



PAID PARENTAL LEAVE POLICY

(Maternity, Paternity, Adoption, Foster Care, & Legal Guardianship)

POLICY NO: 248-P

- Applies To: All regular full-time and eligible part-time employees of the City of Traverse City. (Subject to applicable Collective Bargaining Agreements)
- Effective Date: 10/06/2026
- Associated References: Policy No. 202-P (Family and Medical Leave Act),

Purpose:

The City of Traverse City recognizes the importance of balancing work and family life. The purpose of this policy is to provide eligible employees with paid time off to recover from childbirth, bond with a new child, or welcome a child through adoption, foster care placement, or legal guardianship.

Additional Authority:

Policy No. 202-P - Family and Medical Leave Act Policy

Scope:

This policy applies to all eligible regular full-time and part-time employees of the City of Traverse City, subject to applicable Collective Bargaining Agreements and City administrative guidelines.

Responsibility:

Employees: Responsible for submitting timely notice and required documentation, and filing FMLA/STD claims in accordance with policy guidelines.

Supervisors & Department Heads: Responsible for coordinating coverage and acknowledging employee leave requests.

Human Resources / City Administration: Responsible for processing Paid Parental Leave (PPL) requests, managing STD/FMLA coordination, and ensuring policy compliance.

Definitions/Acronyms:

Birthing Parent: An employee who gives birth to a child and qualifies for Short-Term Disability (STD) supplemented by City Paid Parental Leave (PPL) top-up pay.

Non-Birthing Parent / Spouse / Partner: An employee who is the biological father, non-birthing mother, spouse, or legal domestic partner of a birthing parent, sharing parental responsibility for a newborn.

Child: Aligned with Policy No. 202-P (FMLA) as a biological, adopted, or foster child, or a child for whom the employee stands *in loco parentis* under 18 years of age (or older if incapable of self-care due to disability).

Adoption Placement: Official placement of a child under 18 with an employee for legal adoption.

Foster Care Placement: 24-hour substitute care placed through state or licensed agency action.

Legal Guardianship: Court-ordered relationship granting legal responsibility and care authority.

Parent-Child Bonding: Paid leave time used to nurture, care for, and integrate a new child into the family.

In Loco Parentis: Day-to-day responsibilities to care for and financially support a child without requiring a biological or legal relationship.

Policy Statement:

The City of Traverse City is committed to supporting employees in balancing work and family responsibilities. To foster a supportive workplace culture, promote work-life integration, and assist families during major life transitions, the City provides Paid Parental Leave (PPL) to eligible employees following the birth, adoption, foster care placement, or establishment of legal guardianship of a child. This policy establishes clear guidelines regarding eligibility, benefit structures, usage rules, and integration with other leave benefits to ensure fair and consistent administration across all City departments.

ELIGIBILITY & DEFINITION OF CHILD

To qualify for Paid Parental Leave (PPL), an employee must satisfy the standard eligibility criteria established under the Family and Medical Leave Act (FMLA - Policy No. 202-P) as of the date of the qualifying event:

- Must have been employed by the City of Traverse City for at least **twelve (12) months** (need not be consecutive); **AND**
- Must have worked a minimum of **1,250 hours** during the twelve (12) month period immediately preceding the start date of the requested leave.

Definition of Child: Under this policy, a child is defined as a biological, adopted, or foster child, or a child for whom the employee stands *in loco parentis* (assuming parental status and responsibilities) who is under 18 years of age (or 18 years of age or older and incapable of self-care because of a mental or physical disability).

(Note: Temporary, seasonal, and emergency employees who do not meet FMLA criteria are not eligible for PPL).

BENEFIT AMOUNT & STRUCTURE

Birthing Parents (Short-Term Disability Offset Model)

- **STD Offset / Top-Up Pay:** Eligible birthing parents must file a claim for Short-Term Disability (STD) through the City's insurance carrier. PPL will function as a supplemental "top-up" payment to bridge the gap between the STD payout rate (e.g., 66.67% of wages) and 100% of the employee's regular base pay.
- **Duration:** The City's top-up payment will match the duration approved for STD benefits by the insurance carrier (*typically 6 to 8 weeks, depending on medical certification for standard or C-section delivery*).

Non-Birthing Parents, Adoption, Foster Care, & Legal Guardianship

- **Benefit Amount:** Eligible non-birthing parents, adoptive parents, foster care providers, and legal guardians are entitled to up to eighty (80) hours of consecutive regular pay (*pro-rated for eligible part-time employees*) paid at 100% of regular base pay by the City.

