 1, 2024 and (and the first pay period in January 1 thereafter) is eligible for one performance-based salary increase each year of up to three and one-half percent (3.5%) rounded to the nearest cent per hour if the employee's current salary is not at or over the maximum rate of the new salary range and the Appointing Authority or their designee certifies that the employee has achieved performance standards or objectives. The salary increase may be in the form of an adjustment to the employee's base salary rate, a lump sum or a combination of both, but shall not result in a base salary rate above the new maximum of the salary range for the classification. Employees whose salaries are at or over the range new maximum are not eligible for lump sum increases. An employee may be granted only one performance-based increase in each fiscal year.

For performance increases in this section, the Appointing Authority or their designee may withhold part or all of or delay any salary increase because of performance, budget constraints, or to realign internal salary relationships. If salary increases are delayed, they shall be effective no later than the beginning of the first full pay period in the following June.

Equity Adjustments.

- Upon request of the Appointing Authority, OHE may approve equity adjustments to advance incumbents within a range, or provide a one-time lump sum of no more than \$2,500, to maintain internal equity. This action may be taken as a result of reassignment of duties, unusual employment conditions, change in salary ranges or demotions.
- Only those employees with documented "satisfactory" or better performance are eligible for an equity adjustment.
- Any request for an adjustment under this section must include an explanation of the

inequity, and documentation to support an equity adjustment for an incumbent.

Hiring Incentive.

At the written request of the Appointing Authority or their designee and with the approval of the Commissioner of Minnesota Management and Budget, OHE may offer a hiring incentive of up to fifteen thousand dollars (\$15,000) to encourage a candidate to accept an appointment in a difficult to fill position where an incentive is necessary to attract a qualified individual. Current state employees are not eligible to receive a hiring incentive. The Appointing Authority or their designee shall determine the amount of the incentive, not to exceed fifteen thousand dollars (\$15,000), and the timing of incentive payments and communicate them to the candidate in writing prior to the appointment. However, no incentive payment may be granted before six (6) months or later than twenty-four (24) months of continuous satisfactory employment at the OHE.

Health/Dental Premium Account:

The Employer provides insurance eligible employees with the option to pay for the employee's portion of the health and dental premiums on pre-tax basis as permitted by law or regulation.

Medical/Dental Expense Account:

The Employer agrees to allow insurance eligible employees to participate in a medical and dental expense reimbursement program to cover co-payments, deductibles, and other medical and dental expenses or expenses for services not covered by health or dental insurance on a pre-tax basis as permitted by law or regulation, up to a maximum expenditure of salary reduction contributions allowed per calendar year under Section 125 of the Internal Revenue Code or other applicable federal law.

Dependent Care Expense Account:

The Employer provides insurance eligible employees with the option to participate in a dependent care reimbursement program for work-related dependent care expenses on a pre-tax basis as permitted by law or regulation.

Transit Expense Account:

The Employer provides insurance eligible employees with the option to participate in a program to pay work-related parking and transit expenses on a pre-tax basis.

Health Care Savings Plan:

All employees shall contribute one percent (1%) of their gross earnings subject to retirement into an individual Health Care Savings Plan account with the Minnesota State Retirement System each pay period. The contribution shall occur regardless of whether or not their position is retirement eligible.

Granting of Achievement Awards:

The Appointing Authority or their designee may adopt a formal policy for the administration of a lump sum payment program for OHE employees covered by this Plan.

An employee who has demonstrated outstanding performance may receive achievement awards in the amount of a lump sum payment not to exceed two thousand dollars (\$2,000) per fiscal year. In no instance during a fiscal year shall achievement awards be granted to more than ~~twenty~~

~~thirty~~thirty percent (~~30%~~30%) of the number of unclassified positions authorized at the beginning of the fiscal year. Payments made under this item shall be effective no later than the last full pay period in June.

Salary on Classification Change:

Movement between classes is defined as a promotion, transfer, or demotion in accord with Administrative Procedure 15.6.

H. Position Descriptions.

A new or promoted employee shall receive a current position description on or before the effective date of employment. Therefore, such position descriptions should be reviewed by the employee and supervisor on a regular basis (at least annually) to determine if changes have occurred that should be incorporated into the position description.

