

Vacation and sick accruals: What's your payout?

Question: "I am interested in knowing how other firms handle vacation and sick accruals, and if accrued sick leave hours are paid out at termination." — *Peggy*

Comments

Our sick and vacation hours are combined and accrued in a bank we call ETO (earned time off). The average full time employee accrues 10.15 hours per two-week pay period. First year employees accrue a little less; those with 10 years or more accrue a bit more. Whatever's left at termination is paid out.

Posted by: Karen | May 16, 2008 at 01:04 PM

At our company, sick time (PTO) is 10 days per calendar year max. At termination, only accrued vacation is paid out. Also, if an employee were to leave at the end of June, for example, but had already taken 10 days of PTO that year, the 5 days not accrued could be deducted from the accrued vacation.

Posted by: | May 16, 2008 at 01:06 PM

Our full-time employees are given 48 hours of sick leave at the beginning of the calendar year. Part-time employees are given the equivalent based on their regular work schedule, i.e., half-time people are given 24 hours. Anything left at the end of the calendar year, or when you terminate, is lost if you are an exempt employee. Exempt employees are not reimbursed for unused sick leave. If you are non-exempt (hourly), you are paid any unused sick leave when you leave or at the end of the calendar year, whichever comes first. Everyone is paid any unused vacation hours upon termination. Unused vacation rolls over from one year to the next except that when you reach a certain number of hours, you stop accruing. This is to encourage people to actually use their vacation hours.

Posted by: cjmoore | May 16, 2008 at 01:13 PM

For sick leave, each employee earns 8 hours (or 4 hours for part-timers) at the end of the month. These accrue continuously; there is no maximum or cut-off. We do not have short-term disability insurance. Since long-term disability kicks in at 30 days, we encourage everyone to try and build up to at least 30 days worth of sick time so they can use that as their short-term disability equivalent.

Accrued vacation time is required to be paid out at termination in our state, but sick time is not, so we do not pay that out when someone leaves.

For vacation time, the person earns ten days on their one-year anniversary date. At the five year anniversary date, they earn 15 days. 12 years earns 20 days, and 18 years earns 25 days. We will allow people to take off for vacation if they have not been here a year and have not earned paid time off, but that time is unpaid.

Posted by: Mark | May 16, 2008 at 01:21 PM

Our sick leave is not paid out upon an employee leaving and they can have as much as 960 hours on the books. Sick time is accrued at 10 hours a month Our vacation, holiday, and comp-time are paid out when someone leaves. Vacation is 80 hours after the first year employed and 120 hours after five years employed.

Posted by: | May 16, 2008 at 01:25 PM

It depends on the company's policy. I've worked for companies that pay and some that don't. Currently our company will pay only accrued vacation or sick time. We are also given discretionary time off. However those days are not paid if you leave the company.

Posted by: Carolyn | May 16, 2008 at 01:33 PM

We get flat out 2 weeks vacation after 90 days & 2 weeks of sick time per year. After 5 years you get another week of vacation, 10 years you get a total of 4 weeks of vacation time. Our sick time can be used for anything-sickness, appointments, family needs, whatever you need off for. I feel very fortunate after reading some of the other comments. When leaving the company, you don't get paid for vacation or sick, however you get a nice severance package as long as you leave on good terms.

Posted by: Nancy | May 16, 2008 at 01:42 PM

We have a PTO accrual system that includes vacation and sick time. We state in our policy that is you leave the company prior to your third year anniversary we do not have to pay out the unused balance. However, we do make exceptions to this if an employee gives a two week notice.

Posted by: Sharilyn | May 16, 2008 at 01:55 PM

WE PAY OUT ALL VACATION TIME EARNED THROUGH THE LAST PAY PERIOD THEY COMPLETED. THIS IS TIME EARNED AND EMPLOYEES ARE ENTITLED TO IT. SINCE OUR SICK TIME IS TO BE USED STRICTLY FOR ILLNESS AND IS NOT PERSONAL TIME OFF, WE DO NOT PAY THAT OUT.

Posted by: Linda | May 16, 2008 at 02:05 PM

WE PAY OUT ALL VACATION TIME EARNED THROUGH THE LAST PAY PERIOD THEY COMPLETED. THIS IS TIME EARNED AND EMPLOYEES ARE ENTITLED TO IT. SINCE OUR SICK TIME IS TO BE USED STRICTLY FOR ILLNESS AND IS NOT PERSONAL TIME OFF, WE DO NOT PAY THAT OUT.

Posted by: Linda | May 16, 2008 at 02:06 PM

Non-exempt employees are given 56 hours sick time at the beginning of the year; any hours remaining at the end of the year are paid out if you have 30 or more hours on the books. If you have under 30 hours of sick time remaining, you forfeit those hours. At the beginning of the following year, you start off with 56 again. We pay all accrued vacation when someone leaves the company after they have been employed 6 months.

Posted by: Karen Kosmoski | May 16, 2008 at 02:21 PM

Our organization pays up to 150 hours of Vacation Leave upon termination. This is the case for all employees who have accrued/earned time. Sick Leave is not paid out.