GUIDELINES & USAGE CONSTRAINTS

- ❖ **Continuous Usage Within 12 Months:** All Paid Parental Leave must be taken as a single, continuous block of time within the first twelve (12) months following the birth, adoption placement, foster placement, or establishment of legal guardianship. Any portion of PPL not used within twelve (12) months of the event is permanently forfeited.
- ❖ **No Intermittent Use:** PPL cannot be used intermittently or on a reduced work schedule basis.
- ❖ **Non-Pensionable Income & Retirement Plan Exclusions:** Paid Parental Leave compensation (including PPL top-up pay) is classified as non-operational supplemental benefit pay and is not pensionable income. PPL hours and wages are strictly excluded from calculations for Final Average Compensation (FAC) and pensionable earnings under MERS or any City pension plan.

Furthermore, PPL pay is excluded from gross wage calculations for all supplemental retirement and post-employment benefit programs, including Section 457 deferred compensation plans, Health Care Savings Plans (HCSP), Medical Expense Reimbursement Plans (MERP), 401(a) defined contribution plans, and any other employer- or employee-contributed supplemental retirement benefits based on gross wages.

- ❖ **Base Pay Rate:** PPL is calculated on straight-time base hourly rates only. Overtime, comp time, shift differentials, and specialty stipends are excluded.

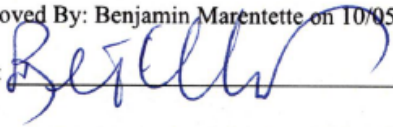
COORDINATION WITH OTHER LEAVE & BENEFITS

- ❖ **Concurrent FMLA:** PPL runs concurrently with unpaid leave under the Family and Medical Leave Act (Policy No. 202-P). It does not grant additional leave beyond the maximum 12-week FMLA entitlement in a rolling 12-month period.
- ❖ **Accrued Leave Balances:** Employees are not required to exhaust accrued Short-Term Leave (STL), annual leave, or compensatory time prior to utilizing PPL. Accrued leave may be substituted after PPL is exhausted if additional FMLA time remains.
- ❖ **City Benefits & Insurance:** Health, dental, vision, life, and disability benefits remain active under standard employee contribution rates during the PPL period.
- ❖ **Holidays:** City-observed holidays occurring during a continuous PPL period will be compensated as Holiday Pay and will not deduct from the employee's PPL entitlement.

APPLICATION PROCEDURE

Notice: Employees must submit a completed *Paid Parental Leave Request Form* (located below) to Human Resources at least thirty (30) calendar days in advance of the anticipated leave date when foreseeable. The request must be accompanied by all applicable FMLA and Short-Term Disability (STD) documentation.

Documentation: Medical certification (for births) or legal adoption, foster placement, or court-ordered legal guardianship documentation must be provided to Human Resources prior to leave approval.

Approved By: Benjamin Marentette on 10/05/2026 Signature: 	History: Created 10/05/2026
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CITY OF TRAVERSE CITY
PAID PARENTAL LEAVE REQUEST FORM

Instructions: Eligible employees requesting Paid Parental Leave (PPL) under Policy No. 248-P must complete this form and submit it to Human Resources at least thirty (30) days prior to the anticipated leave start date (or as soon as practicable for unexpected events). Approved FMLA paperwork and required supporting documentation must accompany or follow this request.

EMPLOYEE INFORMATION

Employee Name: _____ Department / Division: _____
Email: _____ Phone: _____

QUALIFYING EVENT & LEAVE CATEGORY

Anticipated Date of Event (Birth / Placement Date): _____

Requested Start Date: _____ Anticipated Return Date: _____

Qualifying Event Type:	Category A: Birthing Parent (Maternity Recovery & Bonding) Requires Short-Term Disability (STD) claim filing. PPL provides a top-up payment to 100% of base pay for the duration of approved medical STD. Category B: Non-Birthing Parent (Paternity / Partner Bonding) Category C: Adoption Placement Category D: Foster Care Placement Category E: Establishment of Court-Ordered Legal Guardianship Categories B through E provide up to 80 consecutive hours of regular pay (pro-rated for eligible part-time staff).
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SECTION 3: POLICY ACKNOWLEDGMENT & GUIDELINES

- Continuous Usage & Deadline: PPL must be used as a *single continuous block of time* within the first 12 months following the qualifying event. Intermittent leave is strictly prohibited under PPL. Any unused portion after 12 months is forfeited.
- FMLA Concurrency: PPL runs concurrently with unpaid leave under the Family and Medical Leave Act (Policy No. 202-P) and does not extend statutory FMLA entitlement.
- Non-Pensionable Income & Supplemental Retirement Exclusions: PPL pay (including STD top-up payments) is classified as non-operational benefit pay and is NOT pensionable income. PPL pay/hours are excluded from MERS / pension Final Average Compensation (FAC) calculations and are excluded from gross wage calculations for Section 457 deferred compensation, HCSP, MERP, 401(a), and any other supplemental retirement plans.
- Documentation Requirement: Approval is contingent upon providing medical certification (births) or court/legal placement documentation to HR.

By signing below, I acknowledge and understand the following terms of Policy No. 248-P:

Employee Signature: _____ Date: _____