

## 3.620 RCUH Vacation Leave

### I. Policy

It is the policy of the RCUH to allow its regular-status employees to take paid vacation time off from work.

### II. Responsibilities

#### A. RCUH Employee

1. Comply with attendance procedures set forth by the Principal Investigator.
2. Request vacation leave **in advance** of the planned leave.
3. Upon approval from Principal Investigator, note any vacation hours on the RCUH [Employee Time/Leave Certification form](#).
4. Report back to work upon the expiration of the approved leave.

#### B. Principal Investigator

1. Ensure that attendance procedures (i.e., call-in requirements, leave requests, changes in work schedule) are clearly communicated to each employee.
2. Enforce and monitor attendance procedures.
3. Review vacation requests and grant according to program/operational needs.
4. Comply with procedures described below for any matters relating to vacation leave or vacation pay.

#### C. Fiscal Administrator (UH Projects Only)

- a. Ensure RCUH employee's payroll/fringe are charged to a valid project number/account.

### III. Applications

This policy applies to all regular-status employees. Vacation accruals are only applicable to regular-status employees at 50% FTE or greater.

### IV. Details of Policy

#### A. Eligibility Requirements

- i. Regular-status employees at 50% FTE or greater will accrue applicable vacation hours based on their FTE and work hours.

Eligible employees begin earning vacation hours upon hire and may begin using earned vacation on the first day of the following pay period in which vacation hours are earned (e.g., If an employee's date of hire is January 1, the employee may take

vacation leave beginning January 16 for the vacation hours earned from January 1 through January 15).

- b. Regular-status employees with accrued vacation whose FTE drops below 50% FTE will no longer earn vacation hours but may continue to take available paid vacation leave based on their prevailing FTE.

## **B. Definitions Relating to Vacation Policy**

- i. RCUH Vacation Year: RCUH Vacation Plan Year is based on a calendar year (e.g., January 1–December 31). Employees will accrue vacation during the plan year based on their Full Time Equivalency (FTE).
- ii. RCUH Vacation Plan: RCUH supports two vacation plans, A and B. Refer to section D for details on each plan.
- iii. One Work Day: Equal to eight (8) hours multiplied by the employee's Full Time Equivalency (FTE)%.
- c. Eligible Employee: A regular-status employee with accrued vacation. Regular-status employees with 50% FTE or greater are the only employees that accrue vacation hours each pay period based on hours worked or FTE.
- d. Fiscal Administrator (applicable to UH projects only): Individual assigned to perform fiscal authorizations for University of Hawai'i projects designated through formal delegation. Ensures vacation is being charged to valid project number/account or sponsored agreement.
- e. Pay Period: RCUH is on a semi-monthly payroll schedule, which requires time reporting in pay periods of the first half of the month (e.g., January 1–15) and second half of the month (e.g., January 16–31).
- f. Termination Vacation Leave: Contingent on Principal Investigator's approval and availability of funds, regular-status employees will be allowed to take their remaining vacation hours prior to termination of employment. Employees on Termination Vacation Leave will not accrue additional vacation hours. (See D.6h).
- g. Termination Vacation Payout: This is a full vacation payout (all accrued hours) for voluntary or involuntary termination of an RCUH regular-status employee from the RCUH Vacation Payout Reserve.
- h. Vacation Payout Reserve Fringe Rate: Effective July 1, 2015, the RCUH established a Vacation Payout Reserve based on an assessed fringe benefit charge to all applicable salaries and wages for RCUH regular-status employees of 50% or greater Full-Time Equivalency (FTE). (See RCUH Policy 3.510 – RCUH Fringe Benefits Schedule for current rates.)
- i. Vacation Accrual: Vacation is accrued each pay period based on an employee's full-time equivalency (FTE) (e.g., regular-status full-time/100% FTE employee will accrue 7.0 hours of vacation per pay period that he/she works. However, a regular-status part-time/50% FTE employee will accrue 3.5 hours per pay period he/she works). (See IV.C.1–3 below.) The accrued hours are not available for use until the first day of the following pay period.

