

# Standard Practice Guide Policies

## Vacation

201.64-

**Applies to:** Research faculty, archivists, librarians, curators not covered by a collective bargaining agreement, and Regular Staff, with the exception of Paid Time Off (PTO) eligible employees

### I. POLICY

To provide time off from work for rest and convenience, under the terms of this policy the University provides regular staff members and the following categories of faculty with paid vacation: research faculty, archivists, librarians, and curators not covered by a collective bargaining agreement (hereafter referred to as eligible faculty). The scheduling of vacation time must be approved by the employee's supervisor. The availability of vacation for instructional faculty, where applicable, is described in Standard Practice Guide 201.64-1.

### II. REGULATIONS AND DEFINITIONS

#### A. ACCRUAL

1. Full-time non-exempt staff members accrue paid vacation in accordance with the following schedule:
  - a. First 5 years service (0-60 months) 1 day per month.
  - b. Over 5 through 8 years (61-96 months) 1 1/2 days per month.
  - c. Over 8 years of service (97 or more months) 2 days per month.

Years of service are calculated from the staff member's most recent employment start date.

2. Non-exempt staff accrue their monthly vacation allotments at the beginning of the biweekly pay period that includes the first day of the month.
3. Full-time exempt staff members and eligible faculty accrue paid vacation at the rate of two days per month beginning with the date of employment. Exempt staff members and eligible faculty accrue their monthly vacation allotments on the first day of the month.

4. Part-time staff members and eligible faculty who hold at least a 20% appointment and are regularly scheduled to work 8 hours or more per week accrue vacation time on a proportionate basis. Staff members and eligible faculty who hold less than a 20% appointment and are regularly scheduled to work less than 8 hours per week do not accrue paid vacation.
5. Vacation time accrues during time worked and also during absences covered by short-term sick time, paid parental leave, and vacation.
6. Vacation time is available for use during the calendar month in which it is accrued or during the bi-weekly pay period which includes the first of the month in which it is accrued.
7. Staff members and eligible faculty may accumulate unused vacation up to a maximum of twice the staff or faculty member's annual accrual rate.
8. Vacation accrual for partial calendar months of employment is calculated on the basis upon the day of the calendar month on which the event occurs according to the following table:

<b>Day of Calendar Month</b>	<b>Start of Employment, Promotion to exempt Status, Completion of 5 or 8 Years of Service or Return from Leave</b>	<b>End of Employment or Start of Leave</b>
<b>1 through 10</b>	<b>100% accrual</b>	<b>No accrual</b>
<b>11 through 20</b>	<b>50% accrual</b>	<b>50% accrual</b>
<b>21 through end of month</b>	<b>No accrual</b>	<b>100% accrual</b>

9. Except as provided in Para.8 above, staff members and eligible faculty do not accrue paid vacation time while receiving extended sick time pay, paid maternity (childbirth) leave, during a leave of absence without pay, or during any calendar month in which an absence without pay is recorded for fifteen or more working days.  
  
During any calendar month in which a staff member or eligible faculty member is absent without pay for more than seven work days but less than fifteen work days, vacation time accrues at the rate of fifty percent of the normal rate.
10. When calculating years of service to determine a staff member's or eligible faculty member's appropriate vacation accrual rate (as described in II.B.1 above), the University counts leaves of absence as service time.

11. When calculating a staff member's or eligible faculty member's vacation accrual or rate of vacation accrual, the University does not count time worked as overtime.

## B. SCHEDULING

Each unit at the University is responsible for managing vacation schedules so as not to interfere with the operations of the unit and so that all eligible staff members and faculty who choose to do so are able to use their annual vacation allotment during the same year in which they accrue it. However, units should also make every effort to satisfy individual preferences for vacation dates.

In addition, units that experience "slack" or "down" periods may require staff members and eligible faculty to take their vacations during these times. When practicable, units should inform in advance staff members and eligible faculty who may be required to take vacation during slack times.

## C. COMPENSATION DURING PAID VACATION TIME

Staff members and eligible faculty will receive their regular compensation while taking vacation time. The rate of pay will be their regular rate at the time of absence, plus shift premium, if applicable, multiplied by the number of hours of accrued paid vacation time scheduled and used.

## D. PAY IN LIEU OF VACATION

The University pays compensation for accrued vacation time only when the staff member or eligible faculty member is actually absent from work, except under the circumstances described below:

1. Upon Retirement
2. Start of a military leave of absence
3. Termination for any cause
4. Quitting without notice
5. Resignation
6. Death
7. Layoff
8. Reduction in hours (fraction) or appointment - if the hours (fraction) of an appointment are reduced, payment is made for all accrued vacation hours in excess of the maximum accrual eligibility for the reduced appointment. In the case of an interdepartmental transfer, the previous employing department will pay off the excess accrual.