Promotion.

Upon promotion employees receive an immediate salary increase to a higher salary range. The Appointing Authority or their designee may grant an immediate salary increase of up to twelve percent (12%) of current salary or the midpoint of the new salary range, whichever is greater. The Appointing Authority or their designee may grant a larger increase with advance approval from the Commissioner of Minnesota Management and Budget based on specific written findings supporting a higher salary. No promotional increase shall be granted which would place an employee's rate of pay above the salary range maximum, however, if a transferring employee has an existing salary rate above the maximum of the class they transfer into, the employee may retain their existing salary.

Salary on Demotion for Other Than Cause.

Upon demotion, an employee's current rate of pay shall remain the same if the rate falls within the new salary range unless the employee voluntarily chooses to accept a lower rate of pay. If the current rate of pay exceeds the maximum of the new range, it shall be reduced to the maximum of the new range unless a) the employee agrees to accept a lower salary rate or b) the demotion is the result of a reallocation to a lower classification or c) the demotion is a result of a gradual change in assigned duties, or d) the Commissioner of Minnesota Management and Budget approves a request from the Appointing Authority or their designee to pay a rate which exceeds the maximum under the provisions of Minnesota Statutes 43A.17, subdivision 5.

Salary on Demotion for Cause.

Upon demotion, an employee shall receive a salary rate within the range for the classification to which the employee is demoted.

Request for Review.

A request for position re-evaluation, performance review, or salary range assignment review may be initiated at any time by an employee or supervisor. The procedure for handling such requests shall be established by the agency human resources office.

I. Vacation Leave

Vacation Leave Accrual and Usage.

Upon entry to State service in a full-time, unlimited or limited unclassified position, an eligible employee shall be credited with eighty (80) hours of vacation leave. Part-time employees (excluding temporary unclassified employees and employees who transfer from any other position in state government) shall be credited with a pro rata vacation leave hours based on the accruals as stated in Appendix A. The credited hours shall be reduced proportionately as vacation leave is accumulated. Vacation hours credited upon entry to State service and is not offset by accumulated vacation prior to separation from State service shall not be eligible for liquidation.

If a current employee in State service is appointed to a full-time, unlimited or limited, unclassified position and that employee has their accumulated vacation leave hours transferred, the employee shall not be credited additional vacation leave hours.

Length of Service.

At the discretion of the OHE Commissioner or their designee, employees may be granted length of service credit in an amount of up to the total years of previous work related to the employee's current State position.

Employees (excluding temporary unclassified employees) shall earn vacation leave with pay in accordance with Appendix A. Vacation leave may be accumulated to any amount provided that

once during each fiscal year, the employee's balance must be reduced to thirty-five (35) days (280 hours) or less. If this is not accomplished by the last day of the fiscal year, the employee's accumulation shall automatically be reduced to thirty-five (35) days (280 hours). In emergency situations, the Appointing Authority, with approval of the Commissioner of Minnesota Management and Budget, may temporarily suspend the maximum number of hours which may be accumulated. An unclassified employee is eligible to utilize this section when newly appointed or when changed from a classified appointment. An employee who transfers to a position covered under the provisions of this Plan from any other position in state government may transfer their accumulated vacation leave balance (not to exceed 280 hours) and length of service credit for purposes of vacation accrual.

The taking of vacation leave shall require prior approval of the employee's supervisor who shall take into account demands of the workload as well as the interests of the employee in approving or disapproving time for vacation leave with pay.

Vacation leave hours shall not be used during the payroll period in which the hours are accrued.

Vacation Leave Liquidation. ~~An employee separated from State service shall be~~

~~An employee separated from State service shall be~~ compensated at the employee's current rate of pay, for all accumulated and unused vacation leave credited at the time of separation to a maximum of thirty-five (35) days (280 hours). The maximum cap shall not apply in situations where the payout is due to the employee's death. Vacation leave may not be used in combination with unpaid leave on separation from state service to extend insurance coverage. An employee, in this Plan, who is placed on emergency layoff, shall not have their accumulated vacation liquidated.

