



UNIVERSITY OF MIAMI POLICY AND PROCEDURE MANUAL

TITLE: Vacation Time REFERENCE: N/A

CATEGORY: Human Resources PAGE: 1 of 9

SUPERSEDES: Policy Nos. D080,E080, D082, and E082

APPROVER: /s/ Nerissa Morris

Vice President, Human Resources EFFECTIVE: June 1, 2015

PURPOSE

The University of Miami ("University") recognizes that the opportunity to have leisure time and to attend to personal matters unrelated to work is important to fostering a healthy work/life balance. The purpose of this policy is to establish guidelines for the accrual of vacation time and its use.

This policy supersedes the following policies in their entirety:

- Administrative/Professional: Vacation Time, Policy No. D080, dated 06/01/2014
- Administrative/Professional: Donation of Vacation Time, Policy No. D082, dated 04/01/2006
- Clerical/Nursing/Technical/Service: Vacations, Policy No. E080, dated 06/01/2014
- Clerical/Nursing/Technical/Service: Donation of Vacation Time, Policy No. E082, dated 04/01/2006
- Research: Vacation Time, Policy No. D080, dated 06/01/2014
- Research: Donation of Vacation Time, Policy No. D082, dated 04/01/2006

POLICY

It is the policy of the University to provide employees (as defined below) with paid vacation time based upon length of service and employment status. Compensation for such absences shall be drawn from an employee's available vacation time accruals.

DEFINITIONS

"Catastrophic Injury or Illness" is defined as an injury or illness that occurs suddenly and without warning and can have serious, long-term effects on the health of the employee or the employee's family member, that results in the employee being required to take a leave of absence for an extended period.

"Child" means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is either under age 18 or age 18 or older and incapable of self-care because of a mental or physical disability.

- "Continuous service" is defined as the period in which an individual is employed as a regular full-time or regular part-time employee. For purposes of this policy, employment with the University for a temporary or specific period of time, or as a student employee, shall not count towards "continuous service."
- **"Employees"** shall mean those individuals defined as Regular Full-Time Employees, Regular Part-Time Employees, and Key Administrators.
- **"Exempt"** shall refer to employees who qualify for an exemption under the Fair Labor Standards Act, and in turn, are paid on a salary basis regardless of the number of hours worked. Exemptions shall be determined by Human Resources' Office of Total Rewards in accordance with the Fair Labor Standards Act and related regulations issued by the U.S. Department of Labor.
- **"Family Member"** is defined as an employee's spouse, child, or parent. "Family member" shall also include an employee's grandparent where the employee assumes complete financial responsibility for the grandparent's need.
- "Initial Probationary Period" shall mean the initial 90 calendar days of employment with the University as a regular non-exempt employee, or the initial six (6) calendar months of employment with the University as a regular exempt employee.
- **"Key Administrators"** shall mean those employees who serve as corporate officers, deans and others who report directly to a corporate officer or dean, and who have broad-based duties, responsibilities and authority as designated by the President, Executive Vice President, Provost, or a Senior Vice President.
- "Non-exempt" shall refer to employees who do not qualify for an exemption under the Fair Labor Standards Act, and in turn, are paid on an hourly basis for all hours worked and are eligible for overtime pay for all hours worked in excess of 40 hours per work week.
- "Parent" shall mean a biological, adoptive, step or foster father or mother, or any other individual who stood in loco parentis to the employee when the employee was a child. This term does not include parents "in law." For purposes of this policy, the term shall also include an employee's grandparent where the employee assumes complete financial responsibility for the grandparent's needs.
- "Regular Full-Time Employees" shall mean those individuals that are employed with the University: (1) 100 percent (100%) of the University's defined work week for the position held; and (2) on a continuing basis for nine (9) months or more each calendar year. This definition does not include full-time employees employed with the University for a temporary or durational period of time.
- "Regular Part-Time Employees" shall mean those individuals that are employed with the University: (1) 50 percent (50%) of the University's defined work week for the position held; and (2) on a continuing basis for nine (9) months or more each calendar year. This definition does not include part-time employees employed with the University for a temporary or durational period of time.

