

## 7/14/09 – Research Results

Do any PHAs have a policy of allowing an employee to opt for pay in lieu of vacation time earned but not taken, at the end of the year?  
If so, what is your procedure?

We only have sick time buy back of 40 hours if you have 160 hours on the books but nothing for vacation.

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e) Sale of Leave – Employees may request payment in lieu of leave for a maximum of 80 hours per calendar year, provided a minimum of 120 hours of Personal Leave is retained in the employee's account at the time of sale of leave. Employees who have a minimum of 960 hours in their account may request payment in lieu for a maximum of 160 hours per calendar year. Sale of leave does not substitute for the use of leave requirement under paragraph d) above.

Requests for payment in lieu may be made two times per calendar year, once in June and once in December. The employee must complete HR Form 689 and submit it to payroll by the 15th of the previous month (May and/or November) to be eligible for payment. Payments will be made on the first regular payroll in June and/or December.

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Our employees have been here so long, if they took all of their vacation, no one would be working. So, many years ago we "reset" everyone's hire date to January 1 and the vacation time begins. In December, they can be paid for up to 1/2 of unused, but earned vacation. This way they get some Christmas money and we have most of the staff working.

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No, we do not allow employees to opt for pay instead of vacation time. At the end of our fiscal year, all employees can carry over 5 days and if there is anymore time than that, the employees lose that vacation time.

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"Payment 'in lieu of vacation' will be granted twice a year in June and December for up to 40 hours. However, the employee must maintain an 80-hour minimum balance. All requests for payment in lieu of vacation must be submitted to the HR Administrator with the 1st payroll in June or the 1st payroll in December. Requests received after this time will not be granted."

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In (PHA) we require that everyone take all of their accrued vacation before the end of the year and do not allow them to carry it over. At the end of the year we buy back unused sick leave at the rate of 2/3 of their regular rate of pay. Our employees really like the sick leave buy back and make an effort to be at work unless they are really ill.

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Our policy states that we can request pay in lieu of vacation at any time, we accrue per paycheck not annually. The process to request is simple since we only have a handful of people. The individual submits a weekly time sheet with their other time sheets and indicates that they would like vacation pay out on it for a specified amount of hours. I take the time sheet and include it with their regular paycheck. We have had a couple of occasions that an employee had an emergency and with vacation paid out request we have cut a check out of the payroll cycle. If you use Quickbooks Payroll they have an option to do vacation paid out instead of taken.

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#### A. Personal Leave

9. An employee may request payment for personal leave hours in lieu of taking paid time off at the same rate as hours worked providing the employee maintains a balance of 60 hours of accrued personal leave. Hourly employees may request payment for leave in any increment. Salaried employees must buy back leave in eight (8) hour increments. The employee has the responsibility to ensure that the buy back request is made in accordance with established procedures. The request must be approved by the Executive Director.

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Linda– Note that we did away with vacation and sick leave many years ago and now have personal and major medical leave. Personal leave covers any vacation time and minor illnesses. Major medical leave is for extended illness (exceeds five working days) and/or hospitalization.

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Our policy leaves it up to the discretion of the Executive Director. Here we normally allow one week to be done that way.

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Our Personnel Policy allows us to carry 40 hours of unused vacation time into the next fiscal year and then the employees are paid for any excess hours of vacation over the forty hours. One of our board members (who is no longer here) thought it would be a good idea to write the checks for unused vacation on the first of December so it could be used as a Christmas fund. Allen disagreed with this but it went into our Personnel Policy anyway.

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We allow employees to sell any leave in excess of 30 days. we also allow them to sell unused sick leave in excess of 30 days on a two for one basis.

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#### Accumulation Rights

Vacation time may be accumulated, not to exceed thirty (30) days in addition to that accrued in the current calendar year. Any accrued vacation time in excess of thirty days, if not taken by December 31, will be forfeited.

#### Payment In Lieu Of Vacation

The purpose of a vacation is to provide you with a time to rest and relax. You are strongly encouraged to take your time off. However, if you are unable to take your vacation you can, upon request, be paid up to 50% of your vacation time in a lump sum payment once each calendar year. An employee at termination will be paid in a lump sum for vacation time accumulated.

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Policy said must take Vacation can be roll over one year with E.D. Ok

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We don't do that here, but another agency I worked for allowed employees to cash out up to 80 hrs. of vacation time once every 12 months.

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Our personnel policy states:

An hourly full time employee may be paid for Annual Leave according to the following:

one – seventeen years – can be paid up to one week  
eighteen years and up – can be paid up to two weeks

For any additional week the employee must take annual leave

It also states for all full time employees one week accrued Annual Leave may be carried over to the following year – any other annual leave will be forfeited.

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Hi Linda! We actually have in our policy strictly forbidding selling of vacation time. I'll be interested to find out what others say, though. I've given up 2 weeks vacation for the past 4 years because I can never find a good time to take it.

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No. They only get paid for un-used if separated from job.

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When funding allows, any excess time may be sold back with approval from the chairman or vice-chairman of the board of commissioners.

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Our procedure is use it or lose it within the year unless approved by the ED to be taken the next year which would only be if something going on with the housing prevented them from taking it in the first place. If employee is leaving employment with vacation coming they get paid at time of separation for remaining vacation but not sick leave.

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For the past three years (since our budget could afford it) we have allowed employees to sell their unused annual leave to the agency.

First, a resolution is taken to the board for approval. If approved, the last week of November we inform all eligible employees of their annual leave balances. An acknowledgment is signed by everyone stating if they are selling or not and how many hours. They can only sell what they have accrued and are made aware that if they are out for personal reasons and have no time left, they will not get paid for that time off.

A check for the hours sold times their individual hourly rates minus applicable taxes is processed for each employee that participated. They sign another acknowledgment when they receive their check.

A copy of everything is kept as backup with our payroll files.