



# Board of County Commissioners Agenda Request

**2N**  
Agenda Item #

**Requested Meeting Date:** December 23, 2025

**Title of Item:** Personnel Policy Update (PTO Donation Policy)

<input type="checkbox"/> REGULAR AGENDA <input checked="" type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	<b>Action Requested:</b> <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <small>*provide copy of hearing notice that was published</small>
<b>Submitted by:</b> Bobbie Danielson, HR Director <i>Bobbie Danielson</i>	<b>Department:</b> HR Dept.	
<b>Presenter (Name and Title):</b>	<b>Estimated Time Needed:</b> n/a, consent agenda	

#### Summary of Issue:

Effective January 1, 2026, the state's Minnesota Paid Leave program will be implemented. The leave donation policy is being updated so that donations only apply in situations where the employee is not eligible for state PFML and time will be donated on an hour for hour basis.

Please see redlined version attached.

#### Alternatives, Options, Effects on Others/Comments:

#### Recommended Action/Motion:

Motion to adopt the change to the leave donation policy as shown in the redlined version attached.

#### Financial Impact:

*Is there a cost associated with this request?*

Yes

No

*What is the total cost, with tax and shipping? \$*

*Is this budgeted?*  Yes  No

*Please Explain:*

*New*

## Section Q. Leave Donation Policy (effective 1/1/2026, pending board approval 12/23/2025)

### Purpose:

To allow employees the option to donate their accrued, unused PTO to other county employees who are on unpaid leave status for medical emergencies or a serious health condition. A serious health condition shall be defined under this Leave Donation Policy to mean an illness, injury, impairment, or physical or mental condition that is covered under the Family and Medical Leave Act (FMLA) and shall include any period of incapacity of the employee due to pregnancy, or for prenatal care.

This policy applies only to employees who are not eligible for Minnesota Paid Family and Medical Leave (PFML) benefits. If an employee has applied for PFML benefits and/or is eligible for PFML benefits, they are not eligible to receive donated PTO.

### General Procedures

(a) Each calendar year, employees may voluntarily donate up to 50 percent, with a maximum of 40 hours, of their accrued, unused PTO in increments of eight (8) hours to any other county employee to be used for a medical emergency or a serious health condition. Donated hours are not deducted from the donor's PTO bank unless and until they are used by the recipient. Any donated hours that are not used remain with the donor.

(b) The employee donating the leave shall notify Payroll in writing of their voluntary donation. The notice shall include the name of the donor, the name of the recipient, the number of hours donated in increments of eight (8), the effective date of the donation, and confirmation that the hours should be deducted from the donor's PTO bank. Upon receipt, Payroll shall verify that the donating employee has sufficient accrued PTO on the books in the amount necessary to cover the donation and then notify the recipient and his/her supervisor of the anonymous donation.

(c) Donated leave shall be transferred on an hour-for-hour basis, regardless of the donor's or recipient's rate of pay. Donations must be made in increments of eight (8) hours. When used, donated leave will be paid to the recipient at the recipient's regular rate of pay and treated as wages, included in the recipient's gross income, and subject to all applicable income, employment, and tax withholdings. Donated leave is not taxable to the donor and will not be reported as income for the donor.

Donated leave may not result in the recipient receiving more than their regular wages for any pay period. Donated leave will be applied only to the extent necessary to bring the recipient up to their regular base pay for that pay period. Payroll may reduce the donated leave applied in any pay period—including reducing it below an eight-hour increment—if applying the full amount would result in the recipient receiving more than their regular wages for that pay period.

(d) Information relating to the donation and use of said leave is subject to the Minnesota Government Data Practices Act.

(e) Prior to approving any donation, Payroll will verify whether the intended recipient has applied for or is eligible for PFML benefits. If the employee is eligible, the donation will not be processed.

*Redlined COPY*

Section Q. Leave Donation Policy (effective 1/1/2026, pending board approval 12/23/2025)

**Purpose:**

To allow employees the option to donate their accrued, unused PTOvacation and/or personal leave to other county employees who are on unpaid leave status for medical emergencies or a serious health condition. Effective on the date this Manual is adopted, a serious health condition shall be defined under this Leave Donation Policy to mean an illness, injury, impairment, or physical or mental condition that is covered under the Family and Medical Leave Act (FMLA) and shall include any period of incapacity of the employee due to pregnancy, or for prenatal care.

This policy applies only to employees who are not eligible for Minnesota Paid Family and Medical Leave (PFML) benefits. If an employee has applied for PFML benefits and/or is eligible for PFML benefits, they are not eligible to receive donated PTO.

**General Procedures**

(a) Each calendar year, employees may voluntarily donate up to 50 percent, with a maximum of 40 hours, of their accrued, unused PTOvacation and/or personal leave time in increments of eight (8) hours to any other county employee to be used for a medical emergency or a serious health condition. ~~Donated hours~~ All unused donations are not deducted from the donor's PTO bank unless revoked and until they are used by ~~returned to the donor upon the recipient~~. Any donated hours that are not used remain with the donor. ~~returning to full-time status~~.

(b) The employee donating the leave shall notify ~~Payroll~~ the Auditor's Office in writing of their voluntary donation. The notice shall include the name of the donor, the name of the recipient, the number of hours donated in increments of eight (8), the effective date of the donation, and confirmation that whether the hours should be deducted from the donor's PTOvacation and/or personal accrued leave bank. Upon receipt, ~~Payroll~~ the Auditor's Office shall verify that the donating employee has sufficient accrued PTOleave on the books in the amount necessary to cover the donation and then notify the recipient and his/her supervisor of the anonymous donation.

(c) ~~The value of the leave that is donated shall be transferred on an hour-for-hour basis, regardless of the donor's or recipient's based upon the donor's rate of pay.~~ Donations must be made in increments that is in effect on the day of eight (8) hours. When used, ~~donated~~ the donation. The value of the leave ~~will be~~ that is received shall be based upon the recipient's rate of pay that is in effect on the day of the donation. The amount paid to the recipient at the recipient's regular rate of pay and treated as of the donated leave shall be considered wages. That amount shall be included in the recipient's as gross income, of the recipients and shall be subject to all applicable social security, Medicare, FUTA taxes, and income, employment, and tax withholdings. Donated leave is not taxable to the donor and will not be withholding. The amount donated shall not be included or reported as income for the donor.

Donated leave may not result in the recipient receiving more than their regular wages for any pay period. Donated leave will be applied only to the extent necessary to bring the recipient up to their regular base pay for that pay period. Payroll may reduce the donated leave applied in any pay period—including reducing it below an eight-hour increment—if applying the full amount would result in the recipient receiving more than their regular wages for that pay period.

(d) Information relating to the donation and use of said leave is subject to the Minnesota MN Government Data Practices Act.

(e) Prior to approving any donation, Payroll will verify whether the intended recipient has applied for or is eligible for PFML benefits. If the employee is eligible, the donation will not be processed.