"Spouse" shall mean another person with whom an employee has entered into marriage as defined or recognized under the laws of the State in which the marriage was entered. In the case of a marriage entered into outside of the United States, the marriage must be valid in the place where entered into and could have been entered into in at least one U.S. State. This definition includes legally recognized same-sex or common law marriages.

PROCEDURE

I. ACCRUAL OF VACATION TIME

A. GENERALLY

Generally, vacation time shall accrue to a regular exempt employee on a monthly basis, and to a regular non-exempt employee on a bi-weekly basis when the employee is in pay status by actually working or by utilizing time previously earned by the employee. However, employees shall not accrue any vacation time during the last pay period worked prior to an employee's separation. All individuals employed by the University in a capacity not specifically provided for in this policy are ineligible to accrue or use vacation time. Vacation time shall not accrue to an employee during leaves of absence without pay, during use of donated vacation time, or during use of short-term disability benefits.

Key administrators shall accrue vacation time in the same manner as regular full-time exempt employees, unless an alternative accrual schedule has been approved by the Vice President, Human Resources, which shall not exceed 176 hours (22 days) per year.

Except as otherwise provided, employees shall not be permitted to carry excess vacation balances and will forfeit the accrual of additional vacation time each pay period, until balances are below the maximum vacation balance described below.

B. RATES OF ACCRUAL; MAXIMUM VACATION BALANCES

1. EXEMPT EMPLOYEES

Exempt employees shall accrue vacation as described below:

Length of Continuous Service:	Accrual Rate (Monthly Basis):	Maximum Vacation Balance:
Two (2) years or less of continuous service	6.667 hours per month	Up to 80 hours
More than two (2) year, but less than ten (10) years, of continuous service	10.000 hours per month	Up to 120 hours
Ten (10) or more years of continuous service	14.667 hours per month	Up to 176 hours

Exempt employees hired or returning from an unpaid leave of absence after the sixteenth (16th) day of the month shall not accrue vacation time for that month.

Excess Vacation/Limitation on Accrual: Exempt employees with vacation balances in excess of their maximum vacation balance shall be provided a grace period until May 31, 2016 to reduce these balances below the maximum vacation balance listed above. During this grace period, exempt employees shall not continue to accrue additional vacation beyond the maximum vacation balance listed above. Thereafter, effective June 1, 2016, excess vacation balances beyond the maximum vacation balance shall be forfeited.

2. NON-EXEMPT EMPLOYEES (80-HOUR BIWEEKLY)

Non-exempt employees (80-Hour Biweekly) shall accrue vacation as described below:

Length of Continuous Service:	Accrual Rate (Bi-weekly Basis):	Maximum Vacation Balance:
Less than five (5) years of continuous service	0.03847 hours	Up to 160 hours
More than five (5) years, but less than ten (10) years, of continuous service	0.05770 hours	Up to 240 hours
Ten (10) or more years of continuous service	0.07694 hours	Up to 320 hours

3. NON-EXEMPT EMPLOYEES (75-HOUR BIWEEKLY)

Non-exempt employees (75-Hour Biweekly) shall accrue vacation as described below:

Length of Continuous Service:	Accrual Rate (Bi-weekly Basis):	Maximum Vacation Balance:
Less than five (5) years of continuous service	0.03847 hours	Up to 150 hours
More than five (5) years, but less than ten (10) years, of continuous service	0.05770 hours	Up to 225 hours
More than ten (10) years of continuous service	0.07694 hours	Up to 300 hours

C. IMPACT OF CONVERSION OF SICK TIME TO VACATION TIME BY NON-EXEMPT EMPLOYEES

While non-exempt employees are permitted to convert accrued sick time to vacation time under the University's *Sick Time* policy, all such conversions are subject to the maximum vacation balances described above.

D. IMPACT OF TRANSFER BETWEEN CLASSIFICATIONS

When an employee transfers from one department to another, all unused accrued vacation time will be transferred with the employee. The rate of vacation accrual for University employees transferring from one classification to another (exempt, non-exempt), will be calculated based on the employee's total years of regular service at the University. Non-exempt employees transferring to an exempt position will have one (1) year to reduce their accrued vacation balance to the maximum amount allowed under this policy or be subject to forfeiture of the excess leave.

E. IMPACT OF REEMPLOYMENT

1. EMPLOYEES WHO HAVE BEEN LAID OFF

An employee rehired within a layoff period, as defined in the University's *Employment Separations* policy, will be permitted to accrue vacation time based upon the employee's initial hire date and the status of the position (i.e., exempt or non-exempt).