An employee who separates from State service with ten (10) or more years of continuous State service shall have unused vacation hours placed in an individual Minnesota State Retirement System Health Care Savings Plan (HCSP) account.

An employee who does not meet the ten (10) year continuous State service requirement may choose to:

- be paid in a lump sum at the time of eligible separation;
- arrange for a one-time deferred compensation or tax-sheltered annuity deduction, provided the employee satisfies all requirements of the administrator or the deferred compensation plan or tax-sheltered annuity; or
- a combination of both.

For budget reasons, an Appointing Authority or their designee may elect to distribute the vacation and severance payment, whether paid to the employee or to an individual Minnesota State Retirement System Health Care Savings Plan account, over a period of up to two (2) years from the date of separation. If the employee dies before all of the vacation and severance pay has been disbursed, the balance due shall be paid to a named beneficiary, if any, or to the employee's estate.-

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Conversion of Accumulated Vacation to Deferred Compensation.

Once each fiscal year, an employee may elect to convert a portion of their accumulated vacation to a deferred compensation plan for which the state provides payroll deduction; or to receive a State-paid contribution to the State deferred compensation program. Employees must complete the vacation conversion process by June 5th of each fiscal year. The Appointing Authority or their designee may deny requests or limit the amount of vacation hours converted on an agency-wide basis for the State paid contribution or the vacation conversion provided in this section due to budget restrictions.

1. **State Paid Contribution.**

The State paid contribution shall be in an amount matching the employee's contributions on a dollar for dollar basis, not to exceed ~~five~~five hundred dollars (~~\$500~~500) per employee.

2. **Conversion of Accumulated Vacation to Deferred Compensation.**

Employees covered under this ~~Plan may~~Plan may convert up to ~~fifty~~(50)~~fifty (50)~~ hours of accumulated vacation per fiscal year. Contributions to deferred compensation plans made through the conversion of vacation hours are subject to all of the rules and regulations of the respective plans.

J. Sick Leave

Temporary unclassified employees are not eligible to accrue sick leave.

Sick Leave Credit.

Upon entry to State service, an eligible full-time employee shall be credited with one hundred and four (104) hours of sick leave. Part-time employees shall be credited with sick leave hours based on the accruals as stated in Appendix B times twenty-six (26) pay periods. The credited hours shall be reduced proportionately as sick leave is accumulated.

Accrual.

Thereafter, a full-time employee will earn four (4) hours of sick leave for each succeeding payroll period of continuous employment. Part-time employees will earn sick leave in accordance with the schedule set forth in Appendix B.

If an employee returns to State service and has sick leave hours restored, they shall not be credited with sick leave hours upon re-entry to State service. If a current State employee has their accrued sick leave hours transferred, they shall not be credited with any additional sick leave hours.

Usage.

Whenever practicable, an employee shall submit a written request for sick leave in advance of the period of absence. When advance notice is not possible, the employee shall notify their supervisor at the earliest opportunity. An employee using sick leave may be required to furnish a statement from their medical practitioner or a medical practitioner designated by the Appointing Authority, indicating the nature and expected duration of the illness or disability. The Appointing Authority or their designee may also require a similar statement from a medical practitioner if the Appointing Authority or their designee has reason to believe the employee is not able to work or has been exposed to a contagious disease which endangers the health of other persons.

Sick leave hours shall not be used during the payroll period in which hours are accrued.

For the purposes of this section, “Family Member” will be defined by Minnesota Statute 181.9445 enacted in 2023 Regular Session.~~181.9445—enacted in 2023 Regular Session.~~

An employee shall be granted paid sick leave to the extent of their accumulated hours for the following:

- Employee’s own illness, disability or medical, chiropractic or dental care,
- Exposure to contagious disease which endangers the health of other persons,
- Inability to work during the period of time that the doctor certifies that the employee is unable to work because of pregnancy or childbirth.

