Dear Colleagues,

As announced in March 2014, changes to the U-M Hospitals and Health Centers’ Paid Time Off (PTO) and the Extended Sick Time Program covering UMHHC and Shared Services Staff will take effect July 1, 2015.

As a reminder, the following changes will be implemented as of 7/1/2015:

- Staff members must hold a minimum 50 percent (20 hours or 50% FTE) appointment in order to be eligible to accrue PTO and be eligible for the extended sick time program.

- Staff members will be eligible sooner for the extended sick time program after one year of service, versus the current two-year service requirement.

- Once eligible, staff members will renew their extended sick time bank every two years, versus the current five-year renewal period.

- Staff members will only be required to use 40 hours (prorated by appointment) to “bridge” to extended sick time pay versus the current 80 hours requirement (prorated).

- The current two-bank extended sick time program will change to a three-bank system (prorated by appointment):
  - 400 hrs. (employee receives 100 percent of pay)
  - 656 hrs. (employee receives 66.67 percent of pay)
  - 1056 hrs. (employee receives 50 percent of pay)

What happens on July 1, 2015?

If your hire date was on or between 7/1/2013 – 7/1/2014 and you hold a 50% appointment, you will become eligible for the extended sick program on 7/1/2015.

For staff members already eligible for the extended sick program, on 7/1/2015 existing extended sick time hours in the bank will transfer to the three-bank system. These staff members will also renew their banks sooner than currently scheduled:

<table>
<thead>
<tr>
<th>Year of Last Renewal</th>
<th>Year of Next Renewal</th>
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<tbody>
<tr>
<td>7/1/2010 - 6/30/2011</td>
<td>7/1/2015</td>
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<tr>
<td>7/1/2012 - 6/30/2013</td>
<td>7/1/2015 - 6/30/2016</td>
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<td>7/1/2013 - 6/30/2014</td>
<td>7/1/2016 - 6/30/2017</td>
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<td>7/1/2014 - 6/30/2015</td>
<td>7/1/2016 - 6/30/2017</td>
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After this initial renewal of hours, eligible staff members will renew the hours in their extended sick bank every two years.

Staff utilizing extended sick hours and on a continuous leave of absence as of 7/1/2015 will remain on their current plan until they have had a successful return to work for 30 days.
For FAQs, resources and more information about changes to U-M Health System benefits, visit 
http://med.umich.edu/umhshr/employee/benefit_changes.html

If you have specific questions about these changes, please talk to your supervisor or manager, 
contact your timekeeper or HR Consultant, or submit your question via email to:
UMHS-Compensation@med.umich.edu

Sincerely,

Stephanie Schroeder
Interim Chief Human Resource Officer, UMHS