2. EMPLOYEES WHO HAVE RESIGNED

An employee who resigns from the University and is subsequently rehired shall be permitted to accrue vacation time based upon the employee's initial hire date and the status (i.e., exempt or non-exempt) of the position for which the employee is being rehired, provided the employee completed at least five (5) years of continuous regular full-time or regular part-time employment, and the length of the employee's absence from the University did not exceed the length of the employee's actual continuous length of service.

3. EMPLOYEES WHO HAVE BEEN TERMINATED

An employee who is terminated from the University as provided in the University's *Employment Separations* policy, and is subsequently rehired shall not be permitted to accrue vacation time based upon the employee's initial hire date, but shall accrue from the date of rehire.

II. USE OF VACATION TIME

A. GENERALLY

While employees accrue vacation time from their established date of hire, vacation time may only be used by employees after completing their initial probationary period. *Exempt employees* shall be required to use their vacation time in full or half-day increments, except when on leave under the University's *Family and Medical Leave* policy or other similarly protected leave. *Non-exempt employees* who use vacation time shall have such time deducted from their accruals in one (1) hour increments for each hour used. Vacation time shall not be advanced to an employee. All vacation time must be actually accrued in order for the employee to use it. The amount of vacation time that may be granted to an employee for use shall not exceed the employee's scheduled work hours for the workday(s) on which the absence(s) occurred. An employee is not permitted to elect unpaid leave when the employee has available accrued vacation time for use. Vacation time cannot be used to extend an effective date of resignation.

Workday is the official record of an employee's paid time off balances and as such will be the only source used to determine an employee's available balances.

B. REQUESTING VACATION TIME

Employees wishing to use vacation time are required to submit a request to their supervisor via Workday at least two (2) weeks in advance, unless another minimum notice period has been established by the applicable supervisor due to the nature of the operations being performed by the employee. Requests shall be submitted through Workday, using the "Time Off" Worklet. For more information on how to submit a request, please review the Request Time Off tip sheet. Requests for the use of vacation time may be denied and/or reversed for failure to request such time in accordance with this policy. Any modifications to an approved vacation request must also be approved by the supervisor. Vacation requests are subject to the operational needs of the department and the University reserves the right to assign vacation periods as needed. An employee who has an emergency or other unforeseen hardship that requires their absence from work may request an unscheduled exception to the departmental vacation schedule. Granting this type of request is at the discretion of the supervisor.

C. SUPERVISOR'S RESPONSIBILITY

Supervisors are responsible for reviewing requests for vacation time in *Workday* and ensuring that attendance records accurately reflect the use of vacation time for purposes of compensation.

Employees who are absent from work: (1) due to illness immediately following a holiday or approved vacation time; or (2) following a denial of a request for use of vacation time shall have those hours deducted from their vacation time, where a supervisor reasonably suspects an employee is abusing the privileges afforded under the University's *Sick Time* policy. In such cases, the supervisor may request verification of illness for absences. Supervisors are required to notify their Human Resources representative of an unapproved employee absence, and any potential policy violations.

III. EMPLOYMENT SEPARATION

A. PAYOUT OF VACATION TIME

Employees are eligible to receive a payment for the value of any unused accrued vacation time, as reflected in *Workday*, in an amount not to exceed the applicable maximum vacation balance described in Section I.B above, regardless of any excess vacation balances in existence prior to May 31, 2016, or maintained by any other University office or system.

B. SETOFF FOR THEFT

In accordance with the University's *Employment Separations* policy, employees who are separated from the University shall receive the value of any accrued but unused vacation time balance within 30 calendar days of separation, except where the separation is for misconduct based upon the employee's theft from the University in any form. In such cases, the accrued but unused vacation balances shall first be offset to pay off the theft and any remaining balance will then be paid out to the employee. Any such payment will be disbursed to the employee, and shall reflect all requisite tax deductions.

C. SETOFF FOR FAILURE TO RETURN UNIVERSITY PROPERTY AND THE COLLECTION OF OUTSTANDING FINES AND FEES

In accordance with the University's *Employment Separations* policy, the fair market value of any unreturned University property, replacement cost of any damaged University property, and outstanding fines and fees incurred by the employee and owed to the University shall be deducted from the employee's vacation leave payment prior to distribution. The payment will be disbursed to the employee, and shall reflect all requisite tax deductions.