An employee shall be granted sick leave for such reasonable periods as the employee's attendance may be necessary for the following.~~The Appointing Authority may limit the use of sick leave for this purpose to 160 hours in any 12-month period.~~

- ~~;~~ Illness, injury, disability, medical/dental/chiropractic care of the employee’s family members,
- With advance notice, the time necessary (including reasonable travel to and from the work site) to accompany a family member to medical, chiropractic and dental appointments~~;~~
- To arrange for necessary nursing care for a family member,
- For the purpose of obtaining assistance for the employee or providing assistance to a family member because of sexual assault, domestic violence, or stalking. The Appointing Authority may limit the use of sick leave for this purpose to 160 hours in any 12-month period~~;~~
- Birth or adoption of the employee’s child, not to exceed five (5) days, or;
- To attend the funeral of a spouse, domestic partner, parent, grandparent, stepparent, guardian, child, grandchild, sibling, stepchild, ward, parent/grandparent of the spouse, or other close relative for a reasonable period of time, including necessary travel time, but not for absences to aid bereaved relatives or to attend to the estate of the deceased.
- Employees who experience a stillbirth or death of their child within the time-period they would otherwise be eligible to use Paid ~~Parental~~Parenting Leave (PPL) under the conditions of Section ~~MP~~MP are eligible to use any accrued PPL~~;~~

An eligible employee who moves without a break in service to a position under this Plan from any other position in Minnesota State Government, shall have their leave accumulated sick leave balance transferred. If the previous accrual rate and maximum accumulation were greater than those provided in this Plan, the leave balance shall be transferred in an amount equal to what the employee would have accumulated under this Plan.

An employee who is reappointed to State service within four (4) years from the date of separation in good standing shall have their unpaid sick leave balance and bank, if any, restored provided that any unclassified employee being reappointed after receiving severance pay shall have their leave restored proportionately by deducting the hours which were paid as severance. An employee may use the restored sick leave immediately upon return to State service.

K. Holidays

Observed Holidays.

Employees covered by this Plan shall be eligible for paid holidays. The following days shall be observed as paid holidays:

- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Day
- New Year's Day
- Martin Luther King, Jr. Day
- Presidents' Day
- Memorial Day
- Juneteenth

When any of the above holidays fall on Saturday, the preceding Friday shall be observed as the holiday, and when any of the above holidays fall on a Sunday, the following Monday shall be observed as the holiday. Employees covered under this Plan who is in payroll status is eligible for paid holidays. ~~However, unclassified employees on temporary appointments of six months or less shall not be eligible for the floating holiday.~~

Floating Holidays.

Employees shall receive one (1) floating holiday each fiscal year of this Plan, except a temporary unclassified employee shall not be eligible for a floating holiday. The employee must request a floating holiday in advance. The scheduling of such a day shall be by mutual agreement between the supervisor and employee. The floating holiday shall be taken in the fiscal year in which it is earned or it is lost. No cash payment shall be made for a floating holiday.

Holiday Pay Entitlement.

In order to receive a paid holiday, an eligible employee shall be in payroll status on the normal work day immediately preceding and the normal work day immediately following the holiday(s).

An eligible person mandatorily retired on a holiday or holiday weekend shall be entitled to be paid for the holiday(s).

Eligible persons who normally work less than full-time shall have their holiday pay prorated according to Appendix C.

Religious Holidays.

When a religious holiday not observed as a holiday as provided in Section Q- 1, falls on an employee's regularly scheduled work day, the employee shall be entitled to that day off to observe the religious holiday(s).

Time to observe religious holidays shall be taken without pay except where the employee has sufficient accumulated vacation leave, or by mutual consent with the Appointing Authority, is able to make the time up within the same payroll period. Employees shall notify their supervisor of their intention to observe the religious holiday in advance of the holiday.

L. Severance Pay

Employees shall be entitled to severance pay immediately following separation from the State by reason of:

- death;
- retirement after ten (10) years of continuous state service with immediate entitlement at the time of retirement to a retirement benefit under the State retirement program;
- separation after twenty (20) years of continuous state service;
- termination resulting from abolition of unlimited unclassified position due to mandated reduction or fiscal constraints; or
- separation after five (5) years of continuous State employment as an employee in the unclassified service.

Employees are not eligible to receive severance pay upon emergency layoff.

