

**CITY OF SALEM**  
**MILITARY DONATION LEAVE PROGRAM**  
**Frequently Asked Questions**

**Q1.** What is the Military Donated Leave Program (MPLP)?

**Answer:** The MDLP allows City employees to donate accrued vacation, holiday hours, and/or compensatory time to City employees who are on military active duty in leave without pay (LWOP) status. These donated hours are converted into dollars and employees on active duty receive them as supplemental pay.

**Q2.** What is the purpose of the MDLP?

**Answer:** The program is established to provide support to City employees who are serving our country and experiencing a loss of pay as a result of being called up to active duty.

**Q3.** How is the MDLP administered?

**Answer:** City Council has adopted the Military Donated Leave Program. The administration of the program is assigned to the Human Resources Department. The policy and forms can be found on the City of Salem, Human Resources Department, web page, under Policy and Contracts. If there are questions pertaining to the program, please contact the Human Resources Department.

**Q4.** Who is eligible to receive supplemental pay?

**Answer:** All career City employees who are on active duty military leave in a leave without pay status, and whose total military compensation is less than their base pay with the City, are eligible to participate in the program. Employees who are on routine training or other similar activities of the National Guard, or the Military Reserve are not eligible to participate in this program.

**Q5.** How will the amount of supplemental pay be calculated?

**Answer:** The employee's military pay plus allowances, such as housing and subsistence is compared to the employee's base pay as a City employee. If the total military pay is less than the employee's base pay with the City, the participant will receive the amount of money equal to the difference between the base salary received as a City employee and the total military pay. The total amount of money received is also subject to the amount of donated money available at the end of the pay period.

**Q6.** What must an employee do to receive the military supplemental pay?

**Answer:** The active duty employee must submit or fax to his/her supervisor; the Department Head, or the Human Resource Director, a completed Participation Worksheet and a copy of the most recent Leave and Earnings Statement (LES) provided by the military to verify actual military pay. The employee must continue to send the HR Department a copy of the LES on a monthly basis. This will help the City pay the employee correctly. Any amount overpaid to the employee, must be repaid to the City by the employee.

**Q7.** Are eligible employees required to participate in the MDLP?

**Answer:** No. An eligible employee may “opt out” of the program by submitting a written request of the Participation Waiver and Release form to the HR Department. Submission of a written request of signed waiver is required before the individual will be removed from the program.

**Q8.** Are participating employees required to exhaust all their available accrued leave in order to receive the military supplement pay?

**Answer:** No. Participants are not required to use up their available accrued leave. To participate in the program, eligible employees must be on leave without pay status. This requirement does not consider any current leave balances.

**Q9.** Is the supplemental pay available for employees who volunteered for active duty, or just for those called up involuntarily?

**Answer:** Supplemental pay is available to all eligible employees regardless of how they entered active duty.

**Q10.** May an employee apply to receive military supplemental pay after returning from active duty?

**Answer:** Yes, although it is expected that most employees will want to receive the military supplemental pay while they are on active duty leave to ease the burden on their family. If an employee has not received the supplemental pay while on active duty time, the employee may apply by completing the necessary forms and providing copies of the LES to verify military pay. The military supplemental pay will apply to the time the employee was on active duty military leave, in leave without pay status from November 27, 2006, forward. A supplement will not be paid for any time on active duty leave without pay prior to the November 26, 2006, which is the effective date of the MDLP policy.

**Q11.** How is donated leave converted into dollars to provide the supplemental pay?

**Answer:** During the month, Human Resources (HR) will enter the dollar value of all the leave donated by employees into a data base (either into the pool or to the individual employee account). The dollar value is determined by multiplying the number of hours donated by the donating employee’s hourly rate of pay. Each eligible employee will draw an equal share of money. If donation has been to a specific employee, then the dollar value will be drawn from the employees account.

**Q12.** What if there isn’t enough money in the City-wide pool to pay everyone the complete difference between their Military pay and City pay?

**Answer:** Whatever money is in the program pool on any given pay period is distributed equally between all participants. If there are not enough dollars in the pool to give everyone some amount of supplement pay, the money will be kept in the pool and added to the next distribution.

**Q13.** How long is a participant eligible to receive supplemental pay?

**Answer:** An employee may receive supplemental pay as long as the employee continues in active duty leave without pay status for up to 18 months, and his/her total military compensation is less than the City base pay.

**Q14.** How do I donate some of my hours to the program?

**Answer:** Contact Human Resources for a form or you can find a form on the City's internet under the Human Resource Department web page, Policies and Contracts, Military Donated Leave Program.

**Q15.** What type of leave may I donate and is there a minimum or a maximum number of hours I may donate?

**Answer:** If you have completed six months of service with the City, you may donate accrued vacation leave, accrued compensatory time or accrued holiday time. Although donated hours must be donated in increments of one hour, there is no established minimum or maximum number of hours that maybe donated.

**Q16.** What if I want to donate my hours to a specific individual?

**Answer:** You may make donations to an individual by completing that portion of the donated leave authorization form and submitting it to the HR Department. If the individual to whom you wish to donate returns prior to using all donations, then any remaining donations will go into the City-wide pool.

**Q17.** Am I required to pay income tax on the leave time I cashed out and donate to the MDLP?

**Answer:** No. The employee who donates paid leave time, compensatory time or holiday time is not subject to state or federal payroll taxes. The recipient of the dollars will be taxed on money received through this program.

**Q18.** Is the value of the hours I contributed to the program tax deductible as a Charitable Contribution?

**Answer:** You should consult a tax preparation professional to make this determination.