**Vacation Leave Policy with Provision for Negative Balance**

**Purpose**

[Company Name] provides paid vacation for employees to take time for rest and recuperation.

**Eligibility**

All full- and part-time employees are eligible for vacation leave benefits. Part-time employees working 20 to 29 hours per week will earn vacation on a prorated basis. Full-time employees are those working 30 or more hours per week. Vacation accrual begins on the first day of full- or part-time employment.

Vacation is accrued according to the schedule in this policy. Vacation can be used after it is earned. Vacation leave will not be earned during an unpaid leave of absence.

**Vacation Accrual Schedule**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Years of Service | Days per Year Full-Time | Days per Year Part-Time | Hours per Pay Period Full-Time | Hours per Pay Period Part-Time |
| 0-2 | 10 | 5 | 3.08 | 1.54 |
| 3-5 | 12 | 6 | 3.70 | 1.85 |
| 6-10 | 14 | 7 | 4.31 | 2.16 |
| 11-14 | 17 | 8.5 | 5.23 | 2.62 |
| 15+ | 20 | 10 | 6.16 | 3.07 |

**Procedures**

*Leave requests*

To schedule vacation time, employees must submit a completed leave request form to the employee’s supervisor at least two weeks before the requested leave. Employees must ensure that they have enough accrued leave available to cover the time off requested.

Requests will be evaluated based on a number of factors, including department operating and staffing requirements. The supervisor should indicate on the leave form whether the request has been approved or denied and then return the leave request form to the employee within three business days of the date the leave request form was submitted. If the request for vacation leave is denied, the supervisor should provide an explanation for the denial on the form returned to the employee.

*Vacation pay*

Vacation will be paid at the employee’s base rate at the time the leave is taken. Vacation pay does not include overtime or any special forms of compensation such as incentives, commissions, bonuses or shift differentials. If a holiday falls during the employee’s vacation, the day will be charged to holiday pay, if applicable, rather than to vacation pay.

*Use of vacation leave for sick leave*

Vacation leave will be substituted for sick leave when an employee’s sick leave balance has been exhausted.

*Negative balance*

The vacation leave bank may go into a negative balance no more than 40 hours for full-time employees and 20 hours for part-time employees. In the case of a negative balance, any leave taken beyond the 40 hours (or 20 hours for part-time employees) will be unpaid leave until the leave balance has been brought out of the negative.

*Carry over of vacation leave*

[Company Name] encourages employees to use available vacation time. If the available vacation time is not used by the end of a calendar year, accrued, unused leave may carry over to the next year. If the total amount of carried-over accrued vacation time reaches 240 hours for full-time employees or 120 hours for part-time employees, vacation accrual will temporarily stop. When vacation is taken again and the total accrued amount falls below the maximum, vacation accrual will begin again.

*Payment upon termination*

If employment is terminated, accrued, unused vacation leave that has been earned through the last day of active employment will be paid at the employee’s base rate of pay at termination. If employment is terminated and the vacation balance is in the negative, the employee agrees to reimburse the company for the cost of the vacation advance. In the event of the employee’s death, earned, unused vacation time will be paid to the employee’s estate or designated beneficiary.