



# Annual Leave Policy

Policy Number: PP 2-9

Effective Date: July 1, 2017

Approved By: Chris Blue, Town Manager

## POLICY

Paid annual leave is provided to all full-time and part-time regular employees in positions with work schedules of twenty (20) or more hours per week or one thousand twenty (1,020) hours per year, provided in proportionately equivalent amounts to regular employees having average work weeks of different lengths. Paid annual leave is not provided to program support/temporary employees. The Town Manager and the Town Attorney accrue annual leave according to these provisions unless modified by contract. Each regular full-time and part-time employee of the Town shall accrue annual leave based on the cumulative Town service in regular positions, based on a schedule approved by the Town Council. Annual leave may accumulate up to a maximum of thirty (30) calendar days. Leave earned over the maximum allowed accumulation will be transferred annually to the sick leave balance of each regular employee on a date determined by the Town.

## PURPOSE

Annual Leave allows employees to renew their physical and mental well-being and to remain fully productive. Employees are encouraged to request leave during each year in order to achieve this Safety-related purpose. The Director of Human Resource Development is authorized to issue Procedures consistent with this policy.

## R.E.S.P.E.C.T. VALUES



**Safety:** We strive to maintain our own mental and physical well-being and the well-being of those around us. We are dedicated to a work environment that minimizes risk of injury or accident. We are also dedicated to an environment that provides for honest and courteous discussion of workplace issues without fear of repercussion.

## APPROVAL

Roger L. Stancil, Town Manager



# Annual Leave Procedures

Policy Number: PP 2-9

Effective Date: July 1, 2017

Approved By: Cliff Turner, Human Resources Development Director

**These procedures are issued by the Director of Human Resource Development to implement the Annual Leave Policy, PP 2-9, issued by the Chapel Hill Town Manager. These procedures may be periodically updated.**

A: Ordinance Provisions: The Town's Code of Ordinances requires the following:

1. Rate of Leave Accrual Depends on Years of Service: Each regular full-time and part-time employee of the Town shall accumulate annual leave based on the cumulative Town service in regular positions, based on the following schedule approved by the Chapel Hill Town Council ([Code of Ordinances 14-67](#))

<b>Years of Service</b>	<b>Workweek Equivalent Days Earned per Year</b>
New Hire	12 days
2 years	14 days
5 years	17 days
10 years	20 days
15 years	23 days
20 or more years	26 days

## PROCEDURES

2. Employees hired prior to July 1, 1997: Employees hired prior to July 1, 1997 earn annual leave at the following rate:

<b>Years of Service</b>	<b>Workweek Equivalent Days Earned per Year</b>
0-4	15 days
5-9	17 days
10-14	20 days
15-19	23 days
20 or more years	26 days

3. Annual Leave Accumulation:

- a) Maximum Allowed: Annual leave may accumulate up to a maximum of 30 calendar days. ([Code of Ordinances, Section 14-70](#))

b) Accumulation in Excess of the Maximum: Leave earned over the maximum allowed accumulation will be transferred annually to the sick leave balance of the employee on a date determined by the Town. ([Code of Ordinances, Section 14-70](#)) Allowed use of sick leave is outlined in the [Town's Sick Leave Policy, PP 2-6](#).

B. Factors Affecting Accrual Rates, Dates, and Longevity:

1. Rates Depend on Length of Service: As shown in the Ordinance section A. 1. above, days of annual leave earned per year depend on length of service.
2. Date Accrual Begins:
  - a) Regular Full and Part Time Employees: accrual begins on the first day of regular employment.
  - b) Effect of Temporary Employment on Accrual Date: Any time worked as a contract, temporary, and/or program support employee does not count towards cumulative time of Town service. These employees do not earn annual leave.
3. Unpaid Leave: Effect on Annual Leave Accrual:
  - a) Twelve Weeks or Less: Unpaid leave of 12 weeks or less in a twelve-month period is counted as time worked in calculating the accrual rate.
  - b) More than Twelve Weeks: Unpaid leave over 12 weeks in a twelve month period will not count as time worked.
4. Non-continuous Service: Upon rehire or reinstatement, service dates will be adjusted for the time not worked. See PP 3-4 Reinstatement and Rehire of Former Employees.
5. Partial Pay Status: An employee earns annual leave for a pay cycle where at least half the employee's work hours are paid.
6. Overtime: Annual Leave does not accrue on overtime hours.

C. Using Annual Leave:

1. Approval Required: Annual leave use must be approved by an employee's supervisor based on operational considerations. Departments may develop specific policies on how to request leave and how it is approved.
2. On Annual Leave during a Holiday: If a holiday occurs during a period of annual leave, the day of the holiday is charged as holiday time, not annual leave.
3. Use during FMLA: Annual leave may be used during a period of approved Family and Medical Leave. If Family and Medical Leave has been approved, no separate approval is required for use of annual leave. [See Family and Medical Leave Policy and Procedures, PP 2-8](#).

PROCEDURES  
CONT.

4. Leave Increments: Annual leave is used in 15 minute (quarter hour) increments.

5. Use while receiving disability payments: Like sick leave, annual leave may be used to supplement disability payments. When receiving both the Town disability and supplemental disability, employees should consult with HRD before using any leave.

