

To the Memorandum of Understanding
Between the City of Pittsburg and AFSCME Miscellaneous A Unit
July 1, 2022 – June 30, 2025

This will confirm an understanding reached between the City of Pittsburg and the American Federation of State, County and Municipal Employees (AFSCME), Miscellaneous A Unit.

8.4 Vacation Buyback

- (a) Employees may receive vacation pay in lieu of paid time off, subject to the following limitations. Buyback shall only be made at the request of the employee and upon the approval of the City Manager. Approvals will be granted if it is determined that “buyback” will result in increased cost-effectiveness and efficiency to the City as determined by the City Manager.

Employees may elect to sell back a maximum of eighty (80) hours of vacation per calendar year. Employees desiring to sell back vacation must file an irrevocable election identifying the number of Vacation Leave hours they will sell back in November (November 1-21) of the tax year preceding the sell back. The election will apply to Vacation Leave hours accrued in the following tax year and the employee may elect that the pay-out occur in either the last ~~full pay period~~ paycheck in September or the first ~~full pay period~~ paycheck in December. Employees who do not pre-designate a sell back amount by the annual deadline will be deemed to have waived the right to sell back any Vacation Leave in the following tax year and will not be eligible to sell back Vacation Leave in that year. Vacation hours bought back shall be paid at the employee’s normal hourly rate of pay at the time of the buyback, excluding any enhancements such as out of class pay. The City Manager may authorize buyback in excess of the eighty (80) hour limit in urgent and/or emergency situations.

Effective July 1, 2014, the total City-wide allocation for the buyback program will be \$160,000 per fiscal year. The City shall establish an annual window period for the receipt of vacation buyback requests (November 1 – 21). At the conclusion of the window period, the City will tabulate the total dollar value of the buyback requests. If the total dollar value is less than or equal to \$160,000 employee will receive, upon the City Manager’s approval, payment as noted above. If the total dollar value of the requests exceeds \$160,000, request hours will be pro-rated and employees paid accordingly. Should this occur, employee will be credited with vacation hours in excess of those hours determined eligible for the buyback program.

Individual employees may elect to have payouts of Vacation Leave deposited directly into the employee’s account in the City’s Deferred Compensation Plan. If the employee does not so elect or if the funds cannot lawfully be deposited into the employee’s Deferred Compensation account (e.g., if they would exceed the maximum contribution), the payout will be included in the employee’s paycheck for the applicable pay period.

- (b) The prior-year pre-election requirement set forth in subdivision (a) will be effective for vacation payouts occurring in Fiscal Year 2022, and later. For 2021 only, employees will be permitted to file two elections: (1) the first for payout of vacation in December of 2021 and (2) the second for payout of vacation in Calendar Year 2022.
- (c) As part of the City's open enrollment packet each year, the City shall provide all employees with a copy of the Irrevocable Vacation Pay-Out Election Form.
- (d) In the event the IRS issues an official circular letter or regulation rescinding the constructive receipt tax issue concerning vacation cash-out as identified in PLR 2001-30015, the annual payout will revert to the process described in the 2020-2021 MOU.

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