- j. Vacation Carry-Over: Total amount of vacation hours an employee is allowed to carry over from one vacation plan year to next year. There is a maximum carry-over of vacation hours per RCUH vacation plan. (See D4).
- k. Vacation Forfeiture: All vacation hours exceeding the maximum carry-over of an employee's applicable vacation plan will be forfeited on December 31st of the plan year.

### **C. How Vacation Is Earned**

- i. Regular-status employees at 100% FTE earn the equivalency of 1.75 workdays of vacation for each complete month of service (i.e., 21 workdays per year of service), or 7 hours per pay period.
- ii. Regular-status employees at 50% or greater (but equal to or less than 100%) FTE will earn a prorated accrual based on their FTE (calculated to the nearest 0.25 hour) during the applicable accrual pay period.
- iii. Vacation is calculated and accrued on a semi-monthly basis. Accrual calculations are rounded to the closest 0.25 hour. This calculation is based on the following formula:

$$\frac{\text{No. of Hours Worked or Paid in a Pay Period}}{\text{No. of Hours in Pay Period}} \times 7 = \text{No. of Vacation Hours}$$

- iv. Vacation leave will not be earned and accrued during any period of the following:
  - a. Leave without pay;
  - b. Unpaid suspension and administrative leaves;
  - c. Overtime hours or other additional compensation;
  - d. Time off while receiving long-term disability benefits; or
  - e. Unauthorized leave.
- v. Employees will not earn more than 14 hours of vacation leave (based on 100% FTE) for each full month of service, regardless of the number of positions held or hours worked.

### **D. RCUH Vacation Plans A and B, Maximum Carry-Over Hours and Forfeiture, Accrued Vacation Hours – No Break-In-Service**

- a. Vacation Plan A: Employees may carry over up to a maximum 80 hours (or 10 workdays) of vacation in a calendar year based on their FTE. The 80 hours (or 10 workdays) is based on a full-time 100% FTE regular-status employee. All new projects and their employees will be defaulted to vacation Plan A. *Accrued and carry-over vacation hours are prorated by an employee's FTE status.*
- b. Vacation Plan B: Employees may carry over 120 hours (or 15 workdays) of vacation hours in a calendar year based on their FTE up to a maximum cumulative of 360 carry-over hours (or 45 workdays). The 120 hours and 360 hours is based on a full-time 100% FTE regular-status employee. Principal Investigators may place a request via memo to the Director of Human Resources to have their project

placed in Vacation Plan B. *Accrued and carry-over vacation hours are prorated by an employee's FTE status.*

- c. Maximum Carry-Over Hours and Forfeiture: Once an employee attains the maximum carry-over hour balance allowed by his/her vacation plan (e.g., Vacation Plan A or B), the employee must use all of his/her accrued vacation over the maximum (by end of the calendar year) or risk a vacation forfeiture of any vacation hours exceeding the maximum carry-over of the applicable Vacation Plan. *Maximum carry-over hours are prorated by an employee's FTE and Vacation Plan.*
  - d. Accrued Vacation Hours – No Break in Service: Employees will be allowed to maintain their accrued vacation balance (including carry-over vacation hours) when they transfer (Project A to Project B with no break in service) from one RCUH job to another RCUH job. There will be no vacation payouts for transfers (with no break in service) even if the employee is hired into a new job under a different Principal Investigator.
- E. **Termination of Employment Vacation Payouts** – All available unused vacation for eligible employees will be fully paid out upon their (voluntary or involuntary) termination of employment from the RCUH Vacation Payout Reserve. The payout will occur 1–2 pay periods following the employee's termination of employment via direct deposit.
- F. **How Vacation Leave Is Administered**
1. Use of All Accrued Vacation: When vacation leave is granted, it may include the hours accrued up to the end of the employee's last pay period of service immediately preceding the commencement of the vacation leave or any other continuous leave.
  2. Minimum Vacation Leave allowed: The minimum vacation leave an employee can request is one (1) hour. Fractional hours beyond one (1) hour may be granted provided that the units are in ½-hour (30-minute) increments.
  3. Retain and Use Earned Vacation: Employees will be allowed to retain and use all accrued vacation (at their prevailing FTE) even if their FTE drops below 50%. Vacation accruals will cease once an employee's FTE drops below 50%. (See Section IV.H - Vacation Forfeiture or Business-Related Deferment of Forfeiture for one-time carry-over allowance provisions for employees' whose FTE drops below 50% on or after December 1<sup>st</sup>.)
  4. Exhaust Vacation Prior to Leave Without Pay: Vacation accrual must be exhausted before applying for [leave of absence without pay](#), with the exception of leave taken in accordance with the Hawai'i State and Federal [Family Leave Law](#) or RCUH's [Military Leave policy](#). If an employee takes vacation and does not have any accrued vacation, he/she will be placed on leave of absence without pay. NOTE: Any leave of absence without pay taken may affect an employee's eligibility to participate in RCUH group benefits.
  5. Vacation and Family Leave: Vacation used in accordance with RCUH's Family Leave Policy will be deducted from the employee's accrued vacation balance. See the [RCUH Family Leave Policy](#) for details.