## E. No unit at the University may grant vacation time prior to the calendar month in

which the staff member or eligible faculty member accrues it or pay compensation in lieu of vacation except where noted in this policy.

#### F. HOLIDAY

When a University holiday falls during a scheduled period of vacation, the University will not charge the date of the holiday as vacation time, unless it is one for which a staff member or eligible faculty member has substituted a day of more significance in lieu of a prescribed University holiday, in which case the staff member or eligible faculty member may choose to report the University's designated holiday as vacation or excused absence without pay. See SPG 201.26 (</policy/201.26-0>) Holidays, section II.B Substitution.

#### G. USE FOR SICK TIME

A staff member or eligible faculty member who is absent from work after having exhausted his or her allotted short term sick time pay, and has not met the eligibility requirements for extended sick time pay, will, by default, be paid out of his or her vacation accrual if any is available. At the staff member's request, excused absence without pay may be considered during that period.

#### H. TRANSFERS

When a staff member transfers from one position, budget, or operating unit to another, his or her unused vacation allowance will be transferred with him or her. However, prior to a scheduled transfer, the hiring unit that the staff member will be leaving should encourage him or her to take his or her accumulated vacation before beginning the new appointment.

When an eligible faculty member transfers from a twelve-month instructional appointment into an appointment to which this policy applies, his or her vacation allowance will transfer with him or her. The amount of vacation to be transferred will be calculated based on the maximum one-year vacation allowance minus any vacation the eligible faculty member has actually used in the fiscal year during which the transfer occurs. Beginning on the date of the new appointment, he or she accrues vacation at the rate applicable to the new appointment. Staff members transferred to instructional faculty appointments will receive pay for unused vacation in lieu of transferring it to the new unit.

#### I. SPLIT APPOINTMENTS

Twelve-month faculty members who hold any combination of instructional and staff appointments accrue vacation under the same arrangement as regular instructional faculty, as explained in SPG 201.64-1 (</policy/201.64-1>) Vacation (Instructional Faculty).

#### J. CALCULATING ATTENDANCE AND ABSENCE

1. Non-exempt staff paid on a bi-weekly basis must calculate time worked and absences from the normal work schedule to the nearest 1/10th of an hour and report it on the biweekly time sheet.
2. Exempt staff and faculty members who participate in leave accrual plans must report their non-productive time (absences from normal work schedule), but do not need to report hours worked. A common university practice is to report non-productive time in half-day increments, based upon an employee being absent for the majority of their half-day. Units may also establish alternate approaches for reporting non-productive time (i.e., one-hour increments), as long as the practice is applied consistently across the whole organization. Exempt staff and eligible faculty should not accumulate and consolidate short absences to report at a later date.

#### K. VACATION BENEFITS - PHASED RETIREMENT <sup>1</sup>

1. Staff members and eligible faculty who are participating in Phased Retirement by reducing their hours of appointment will be paid for all accrued vacation in excess of the maximum accrual eligibility for the reduced appointment. The University will issue payment at the beginning of the period of Phased Retirement.
2. Staff members and eligible faculty members who are participating in Phased Retirement by taking a Leave of Absence for a fixed period of time will maintain vacation hours accrued, but not to exceed the maximum eligibility. Vacation hours do not accrue during such a leave.

#### L. LONG TERM DISABILITY PLAN

To be eligible for Long Term Disability Benefits, staff members and eligible faculty must first exhaust their accrued vacation time, which will not be paid in a lump sum.

<sup>1</sup> See: SPG 201.83 (/policy/201.83) Retirement.

#### **Notes**

June 2023 update: Removed Librarians, Curators and Archivists who are covered by a collective bargaining agreement.

April 2015 update: Correction in Para. II. G. Use for Sick Time, how vacation accrual will be used when sick time pay is exhausted.

August 2016 update: Revised Para. II. J. 2. Calculating Attendance and Absence: Allowance for units to establish alternate approaches for reporting non-productive time.

September 2018 update: Clarified impact of SPG 201.30-6, Paid Maternity (Childbirth) and Parental Leaves.

March 2019 changes made to clarify the vacation accrual calculation is based on the calendar day on which the event occurs, not the effective date of the status change.

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**Related Policies:**

Retirement (</policy/201.83>)

Vacation (Instructional Staff) (</policy/201.64-1>)

**Related Links:**

Procedures (<http://hr.umich.edu/procedures/spg201-64.html>)

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