

POLICY TITLE: VACATION

ORIGINAL EFFECTIVE DATE: 12/1996

REVISION DATES: 1/2001, 11/2014, 11/2015, 11/2018, 10/2019

PURPOSE

The purpose of this policy is to provide paid vacation time for employee to rest and recuperation without loss of pay or benefits. The Company encourages their employees to use their available vacation time.

POLICY

I. Eligibility

- A. Employees who are regularly scheduled to work at least 20 hours per week are eligible for vacation time.
- B. Temporary, variable hour, regular part-time employees who work less than 20 hours per week and interns are not eligible for vacation time.

II. Accrual

- A. Eligible employees begin accruing vacation hours on their date of hire. Each eligible employee shall generally accrue vacation in hourly increments based on their hours worked during the pay period and their length of service as defined below. Accrual amounts will increase on the first full pay period after anniversary date.
- B. The accrual rate is as follows:

Years of Service	Accrual Rate per Hour	Total Hours per Year
Date of Hire to 1 st year anniversary	0.038462	80
2 nd year to 6 th year anniversary	0.057693	120
7 th year +	0.076924	160

- C. The payroll system will accrue vacation on an hourly basis and all employees will be responsible for accurately reporting vacation time taken on their weekly timecard. Accrued vacation is added to the employee's vacation balance when the bi-weekly paycheck is issued and vacation taken during that pay period or adjustments from other pay periods will be subtracted from the employee's vacation balance. Current vacation balances will be reflected on the employees pay statement.
- D. For time taken and not reported, it will be the employee's and manager's responsibility to notify payroll of the needed adjustments to the employee's vacation balance.
- E. Employees may not have a vacation balance of more than 200 hours (5 weeks) per year.
- F. Employees may take up to 40 hours of vacation before it is earned with the prior approval of the employee's manager.

III. Requesting and Using Vacation Time

- A. The vacation year is from January 1st through December 31st. Employees are responsible for monitoring and taking their vacation over the course of a year so that they do not lose time accrued when the current vacation year ends.
- B. Vacation time must be used to replace regularly scheduled work hours when employees miss work time for any reason other than illness, injury or a medical appointment for which sick time should be used. If the employee does not have sick time available for an illness, injury or medical appointment, they may be required to use vacation time for missed work time.
- C. Vacation requests are to be submitted in writing to an employee's manager for approval at least seven (7) days in advance, or as far in advance as possible. Managers have the discretion to grant or deny vacation requests, taking into account the Company's business needs as well as vacation requests previously submitted by other employees.
- D. Managers must confirm if the request has been approved or denied. If the request for vacation leave is denied, the manager should provide an appropriate reason on the form returned to the employee.
- E. Approval to change the normal workday schedule must meet the needs of the company and be approved in advance by the employees' manager. Managers are responsible to use their best judgment in monitoring vacation leave reporting for exempt employees. The normal workday is defined by the department.
- F. Vacation time will be paid at the employee's base rate at the time the leave is taken. If a holiday falls during the employee's vacation time, the day will be considered holiday pay rather than vacation.
- G. Vacation is accrued with each regular, vacation, sick, holiday, bereavement and jury duty hour paid. Vacation is not earned on overtime hours worked, while receiving short-term disability or long-term disability benefits or during workers' compensation or unpaid leaves of absence, including unpaid FML and military leave.
- H. If an employee is eligible for Short Term Disability and Family and Medical Leave (FML), if sick time is not available, accrued vacation time will be used and accrued during the STD waiting period, before the start of Short Term Disability. If the employee is eligible for FMLA but not Short-Term Disability, all accrued vacation must be used before the start of unpaid time while on FMLA. For more information on how vacation leave coordinates with STD benefits and FMLA, please reference the company's STD and FMLA policy or ask Human Resources.
- I. Hourly Paid (Non-Exempt) Employees:
 - 1. Employees must indicate hours not worked on their timecard or designate the missed time to vacation time if they are unable to make up the time in the same workweek.
 - 2. Vacation time may be used in half hour increments.
 - 3. The use of vacation time is only allowed to fulfill an employee's full time equivalent (FTE) and may not be used for hours beyond the normal weekly work schedule (i.e. over 40 hours week).
 - 4. Vacation time is not included as hours worked in calculating overtime for hourly, non-exempt employees.
- J. Exempt Employees:
 - 1. Employees are required to work a schedule consistent with the full time equivalent (FTE) for their position.
 - 2. Time away from the normal workday is to be reported in half day or whole day increments and reported as vacation time on the weekly timecard. However, when an

exempt employee misses less than half of the regularly scheduled workday, no time will be reported as vacation time.

IV. Carrying Over Vacation Time

- A. Employees may carry over a maximum of forty (40) hours of vacation from one calendar year into the next. All accrued vacation time in excess of forty (40) hours will be forfeited if not used in the calendar year in which it accrues.
- B. Active employees may not receive pay in lieu of vacation.

V. Purchasing Vacation Time

- A. Regular, full-time employees may purchase up to 40 hours of vacation per year not to exceed 200 hours vacation in a calendar year with manager approval.
- B. Purchased vacation can only be deducted from the employee's bonus payment. Therefore, this determination is based on bonus eligibility and amount and can only be during the bonus processing for that year. Purchased vacation will be added to the employee's vacation balance on the paycheck following the bonus payment.

VI. Payout of Vacation Time Upon Separation/Reinstatement

- A. Upon separation of employment, employees will be paid for all accrued and unused vacation time.
- B. Any vacation time taken that has not been earned at the time of separation will be deducted from the employee's final paycheck.
- C. If an employee is rehired within one year, they will receive credit for previous years of service and accrue vacation based on the combined time.
- D. Time that is not covered by the vacation policy, and for which separate guidelines and policies exist, include company paid holidays, sick time, FMLA, military service leave, bereavement leave, jury duty, and Short-Term Disability.

REFERENCES

Sick Time Policy

Leaves of Absence Policy

Compensation and Hours Policy