6. Vacation and Long-Term Disability: Vacation leave may not be applied to absences due to disability covered under workers' compensation at employee's other non-RCUH job and while receiving [long-term disability benefits](#).
  7. Holidays: Holidays which fall within the employee's approved vacation leave period shall be paid as [holiday leave](#).
  8. Termination Vacation Leave: Contingent on Principal Investigator's approval and availability of funds, regular-status employees will be allowed to take their remaining vacation hours prior to termination of employment, up to applicable project end date. Vacation accruals will be suspended during termination vacation leave. Principal Investigator must initiate an online termination on the RCUH ePAF system to designate the period of the termination vacation leave.
  9. Failure to Return From Authorized Vacation: An employee who fails to return to work upon expiration of his/her approved vacation and fails to contact his/her Principal Investigator will be considered to have abandoned his/her job. This will be considered as a voluntary resignation/termination.
- G. **Official Vacation Balances** – The official vacation balance will be maintained at the RCUH Human Resources Department. Employees will be provided their vacation plan information and balances on their pay advice each payday. Principal Investigators will be able to access pertinent vacation leave information on the RCUH website (via the Human Resources Portal) and are responsible for checking these reports on a regular basis to ensure that the information is correct. The following two reports are currently available on the RCUH Financial Portal:
1. The "Vacation and Sick Leave Report" provides employees' leave balances on the project level.
  2. The "Summary Vacation Planning Report" forecasts year-end vacation forfeitures based on the current balances.
- H. **Vacation Forfeiture or Business-Related Deferment of Forfeiture**
1. Year-End Vacation Forfeiture: All vacation hours in excess of the maximum allowable carry-over will be forfeited (at close of business) on December 31<sup>st</sup>. There will be no vacation payouts from the RCUH Vacation Payout Reserve in lieu of these forfeitures.
  2. Business-Related Deferment of Forfeiture: Principal Investigators may request a deferment of the year-end forfeiture if, due to a business-related reason (e.g., project workload requirements), the employee was unable to take sufficient vacation to avoid a forfeiture of vacation hours. Principal Investigators must send the Director of Human Resources a memo that justifies this deferment not later than December 1<sup>st</sup>. The justification must include support documentation that describes the workload requirements that prevented the employee from taking his/her vacation. This may include ship operations schedules, unforeseen or emergency situations, or other circumstances that requires the employee to remain on duty rather than be allowed to take vacation. The deferment will expire on December 31<sup>st</sup> of the next vacation year.

Employees whose FTE drops below 50% FTE on or after December 1<sup>st</sup> will be automatically exempt from the year-end forfeiture, but on up through the next vacation plan year (e.g., December 31<sup>st</sup> of the next calendar year). Vacation balances will automatically be carried over into the new year. Forfeiture rules will apply as detailed in Section IV.D.3 of this policy.

