



Leave Policy - Annual Leave

Responsible Official: Chief Operating Officer

Responsible Office: Human Resources

Policy Purpose

This policy specifies a Regular Employee's eligibility to earn, accrue, and use annual leave.

Policy Statement

From the date of employment with East Tennessee State University (ETSU) and after one month of Actual Service, Regular Employees including Fiscal Year Faculty, but not including Academic Year Faculty, may earn and accrue annual leave as detailed in this policy. No other classification of employee is eligible for annual leave.

Annual leave cannot be taken until accrued and earned. Annual leave shall not be advanced. During an unpaid leave of absence, a Regular Employee does not earn or accrue annual leave.

I. Use of Annual Leave.

- A. Regular Employees may use annual leave at any time, regardless of probationary status, at the discretion of the supervisor.
- B. Annual leave may be used to remain in an Active Pay Status in certain situations:
 - 1. A Regular Employee exhausts all sick leave subject to the provisions of the Sick Leave Policy and the Family Medical Leave Policy;
 - 2. A Regular Employee is retiring and elects to use Terminal Leave; and
 - 3. Fiscal Year Faculty members who convert to Academic Year Faculty may use annual leave to cover any time between the end of the fiscal year contract and the new academic year contract..

II. Rate of Accrual of Annual Leave

- A. Accrual of Annual Leave for Exempt Regular Employees, except Academic Year Faculty.

Regular Employees who are exempt employees, excluding Academic Year Faculty, will accrue annual leave at the rate of two (2) days (15.0 hours) per month for each month of Actual Service. Employees in this category who are employed part-time will accrue annual leave in accordance with percentage of effort.

At the end of each fiscal year, a Regular Employee is permitted to carry-forward 315.0 hours of Annual into the next fiscal year. Any balance in excess of 315.0 hours is converted into sick leave at the close of the fiscal year.

B. Accrual of Annual Leave for Nonexempt Regular Employees.

Eligible Non-Exempt employees will accrue annual leave monthly at the rate commensurate with their years of service. Eligible Non-Exempt part-time employees accrue annual leave and have maximum carry-forward amounts relative to the percentage of their employment as compared to full-time employment. In all cases, any balance in excess of the maximum carry-forward amount is converted into sick leave at the close of the fiscal year.

The accrual rates and maximum carry-forward based on years of service are as follows:

Nonexempt Regular Employee Annual Leave Accrual		
Years of Service	Hours Accrual Per Month	Maximum Carry-Forward into Next Fiscal Year (July 1)
1-4	7.5	225.0
5-9	11.3	270.0
10-19	13.2	292.5
20 or more	15.0	315.0

C. MODFY Employees.

Modified Fiscal Year Employees (MODFY) will accrue leave according to the terms of their contract and their status as exempt or non-exempt employees. Additionally, MODFY employees shall accrue annual leave during the period which would normally be the non-duty period of their appointments if they are required to work during that time. MODFY employees who are employed part-time will accrue annual leave in accordance with percentage of effort.

III. Change in Employee Status.

Regular Employees who transfer to a position that is ineligible to accrue annual leave must either use their annual leave balance (subject to supervisory approval) or receive a lump sum payment at the point of transfer.

IV. Prior Service.

If an employee was employed on a temporary basis at ETSU in the twelve (12) consecutive months prior to the commencement of employment as a Regular Employee , the employee may be credited with annual leave based on the pro-rated number of hours worked during temporary employment.

V. Exhaustion of Annual Leave.

In extraordinary circumstances, a supervisor in consultation with Human Resources may approve unpaid annual leave not to exceed ten (10) days in a fiscal year after receiving a written request from the Regular Employee.

VI. Separation of Employees with Accrued Annual Leave.

When a Regular Employee resigns from ETSU, excluding retirement, the Regular Employee cannot use accumulated annual leave after the Last Working Day. The Regular Employee is entitled to a lump sum payment. A Regular Employee who is retiring has the option of a lump sum payment or may use accumulated annual leave as Terminal Leave. If the employee is transferring to another State of Tennessee agency or institution, the employee's accumulated annual leave shall be transferred in accordance with ETSU's Leave Transfer Policy. Employees who are terminated for gross misconduct or who resign to avoid termination for gross misconduct are not eligible for any payout of accumulated annual leave.

VII. Death of Employee with Accrued Annual Leave.

Upon the death of a Regular Employee who has unused and accrued annual leave, the estate or designated beneficiary shall be paid the balance of annual leave.

Authority: T.C.A. §§ 49-8-203; 49-1-103; Family and Medical Leave Act; Federal Wage and Hour Law

Previous Policy: N/A

Defined Terms

A defined term has a special meaning within the context of this policy.

Academic Year Faculty	Faculty members (Exempt employees) who hold academic rank, and who are directly engaged in instruction, research, or public service and who are employed to teach for a period of less than 12 months during a fiscal year.
Active Pay Status	The conditions under which an employee is eligible to receive pay.
Actual Service	Each month actual service is achieved upon completion of fifty percent (50%) of the employee's required employment days for that month.

Annual Leave	Leave for purposes of rest, relaxation, and work-life balance away from the work environment.
Exempt	Exempt employees are ineligible for overtime pay and compensatory time according to the Fair Labor Standards Act. ETSU permits exempt employees compensatory time for holiday hours if they are required to work.
Fiscal Year	ETSU's fiscal year begins on July 1 and ends on June 30 of the following year.
Fiscal Year Faculty	Faculty members (Exempt employees) who hold academic rank, and who are directly engaged in instruction, research, or public service and who are hired on a twelve-month (fiscal year) basis.
Last Working Day	The last day that a separating employee reports to work. The last working day is the same as the effective date of the separation. No leave is recorded after this date unless the employee is on terminal leave, or the Office of Human Resources instructs otherwise.
Lump Sum Payment	Lump Sum Payment refers to the payment of a separating employee's annual leave balance as of the Last Working Day.
MODFY Employees	MODFY (modified fiscal year) employees are regular full- and part-time personnel whose contractual service period is at least nine months, but less than twelve months. MODFY employees are paid on a twelve-month schedule.
Non-Exempt	Personnel eligible for overtime pay or compensatory time according to the Fair Labor Standards Act.
Regular Employees	Personnel whose salary and benefits are budgeted on a recurring basis whether through grant or state funds, who are employed on a continuing basis, and who are eligible for full benefits (pro-rated based on percentage of effort). The Employee Classification policy provides information on types of regular employees.
Terminal Leave	Period between a retiring employee's last working day and the date that the annual leave balance is depleted. During terminal leave, employees do not accrue annual or sick leave, do receive holiday pay, do receive longevity payments (if applicable), and do not receive salary increases. Annual leave is recorded on the timesheet. The date that the annual leave runs out is the official date of retirement. Retiring employees may select the terminal leave option or may receive a lump sum payout for any remaining annual leave.

Policy History

Effective Date: September 13, 2021

Revision Date:

Previous Policy: PPP-17

Procedure

N/A

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Procedure History

Related Form(s)

N/A

Scope and Applicability

Primary: Human Resources