

Incremental vacation time is legal, but not best option

Q. We have salaried, exempt employees who take increments of vacation time (anywhere from one hour to seven hours at a time) instead of one full day. Is this legal? Or should they take only full-day vacation? —C.D., New Jersey

A. The short answer is that, while it's legal to allow exempt employees to use paid vacation time in one-hour increments, doing so may not be a good idea from an HR perspective. Federal rules say you can't deduct exempt employees' pay for partial-day absences taken for personal reasons.

But the Labor Department and most federal courts have said that such deductions are OK if the employee is required to use vacation leave. Labor's rationale is that, because the employee's salary isn't cut, he continues to be paid on a salary basis.

The problem: Exempt employees may resent being required to use paid leave when taking off a few hours during a day. This is especially true for exempt employees who work very long hours and receive no additional compensation. Such employees often see such a policy as one-sided, penalizing them for taking an hour or two off, while providing no reward when they burn the midnight oil.