Posted by: LaToya Davidson | May 18, 2008 at 12:34 PM

Our vacation is accrued monthly and is based on years of service as follows: 1 to 6 yrs - 6.67 hours (2 weeks a year), 7 to 14 yrs - 10 hours (3 weeks a year), 15 to 24 yrs - 13.33 hours (4 weeks a year), and 25 plus yrs - 16.67 hours (5 weeks a year)

Sick time accrual is a total of 8 hours per month, but the hours are divided as follows: 6 goes towards sick time and the other 2 goes into the employees Personal Time Bank to be use for whatever purpose they wish.

Part-time employees accumulate a pro-rated share of vacation and sick/personnel time.

Our vacation and sick balances are carried over each year, but we are limited to how much vacation time we can accumulate.

We are not paid out for sick time upon termination. Upon retirement, any unused sick time will be counted as service time in our retirement plan. Vacation time is paid out upon termination.

Posted by: Judy | May 19, 2008 at 11:13 AM

When I worked at a law firm, I was the Office Coordinator. We had 6 sick days per year and a certain number of weeks vacation, depending on how long you were employed. The number of weeks vacation determined the accrual rate. Each day was 8 hours. For example, if I had 3 weeks vacation a year, that would be 40 hours per week, times 3 weeks, or 120 hours vacation time. Divide that by 12, you would accrue 10 hours of vacation each month. So, for example, we could not take 2 weeks in February as not enough time had been "earned" for a two week vacation.

We were allowed to carry over time. You could carry over all your sick days indefinitely, if you wanted. I remember one person had over 200 hours accrued sick time. For vacation time we were allowed to carry over one week a year.

It got a bit complicated to track, which was my job. If a person used their current year's allotted time and wanted to dip into carry over time, I had to "use" the oldest time first. For example, all of 2007 is used, but there is some carryover from 2005 and 2006. I would use the days from 2005 first.

If an employee left the firm and had time left on the books, they were paid for that time. But, the pay was

according to the salary they earned the year of the carryover, not their current pay rate.

It was definitely a detailed bookkeeping process, especially when you had over 50 support personnel to track, but it was a nice benefit if you needed to take extra time off for some reason.

Posted by: Deb from Boston | May 19, 2008 at 11:17 AM

We have a few different procedures depending on which department you work for. We are a large Medical institution and have budgeting and departments that come from the Medical School side and the Health Systems Nursing side.

If you are a Medical School employee, you accrue vacation monthly starting with your first day on the job. 0-4.9 yrs earns 8 hours a month, 5-7.9 yrs earns 12 hrs a month and 8+ years earns 16 per month with your maximum accrual of 2 yrs times you current accrual. You are also given 120 hrs of Sick time which renews annually on your month of hire. This can be used for personal illness, child care issues/illness, or medical appts. If an employee leaves the institution, they are paid out all unused vacation time, but lose any sick time they may have.

On the Health Center Nursing side, they have gone to PTO (Paid Time Off) which combines their sick and vacation into 1 monthly accrual. 0-4.9 yrs earns 13.33 per month, 5-7.9 earns 17.33 per month and 8+ yrs earns 21.33 per month. This time off is used for all vacation, sick time, appts, etc. If you have time in your bank upon leaving the company, you will get paid out for all hours unused.

Posted by: Tracy | May 19, 2008 at 12:43 PM

At my company everyone gets 2 sick days, 2 personal days, 1 floating holiday and 1 - 2 weeks vacation depending on tenure. All paid time is available as of January 1st and no time is carried over from year to year. If you don't use it you lose it. If you resign your position and give the proper 2 weeks notice unused vacation time only is paid out. If you are terminated all unused time off is lost.

Posted by: tlg | May 20, 2008 at 04:52 PM

We get "X" number of days off per year based on years of service. They can be used for anything from vacation to sick days to doctor appointments etc. The downside is that people are LOATHE to use their vacation days up when they are sick. So we end up working with people who should be home SICK IN BED - then we who take care of ourselves & try to avoid sickos & their germs get to SHARE whatever is going around. I like the old-fashioned method - sick days separate from vacation days.

Posted by: Egadz | May 23, 2008 at 02:13 PM

Our employees are allowed to carry over one week (or 40 hours) of vacation time each year. The maximum amount of sick time they may have is 10 days (or 80 hours).

Upon termination, we do NOT pay out earned sick time. We pay out a maximum of 80 hours of earned vacation time if the following two requirements are met:

1. they give two weeks notice when resigning

2. actually work through those two weeks

Posted by: fj | May 23, 2008 at 04:36 PM

We have a PTO system and encourage employees to take vacations - relax, refresh. We are able to accrue a maximum of 160 hours (20 days) by the time the employee has been with the company seven years, and unused PTO may be carried over up to the maximum. When a person leaves in good standing and gives two weeks notice, they will be paid for 66% of their PTO accrual (figure about 1/3 of the PTO is for sick days). All this is delineated in the Employee Handbook.

Posted by: Melanie | May 30, 2008 at 02:20 PM

Everyone in our company receives 4 weeks of vacation and 5 personal/sick days and 2 floating holidays. Gotta LOVE the oil & gas industry in Houston!!

Posted by: Sarah | June 02, 2008 at 09:12 AM