IV. DONATIONS OF VACATION TIME

A. GENERALLY

Throughout the University, there are employees who may require additional vacation time for absences from work resulting from catastrophic injury or illness as defined in this policy. To assist such employees ("recipients"), the University will allow employees ("donors") to donate vacation time as a means of helping recipients continue to remain in pay status during their absence. The University reserves the right to approve, deny, amend, continue, or discontinue the process for donation of vacation time without notice.

B. CRITERIA FOR DONATION AND PROCESS

In order to donate vacation time, the donor must complete a <u>Donation of Vacation Request Form</u>. The donor shall be responsible for submitting a completed request form to their Human Resources representative. If a request to donate vacation time is approved, donations will be deducted from the donor's accrued vacation balance and deposited for use by the identified recipient. All deposits of donated vacation time are final and cannot be rescinded.

Donors must: (1) maintain a minimum vacation balance of 40 hours; and (2) must donate vacation in increments of not less than eight (8) hours. The maximum donation from any one donor is 40 hours, and the donation must consist of accrued vacation time only. Donations will be processed from donors in the order in which the donations are received. The donated vacation time will be calculated and distributed to the recipient pursuant to the University's payroll practices.

Donation of vacation time may be limited or denied if there are restrictions by the funding source of the donor's wages and benefits (e.g. contract or grant).

C. ELIGIBILITY CRITERIA FOR RECIPIENTS; REQUESTS FOR USE OF DONATED TIME

In order to be eligible to receive a donation of vacation, the *recipient* must: (1) employed with the University for a minimum continuous period of one (1) year; (2) be in a position that is eligible to accrue vacation time under this policy at the time the donation is required; (3) be on an approved leave of absence as a result of a catastrophic illness or injury of the employee or the employee's family member; and (4) have exhausted all accrued time balances (sick, vacation, floating holidays) at the time a donation is required. Donations of vacation shall not be permitted to cover absences due to the birth of a child (maternity/paternity leaves).

To receive donation of vacation, eligible recipients must complete a *Request for Use of Donated Vacation Time* Form. The recipient shall be responsible for submitting a completed request form to their Human Resources representative. Donated vacation time shall only be permitted for absences of a continuous nature, and such donations shall be applied to the recipient on a pay period basis. Recipients shall not accrue vacation or sick time while using donated vacation time.

Donated vacation time does not serve as a basis to automatically extend other employment benefits to the recipient, including but not limited to worker's compensation, short-term or long-term disability, and administrative leave. Moreover, donations of vacation time shall not be used to extend the recipient's employment beyond regular terms and conditions.

D. OTHER CONSIDERATIONS

1. EMPLOYMENT TAX IMPLICATIONS

Both the recipient and the donor shall be subject to payroll tax withholdings, in accordance with the University's established payroll practices and the Internal Revenue Code.

2. IMPACT ON RECIPIENT'S SHORT-TERM DISABILITY BENEFITS

Employees may voluntarily elect to enroll in the University's short-term disability insurance plan which provides 66 2/3% of an employee's income while on an approved leave of absence due to a qualifying medical condition. Where a recipient is receiving short-term disability benefits under said plan, donated vacation time may be used to cover the remaining unpaid portion of an employee's salary (33 1/3%), as well as the 15-day waiting period required under the short-term disability insurance plan. The enrollment in the University's short-term disability insurance plan is determined in the manner provided by Human Resources' Office of Benefits Administration.

3. IMPACT ON RECIPIENT'S LONG-TERM DISABILITY BENEFITS

If a recipient is receiving donated vacation time under this policy and is subsequently approved for long term disability benefits, the donations shall not be returned to the donor(s).

V. VIOLATIONS

Employees who have abused the privileges afforded under this policy shall be subject to disciplinary action up to and including termination of employment. Violations of this policy include, but are not limited to, failure to receive approval prior to using vacation time, failure to accurately record use of vacation time in *Workday*, misrepresentation of facts/falsification of documents in order to obtain donated vacation time, and/or facilitating or assisting in violating this policy.