



Donating Sick Leave Directly to Another Employee

House Bill 1771 allows employees to voluntarily donate sick leave hours directly to another employee in the same agency. This type of donation is separate from any donation of sick leave hours to the Sick Leave Pool (SLP). <http://policies.tamus.edu/31-06-01.pdf> Donated sick leave hours will be tracked separately from earned sick leave & SLP.

This leave benefit may assist those who have exhausted their available sick leave to remain in a paid leave status and allow them time off to recover from an illness or injury. Employees may also use donated sick leave to care for eligible family members. <http://policies.tamus.edu/31-03-02.pdf>

General Information

Donated sick leave will be used in accordance with sick leave regulations, with the exception that donated hours cannot be used for retirement credit.

Employees may use donated sick leave hours for several reasons, including:

- 1) during the 80-hour waiting period for sick leave pool purposes,
- 2) after the employee has exhausted his or her sick leave pool benefit, and
- 3) for less catastrophic conditions which do not rise to the level of the need for sick leave pool hours.

Sick leave donations will be processed using these forms:

- [AG-444: Sick Leave Direct Donation – Donor Form](#)
- [AG-445: Sick Leave Direct Donation – Recipient Form](#)

Sick leave donations will be considered a taxable event to the donor unless the situation qualifies as a medical emergency pursuant to IRS guidelines. For sick leave donation purposes, a medical emergency is defined as “a major illness or other medical condition that requires a prolonged absence from work (40 hours), including intermittent absences that are related to the same illness or condition”.

Donations not qualified as medical emergencies will have the cash value of the donated sick leave included in gross income of the donor, and will be treated as wages for employment tax purposes. Such wages will be considered a lump-sum payment and subject to 25% income tax, Medicare, and applicable social security withholdings. Individuals making a donation are encouraged to consult a tax advisor.

Sick Leave Donors

- Donors will complete the [Sick Leave Direct Donation – Donor Form \(AG-444\)](#) and submit it to AgriLife Human Resources.
- An employee is not required to be in a leave-accruing position at the time a donation is made, but will need to have sufficient hours to cover the donation.
- A donor may donate any amount of his or her available sick leave accruals to an eligible recipient, however donating hours may have a limit due to recipient’s condition or due to information on a practitioner’s statement

- An employee may not provide or receive remuneration or a gift in exchange for a donation.
- **IMPORTANT:** Tax implications - in accordance with Internal Revenue Service policy, unless a medical emergency applies the cash value of donated sick leave is included in your (the donor's) gross income and will be treated as wages for employment tax purposes with such wages being considered a lump-sum payment subject to 25% income tax, Medicare, and applicable social security withholdings
- **NOTE:** Once sick leave is donated it will no longer be your property and may not be returned to the donor if the recipient is unable to use the donated sick leave. Donated sick leave may not be paid to the Estate, donated to sick leave pool or transferred to another employee.

Sick Leave Recipients

Employees may receive hours if they:

- are in the same agency (Texas A&M System Member) as the donor;
- are not eligible to apply for sick leave pool hours;
- have exhausted all of their sick leave accruals;
- have exhausted any previously donated hours they received;
- have exhausted the full allocation of hours from the sick leave pool; and
- have provided medical documentation to support their leave.

Eligibility to Receive Sick Leave Donation

Can You Have a Vacation Leave Balance?	Can You Have a Sick Leave Pool Balance?	Can You Have a Sick Leave Balance?	Can You Have a Donated Sick Leave Balance?	Do You Need to Be out More Than 80 Hours?
Yes	Maybe	No	No	No

Sick Leave Donation Transactions

The donating employee will complete the [Sick Leave Direct Donation – Donor Form \(AG-444\)](#) and submit it to AgriLife Human Resources to review the donation request and to confirm eligibility.

Following approval of the donation, AgriLife Human Resources will provide the [Sick Leave Direct Donation – Recipient Form \(AG-445\)](#) to the recipient for completion along with requesting appropriate medical certification to determine qualification for medical emergency.

Approved sick leave donations will be processed by AgriLife Human Resources by deducting sick leave hours from the donor's sick leave balance and adding these hours as donated sick leave hours to the recipient's account in LeaveTraq. A confirmation notice will be sent to the Unit Contact/Leave Administrator for each of the respective departments.

Example Scenarios:

Vacation Leave Balance	Sick Leave Balance	Sick Leave Pool Balance	Donated Sick Leave Balance	Out more than 80 hours?	Eligible to Receive
40	40	0	0	No	Nothing ¹
40	0	0	0	No	Sick Leave Donation ²
0	0	0	0	Yes	Sick Leave Pool ³
0	0	0	20	No	Nothing ⁴

40	0	0	20	Yes	Nothing ⁵
0	0	40	0	Yes	Sick Leave Donation only if not related to condition approved for Sick Leave Pool ⁶
0	0	Employee exhausted maximum 720 hours	0	Yes	Sick Leave Donation ⁷ or Additional Paid Sick Leave

¹ The employee has a sick leave balance of 40 hours, so he or she is not eligible to receive donated sick leave or SLP hours.

² The employee has a zero balance in sick leave, SLP, and donated sick leave and has not satisfied the 80 hour requirement, so he or she cannot be accessed. Therefore, they are eligible to receive a sick leave donation.

³ The employee has a zero balance in all leave types, and has been out for 80 hours. The employee should apply for Sick Leave Pool hours. If the pool request is denied, the employee may receive a sick leave donation.

⁴ The employee has a donated sick leave balance of 20 hours, so is not eligible to receive donated sick leave or SLP hours.

⁵ The employee has a donated sick leave balance of 20 hours, so is not eligible to receive donated sick leave or SLP hours.

⁶ The employee has a 40 hour SLP balance; therefore may not receive sick leave donations unless the donation would be used for a sickness not covered under the Sick Leave Pool approved condition.

⁷ The employee has exhausted the sick leave pool benefit, but may continue to receive sick leave donations or may apply to receive additional paid sick leave according to 31.03.02 – Sick Leave.

For questions, please contact: AgriLife Human Resources at 979-845-2423.

Resources

- House Bill 1771 Text
<http://www.legis.state.tx.us/tlodocs/84R/billtext/html/HB01771F.HTM>
- House Bill 1771 – Sick Leave Donation Guide
<http://www.hr.sao.texas.gov/Statutes/SickLeaveDonationGuide.pdf>