- I. **Vacation Payout Reserve for Termination Vacation Payouts** – (Effective July 1, 2015, pursuant to 2 CFR Chapter II, Part 200, Subpart E, 200.431) The RCUH Vacation Payout Reserve will be used for all termination vacation payouts. The Vacation Payout Reserve is funded through a fringe benefit charge on the payroll of regular-status employees with an FTE of 50% or greater. The Vacation Payout Reserve will pay for all unused vacation hours of the terminating employee(s). Refer to the RCUH Fringe Benefit Schedule (3.510 Fringe Benefits Schedule) for the prevailing fringe rate. The Vacation Payout Reserve will roll over any balance from the previous year's fringe charges. This beginning balance will factor into the fringe benefit charge rate calculation for subsequent years. Any deficit in the Vacation Payout Reserve from the previous fiscal year's vacation payouts will be factored into the base number (e.g., total vacation payouts) as part of the rate calculation for the prospective fringe benefit rate for the Vacation Payout Reserve. The Vacation Payout Reserve fringe rate calculation is based on the annual RCUH audited financial statement (November/December) of its total fiscal year's vacation payouts plus vacation payout reserve deficit divided by the total regular-status (50%–100% FTE) payroll in that fiscal year. Deficits will be funded through RCUH's working capital. These advances will be factored into the rate calculations, and the RCUH will be reimbursed by the reserve.

## **V. Procedures**

### **A. Procedures for Employees Requesting Vacation**

1. Employees must request vacation leave **in advance** of the planned leave.
2. Vacation leaves must be approved by the employee's Principal Investigator or authorized designee and are contingent upon operational requirements and the work schedule.
3. If vacation is approved, the employee must note his/her vacation hours on the [Employee Time/Leave Certification Form](#) (paper timesheet).
4. Employee must return to work upon conclusion of the approved vacation period. Changes to the vacation leave period must be communicated and approved by the Principal Investigator.

### **B. Procedures for Principal Investigators Who Have Employees Using Vacation Leave**

1. **Ensure That Attendance Procedures Are Clearly Defined and Communicated:** It is the Principal Investigator and/or designee's responsibility to ensure that attendance procedures (i.e., call-in requirements, leave requests, changes in work schedule) are clearly communicated to each RCUH employee.

2. Submit Vacation Hours on Online Timesheet: If an employee's vacation request has been approved, ensure the leave period is noted on the [Employee Time/Leave Certification Form](#) (paper timesheet). Record and submit vacation hours on the online timesheet by the applicable payroll deadline.
- C. Termination of Employment Vacation Payout (RCUH Vacation Payout Reserve)** – Principal Investigators or authorized designee must initiate an RCUH online Termination of Employment action on the online ePAF system. This will automatically initiate a termination vacation payout paid through the RCUH Vacation Payout Reserve.
- D. Reporting Discrepancies in Vacation Usage/Balances** – Any discrepancies should be noted in a memo, along with any supporting documents to the Director of Human Resources for resolution. Employees will be provided their leave balances on their pay statements on the RCUH Employee Self-Service system.

## **VI. Contact**

RCUH Benefits: (808) 956-6979

[rcuh\\_benefits@rcuh.com](mailto:rcuh_benefits@rcuh.com)

## **VII. Relevant Documents**

[Personnel Action Form](#)

[Policy 3.264 RCUH Probationary Period](#)

[Policy 3.344 RCUH Holidays, Holiday Pay and Administrative Leave with Pay](#)

[Policy 3.650 RCUH Leave of Absence Without Pay](#)

[Policy 3.660 ECUH Family Leave](#)

[Policy 3.570 RCUH Long Term Disability Insurance](#)

[Employee Time/Leave Certification Form](#)

[Chapter 398, HRS, Hawaii Family Leave Law](#)

[Policy 3.674 RCUH Military Leave](#)

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