

Is use-it-or-lose-it vacation policy legal in Pa.?

Q. Our company's vacation policy says that terminated employees are not paid for vacation days that they accrued during their employment. Is that legal?

A. Yes, in Pennsylvania, unlike some other states, employees do not have a vested right to vacation days that they accrue.

If your policy is clear that unused vacation is not paid out on termination (i.e., a "use-it-or-lose-it" policy), then you are not required to pay terminating employees their accrued, unused vacation.