- a) While only receiving disability payments from the Town: When an employee only receives disability paid for by the Town for up to one half normal income, annual leave hours up to one half of the employee's average work hours may be used.
- b) While only receiving disability payments from supplemental disability policy paid for by the employee: When an employee is only receiving disability payments from a supplemental policy paid for by the employee, annual leave may be used as usual.

D. Donation of Annual Leave: Annual leave may be donated to the sick leave of a co-worker who is out of work due to a serious personal or family illness and has exhausted all leave accruals. See [Leave Donation Policy 2-1](#).

E. Excess Leave converted to Sick Leave: "Annual leave may accumulate up to a maximum of thirty (30) calendar days. Leave earned over the maximum allowed accumulation will be transferred annually to the sick leave balance of each regular employee..." ([Code of Ordinances 14-70](#))

The conversion will generally occur at the end of each fiscal year to coincide with an end of cycle payroll. More specific information about when the conversion will occur each year can be obtained from Human Resource Development or Business Management Services.

F. Annual Leave Balances upon Separation from Employment:

1. Paid upon Separation from Employment: "A regular employee shall be paid for accrued annual leave following the date of separation not to exceed thirty (30) work-week equivalent days, provided notice is given to the immediate supervisor at least two (2) weeks in advance of the effective date of the resignation. The town manager, deputy town manager, assistant town managers, and department heads shall be required to give thirty (30) days' notice prior to the effective date of resignation. Any employee failing to give the notice required by this section shall forfeit payment for accrued leave except as modified by contract." ([Code of Ordinances, Section 14-72](#))
2. Converted to sick leave at retirement: Annual leave may also be converted to sick leave upon application for retirement.

G. Annual Leave Balances upon Involuntary Separation from Employment:

1. Regular employees who are terminated for misconduct associated with their employment with the Town shall forfeit any accrued annual leave at the date of separation.

FORMS/INSTRUCTIONS	None
PROCEDURES APPROVED BY	Cliff Turner, Human Resources Development Director
ADDITIONAL CONTACTS	Human Resource Development 919-968-2700 or <a href="mailto:HR@townofchapelhill.org">HR@townofchapelhill.org</a> Ombuds office 919-265-0806 or <a href="mailto:Ombuds@townofchapelhill.org">Ombuds@townofchapelhill.org</a> Employee Assistance Program 1-800-326-3864
DEFINITIONS	<p>A. <b>Accrual date:</b> date which determines when the annual leave accrual rate changes, based on length of regular full-time and part-time employment.</p> <p>B. <b>Annual Leave:</b> leave that can be used for any purpose, more commonly referred to as vacation leave.</p> <p>C. <b>Annual leave accrual limit:</b> maximum hours for which an employee may be compensated at the time of separation from employment; equal to 30 average work days.</p> <p>D. <b>Annual leave accrual rate:</b> rate of earning annual leave hours based on years of service and average work day expressed in hours earned per pay period.</p> <p>E. <b>Average workday:</b> for purposes of this policy: derived from average scheduled weekly hours or average actual weekly hours divided by 5.</p> <p>F. <b>Pay period:</b> regular bi-weekly period in which work is performed and for which pay is received; Monday through Sunday for most regular employees. Public Safety employees and Temporary/Program Support employees may have differently defined pay periods.</p> <p>G. <b>Years of service:</b> time worked in a regular full-time or part-time position minus periods of unpaid leave over 3 months.</p>
SCOPE	This policy applies to all regular full and part time employees.
RELATED INFORMATION	<p><a href="#">Town of Chapel Hill Code of Ordinances Sections 14-66, 14-67, 14-70. 14-72</a></p> <p><a href="#">Sick Leave Policy PP 2-6</a></p> <p><a href="#">FMLA Policy PP 2-8</a></p> <p><a href="#">Leave Donation Policy PP 2-1</a></p> <p><a href="#">Reinstatement and Rehire of Former Employees PP 3-4</a></p> <p><a href="#">N.C.G.S. § 95-25.12. Vacation Pay Plans</a></p>

## RESPONSIBILITIES

**All Employees are expected to:**

- a) Be aware of the Town's Annual Leave Procedure
- b) Request Annual Leave in advance whenever possible
- c) Ask questions about anything they do not understand

**All Supervisors/Managers are expected to:**

- a) Make reasonable efforts to accommodate Annual leave requests

**All Department Heads are expected to:**

- a) Be aware of Town's Annual Leave Policy and Procedures
- b) Make reasonable efforts to accommodate annual leave requests
- c) Maintain appropriate documentation of annual leave requests and balances

**All Human Resource Development staff members are expected to:**

- a) Provide guidance for employees and managers on annual leave policy and procedures.

## POLICY HISTORY

Issued February 1980

Reissued November 2000

Reissued July 1, 2017

Updated January 2019 to include language from Code of Ordinances

Updated January 2020 to clarify disposition of annual leave balances upon involuntary separation from employment

This policy replaces and supersedes any previous Town policies, departmental policies, handbooks, or unwritten policies or practices covering the same subject. Departmental policies in compliance with this policy are referenced in Section XI Related Information. In the event of any disparity between this policy and the Town's Code of Ordinances and/or applicable local, state, or federal laws, the Town's Ordinance and/or applicable laws shall prevail.