Employees separating from the State for at least one of the reasons listed above shall be entitled to thirty-five percent (35%) of the employee's accumulated but unused sick leave balance at the time of separation.

| An employee who is eligible for severance pay and who separates from State service with ten (10) or more years of continuous State service shall have unused vacation hours and severance payout placed in an individual Minnesota State retirement System Health Care Savings Plan account.

An employee who is eligible for severance pay and who does not meet the ten (10) year continuous State service requirement may choose to:

- be paid in a lump sum at the time of eligible separation;
- arrange for a one-time deferred compensation or tax-sheltered annuity deduction, provided the employee satisfies all requirements of the administrator or the deferred compensation plan or tax-sheltered annuity; or
- a combination of both.

Severance payments received on or after the implementation of this Plan shall be paid in cash if the severance payment is being made because of the death of the employee. Employees who have received severance pay and are subsequently reappointed to State service are eligible for future severance pay based on only the hours accrued since reappointment.

For budget reasons, an Appointing Authority or their designee may elect to distribute the vacation and severance payment, whether paid to the employee or to an individual Minnesota State Retirement System Health Care Savings Plan account, over a period of up to two (2) years from the date of separation. If the employee dies before all of the vacation and severance pay has been disbursed, the balance due shall be paid to a named beneficiary, if any, or to the employee's estate.

M. Other Leaves of Absence

Application for Leave.

As far as practicable, all requests for leave of absence shall be submitted in writing by the employee to the immediate supervisor and approved by the OHE Commissioner or their designee prior to the beginning of the period of absence. The request shall state the reason for, and the anticipated duration of, the leave of absence.

1. Leaves of Absence – Paid. Military, parenting leave, jury duty, court appearance, election judge, emergency, athletic, blood donation, administrative, investigatory, and voting time leaves will be in accordance with the State Managerial Plan.
2. Leaves of Absence – Unpaid. Medical, natural or adoptive parent, military, voluntary service, public office, elder care, personal, salary savings and political process leaves will be in accordance with the State Managerial Plan.
3. Emergency Layoff. Employees may be placed on emergency layoff if it is deemed necessary by the Commissioner of Minnesota Management and Budget. Emergency layoff may be declared for events that include but are not limited to: a natural disaster, epidemic, national security emergency, nuclear emergency or fiscal exigency. During periods of emergency layoff, the Appointing Authority or their designee may continue to provide the Employer's portion of insurance premiums.
4. Developmental Leave. An employee, who is at an OHE Manager classification or above, is eligible for a developmental leave to secure additional education, training, or experience which will better prepare them to carry out their management responsibilities. A developmental leave may be granted for any period up to two (2) years at no pay, partial pay, or full pay. Granting of a developmental leave is at the discretion of the OHE Commissioner. The employee shall be eligible to retain State-paid insurance benefits for which they are otherwise eligible while on developmental leave.

A developmental leave may be granted if the following criteria are met:

- The employee has at least three (3) years of State service;-

- The employee is a full-time employee at the time in which the developmental leave is granted;
 - The employee has submitted to the OHE Commissioner a written plan for the developmental leave showing how it will serve the purpose described above;
 - The organizational function and goals can be carried out during the employee's absence;
 - Funds are available for this purpose; and
 - The employee agrees to return to State employment following the completion of a paid developmental leave for the amount of time specified by the OHE Commissioner at the time leave was approved.
5. **Interchange Assignments.** An employee, who is at an OHE Manager classification or above, is eligible to participate in a temporary job change designed to broaden their work experience and expand their perspectives. An interchange assignment may involve moves between State agencies, between the State and other governmental jurisdictions, or between the State and private organizations. These temporary assignments give the manager an opportunity to use, develop, and expand their knowledge, skills, and abilities in a different work environment. Assignments are usually full-time for a specified duration. These assignments may be initiated by the manager or by either employer and require the approval of all three (3) parties. Interchange assignments are governed by M.S. 15.51 to 15.59.

Reinstatement After Leave.

