

POLICY CONCERNING ACCRUED ANNUAL LEAVE PAYMENTS FOR TERMINATING EMPLOYEES

The University will pay terminating employees for all accrued annual leave at the same time that the employee receives his/her final paycheck for services performed, provided terminating budget amendment and personnel report are processed prior to the submission of the employee's final payroll voucher. A terminating employee for this policy does not include employees who will be transferring to another University position or to another institution in the University System, nor does it include employees who are on official leave of absence; however, it does include employees who are converted from a twelve month to a nine month contract. In cases where notification of termination is not processed prior to the submission of the employee's final payroll voucher for services performed, payment for all accrued annual leave will be made in full on the next regularly scheduled pay date after terminating budget amendment and personnel report have been processed.

The termination personnel report will show the termination date as the last day the employee is paid from his/her regular position. In the remarks section of the personnel report the following information concerning payment of accrued leave must be provided:

- (1) The date of the last day worked.
- (2) The number of days of accrued leave due.
- (3) The payroll ending date(s) of the payroll voucher on which final payment of accrued annual leave would be made.

BUDGET PROCEDURE

If the accrued leave does not extend beyond the pay period of the last workday, then the leave should be paid from the same position in which the employee is budgeted using standard procedures. If, however, accrued leave carries forward to a pay period beyond the last workday and a lump sum payment is desired, then that portion of accrued leave must be budgeted in a special lump sum position. The above procedure provides the option (1) to pay all or a part of the accrued leave from the employee's position OR (2) to pay all or a part of the accrued leave from a special lump sum position provided for this purpose. See Appendix "E" for a listing of position short titles established for this purpose.

PROCESSING PAYROLL VOUCHERS AND TIME CARDS

If accrued leave does not extend beyond the pay period of the last workday, then the payroll vouchers should be completed in the normal manner using the same line item budget position. If, however, accrued leave carries forward to a pay period beyond the last workday and a lump sum payment is desired, then a separate line on the voucher must be completed for each additional pay period indicating the appropriate payroll ending date. The final monthly payroll voucher must include under the coded hours vacation column annual leave hours taken

for previous month and the current month, including the terminal leave. In the case of bi-weekly payrolls (salaried and hourly), a separate time sheet must be completed for each pay period listed on the voucher.

METHOD FOR COMPUTING ACCRUED LEAVE PAYMENT

The method for computing accrued leave shall be done in the same manner as though the person continued working through the end of leave period. The maximum number of days of accrued leave that can be paid is 45 (360 hours). The annual rate to be used as a basis for computing accrued leave payment is the annual rate as of the last workday (a salary increase rate is not effective unless the employee had at least one workday at this new rate).