

**Annual Leave Reconciliation Guidelines
For Professional, Administrative, and Classified Staff**

**Revised Annual Leave Reconciliation Guidelines for Employees
Earning Less than Maximum Leave Accrual or Working Less than Full-Time**

The Annual Leave Policy (PER 4.04) provides that a staff employee may accumulate up to “two times the amount which the employee is currently eligible to accrue in a 12-month period.” Historically, however, due to system limitations in PeopleSoft, all employees have been permitted to accrue up to 44 days of annual leave, regardless of years of service, annual leave accrual rates, or FTE.

In July, 2010 the University modified its annual leave policy to provide that “Annual leave may be accumulated up to three times the amount which the employee is currently eligible to accrue during a 12-month period; provided, however, that the maximum leave balance shall be two times the amount which the employee is currently eligible to accrue upon carry forward from June 30 to July 1 each year.”

The literal application of an annual leave limit prorated by length of service or FTE would take many employees by surprise, because such limits would be significantly lower than the historical limit of 44 days for all employees. The intent of the 2010 policy change was to afford employees a reasonable opportunity to manage leave over the entire year. It would not be reasonable to apply what might be a correct, but unexpected, limit for the first time in our annual leave reconciliation process without providing employees advance notice. This change will allow employees with fewer years of service or working less than full-time an additional year to reduce their leave balances, without an unexpected loss of leave.

Consequently, the only limits that will apply on the June 30 to July 1, 2011 annual leave reconciliation for staff employees are:

- Employees who work 37.5 hours/week will be subject to a carry forward limit from June 30 to July 1, 2011 of 330 hours.
- Employees who work 40.0 hours/week will be subject to a carry forward limit from June 30 to July 1, 2011 of 352 hours.
- Maximum leave accrual limits will NOT be prorated by years of service or FTE during the 2011 leave reconciliation. [See strikethroughs in original guidelines below.]
- Maximum leave accrual limits WILL be prorated by years of service and FTE beginning July 1, 2012.

Please direct questions to Lois Templin at 852-7735 or lois.templin@louisville.edu.

Annual Leave Reconciliation Guidelines as Published on June 1, 2011

The University's annual leave policy (PER 4.04) was amended July 1, 2010 to provide that employees could accumulate up to three times the amount of annual leave which the employee is currently eligible to accrue during a 12-month period; provided, however, that the maximum leave balance shall be two times the amount which the employee is currently eligible to accrue upon (1) carry forward from June 30 to July 1 each year, (2) transfer from one department to another department (unless the hiring department accepts the transfer of additional leave), and (3) payment upon separation from employment.

The new policy requires an annual reconciliation process to ensure that employees do not carry forward more than two times the amount which the employee is currently eligible to accrue from June 30 to July 1. Annual leave accrual is based on employment status (P&A or Classified), years of service (because of our graduated leave accrual rates), and full-time-equivalent of the employee's appointment (*with employees less than 1.0 FTE earning a prorated number of hours of leave per pay period*). **The purpose of this memorandum is to outline the leave reconciliation process, so employees have sufficient opportunity to use or donate excess leave.**

For full-time employees at the maximum accrual rate of 22 days per year, the June 30 to July 1 carry forward leave balance may not exceed 330 hours for employees with 37.5 hr/wk schedules and 352 hours for employees with 40 hr/wk schedules. ~~Maximum carry forward leave balances will be prorated for employees earning less than 22 days per year or working less than 1.0 FTE.~~ **It is important for employees to understand that the last day they may use any excess leave balance or donate any excess leave balance to the shared leave pool is June 30**, using the time sheet or leave report that ends on June 30 (even though the time sheets or leave reports will be processed in July payrolls).

The actual reconciliation of leave balances will occur during the July 22 payroll for classified employees and the July 29 payroll for professional and administrative employees. As a result, leave balances shown on the July 22 & July 29 paychecks will include the maximum carry forward from June 30, plus the leave accrual for the current July pay period. Excess leave remaining as of June 30 cannot be used or donated to the shared leave pool during July and our policy does not permit waiver of this requirement. **Employees who want to avoid forfeiting excess leave by making a donation to the shared leave pool must estimate excess leave based on the leave balances reflected on the May 27 paycheck for P&A employees and the June 24 paycheck for classified employees.**

Feel free to direct questions to Lois Templin, Salary Administration Manager, at 852-7735 or lois.templin@louisville.edu.

Annual Leave Reconciliation for P&A Staff

- a) Excess leave for P&A staff will be reduced during the July 29 payroll cycle. The employee's June 30 paycheck leave balance will be reduced by any leave used or which is donated to the shared leave pool by June 30 (which is reported to the payroll office during the July 29 payroll cycle).
- b) July leave accrual then will be posted to the employee's annual leave account, resulting in a maximum July 29 paycheck balance for full-time employees of 343.75 hours for employees with 37.5 hr/wk schedules and 366.67 hours for employees with 40 hr/wk schedules. ~~Maximum values will be prorated for employees earning less than 22 days per year or working less than 1.0 FTE.~~
- c) Any excess leave will then be forfeited, with no provision for further carry forward or donation to the shared leave pool.

Annual Leave Reconciliation for Classified Staff

- a) Excess leave for classified staff will be reduced during the July 22 payroll cycle (for the pay period July 1 – 14). The employee's July 8 paycheck leave balance will include all leave earned and used through June 30.
- b) ~~Leave accrual for the July 1 – 14 pay period will then be posted to the employee's annual leave account, resulting in a maximum July 22 leave balance for full time employees of 336.35 hours for employees with 37.5 hr/wk schedules and 358.77 hours for employees with 40 hr/wk schedules. Maximum values will be prorated for employees earning less than 22 days per year or working less than 1.0 FTE.~~
- c) Any excess leave will then be forfeited, with no provision for further carry forward or donation to the shared leave pool.

If you will have excess leave on June 30 – based on your **May 29 paycheck balance for P&A staff, your **June 24** paycheck balance for classified staff, and June usage and accruals – please consider making a donation to the shared leave pool on your time sheet or record of chargeable absences that ends on June 30.**