An employee returning from an approved leave of absence shall be entitled to return to employment in their position, or another position in the employee's classification, or a position or comparable duties and pay for which they are qualified. An employee returning from an extended leave of absence of one (1) month or more shall notify the OHE Commissioner or designee in writing at least two weeks prior to the intended date of return from leave. The employee returning from a leave of absence shall return at least at the same rate of pay they had been receiving at the time the leave of absence commenced.

Failure to Return From Leave.

Failure to contact the Appointing Authority or their designee about an extension prior to the end of the approved leave or to return on expiration of the approved leave shall be deemed to be a voluntary resignation. The employee shall be severed from State service.

Cancellation of Leaves.

Leaves of absence or extensions of leaves which are subject to the discretionary authority of the OHE Commissioner or their designee may be canceled by the OHE Commissioner or their designee upon reasonable notice to the employee. Such notice shall ordinarily be in writing except in case of emergency. At the discretion of the OHE Commissioner or their designee, the employee may terminate their leave of absence prior to the previously agreed upon date of expiration of the leave.

N. Other Benefits

Other Benefits listed below and covered by this Plan shall apply to all unclassified employees, except temporary unclassified employees not eligible for group insurance. These benefits will be according to the provisions stated in the State Managerial Plan or in OHE Policy:

Group Insurance
Student Loan Reimbursement (based on the availability of funds)

Expense Reimbursement
Relocation Expenses
Worker's Compensation; Injured on Duty Pay
Early Retirement Incentive

O. Effective Date

This Plan shall become effective July 1, 2023 except those items included in Section T, Other Benefits, which shall be effective on the dates as shown in that plan and continue in force until a revised plan and/or amendment are approved by the Commissioner of Minnesota Management and Budget and the Joint Subcommittee on Employee Relations of the Legislative Coordinating Commission.

APPENDIX A

Hours of Vacation Accrued During Each Payroll Period of Continuous Service

Length of Service Requirement

Number of Hours Worked During Pay Period	0 -5 Years	6-10 Years	11-15 Years	16-20 Years	Over 20 Years
Less than 9.5	0	0	0	0	0
At least 9.5, but less than 19.5	1	1.25	1.50	1.75	2.0
At least 19.5 but less than 29.5	2	2.25	2.50	2.75	3.0
At least 29.5 but less than 39.5	3	3.25	3.50	3.75	4.0
At least 39.5 but less than 49.5	4	4.25	4.50	4.75	5.0
At least 49.5 but less than 59.5	5	5.25	5.50	5.75	6.0
At least 59.5 but less than 69.5	6	6.25	6.50	6.75	7.0
At least 69.5 but less than 79.5	7	7.25	7.50	7.75	8.0
At least 79.5	8	8.25	8.50	8.75	9

Upon initial entry to the State service in a full-time, unlimited or limited, unclassified position, an eligible employee shall be credited with eighty (80) hours of vacation leave. Such credit shall be reduced proportionately as vacation leave is accumulated.

APPENDIX B

Hours of Sick Leave Accrued- During Each Payroll Period of Continuous Service

<u>Number of Hours Worked/Paid</u>	<u>Number of Hours Accrued</u>
Less than 9.5	0
At least 9.5 but less than 19.5	.75
At least 19.5 but less than 29.5	1.0
At least 29.5 but less than 39.5	1.5
At least 39.5 but less than 49.5	2.0
At least 49.5 but less than 59.5	2.5
At least 59.5 but less than 69.5	3.0
At least 69.5 but less than 79.5	3.50
At least 79.5	4.0

Note:- For purposes of this Appendix, “hours worked/paid” means all hours worked, and all paid leaves of absence, paid vacation, sick leave, and paid holidays.

APPENDIX C

Pro Rata Schedule for Holiday Pay

Hours that would have been worked during the pay period had there been no holiday	Holiday hours earned for each holiday in the pay period
Less than 9.5	0
At least 9.5 but less than 19.5	1
At least 19.5 but less than 29.5	2
At least 29.5 but less than 39.5	3
At least 39.5 but less than 49.5	4
At least 49.5 but less than 59.5	5
At least 59.5 but less than 69.5	6
At least 69.5 but less than 79.5	7
At least 79.5	8