

# **NE PA COMMUNITY FEDERAL CREDIT UNION**

## **VACATION POLICY**

### **I. PURPOSE**

The purpose of the Vacation Policy is to establish the eligibility requirements and guidelines for the use of the vacation benefit. Vacation entitlement is based upon several factors, including length of continuous service and active employment during the previous year.

### **II. SCOPE**

This policy applies to all locations and to all eligible full and part-time exempt and non-exempt staff members. Temporary workers are not eligible for this benefit.

### **III. DEFINITION OF TERMS – Defined terms are capitalized throughout the policy.**

Terms are from the terms section of the “Work Hours and Work-Related Matters Policy.”

- A. Anniversary Date – The day, month, and year that an employee starts working for the Credit Union. This date will continue to be used to determine completed years of service except as that date is modified by Unpaid Time taken by the employee. Only time actually worked and time mandated by law to be counted as time to be credited to service time will be used to determine the attainment of a year of service.
- B. Benefit Day – Eligible Part-Time Employees will be reimbursed for PTO on a pro rata basis based upon the average number of hours worked each day for the previous twelve (12) months of employment. This pro rata amount is referred to as the Benefit Day. For example, if a Part-Time Employee worked 1,150 hours over 205 days, the employee’s Benefit Day would be worth 5.6 hours ( $1,150 \div 205 = 5.6$ ) and each full day of PTO would be reimbursed at a rate of 5.6 hours.
- C. Benefit Year – This is the period of time from an employee’s start of a new Anniversary Date (year) to the conclusion of that Anniversary Date (year).
- D. Exempt Employee – Any employee who is deemed by management to be exempt from provisions of the Fair Labor Standards Act (FLSA) and subsequent revisions. For example, Exempt Employees are exempt from the overtime pay provision of the FLSA, above certain salary requirements.
- E. Full-Time Employee – Any employee who is consistently scheduled for a forty (40) hour work week.

- F. Non-Exempt Employee – Any employee who is deemed by management to be covered by the minimum wage and/or overtime pay provisions of the FLSA and are required to receive overtime pay at a rate not less than one and one-half times the regular rate of pay after 40 hours of work in a workweek.
- G. Part-Time Employee – Any employee who is consistently scheduled for less than forty (40) hours per week.
- H. Paid Time-Off (PTO) – PTO is non-working time provided for the employee during his or her regular scheduled hours, and this time is reimbursed in the same manner as time worked. Examples of PTO include Vacation, Personal Time or Birthday Leave.
- I. Scheduled Work Day – In accordance with the “Work Hours and Work-Related Matters Policy,” training time scheduled by a supervisor will always be considered part of the scheduled work day for all Employees. However, PTO requested for a full day’s absence will only be granted in full-day increments not to exceed 8 hours.
- J. Temporary Employee – A Temporary Employee may be hired by the Credit Union for the period of time deemed necessary for a special project or projects to be completed by the temporary employee. The duration of time needed will vary depending upon the complexity, scope, and breadth of the project(s). A Temporary Employee may also be placed with the Credit Union through a temporary employment agency.
- K. Unpaid Time – Non-working time taken by the Employee at times when he or she would be scheduled to work, and for which there is no available PTO available for use. Absences from scheduled work must always involve the use of PTO if there is appropriate time available. This terminology can be used interchangeably with the phrase “unexcused time.”

#### IV. ELIGIBILITY PROVISIONS

- A. Full-time and part-time, exempt and non-exempt staff members are eligible for paid vacation time after successful completion of one year of continuous, paid employment.
- B. A year of completed service is the twelve-month period commencing with the employee’s first employment anniversary date and each subsequent employment anniversary date thereafter.
- C. The accrual of vacation time will be based upon continuous service from the employment anniversary date following the completion of the first year of continuous, paid employment, except as interrupted by unpaid time off which is

used by the employee. Unpaid time will result in the anniversary date being adjusted and delayed.

V. HOLIDAYS, SHORTENED WORK DAYS, ILLNESSES OCCURRING DURING VACATION

- A. If a designated holiday is observed during an employee's approved vacation, the employee will not be charged vacation time for the holiday time.
- B. If a shortened work day occurs on a day of vacation (Christmas Eve, New Year's Eve, early closing due to inclement weather), the employee is charged with a full day of vacation time used.
- C. An employee will not receive additional vacation time off due to illness or disability occurring while on vacation unless the illness or disability is substantiated by a medical doctor's certification, and the employee has available personal leave time which can be used to cover the illness or disability. Such certification shall include the beginning date of the illness or disability, the dates on which the employee was determined to be unable to work, and certification that the employee may return to work.

VI. VACATION PAY

- A. Exempt employees will be paid at the same rate they would have received if they had worked the time taken as vacation time.
- B. Vacation pay for full-time and part-time non-exempt employees will be computed by multiplying the employee's current straight time hourly rate by the number of hours of vacation time taken.
- C. Requests for advance payment of vacation time will not be permitted.
- D. Vacation days in full-day, equivalent vacation day units may be used in lieu of personal leave time when employees have exhausted their accumulated personal leave.

VII. VACATION TIME REQUESTS

- A. Requests for the use of Vacation time will be made through the "Payentry" time management system using the code "VAC." Such requests can be completed from any computer or mobile device.
- B. Staff members with available Vacation time will be considered before staff members with no available paid time off.

- C. Only one (1) Employee from a department will be granted paid or unpaid time off on the same day at the same time. Departments are defined by management. A calendar containing approved and pending time off requests is available for viewing in the time management system.
- D. Employees are notified of the approval or denial of their vacation request as soon as practical to do.
- E. Employees should not assume that their request for Vacation time is approved until they receive confirmation of the approval.
- F. The credit union reserves the right to require an employee to reschedule a scheduled and approved vacation in the event the absence of the employee would create an undue hardship to the credit union. If this occurs, the credit union will reimburse the affected employee for any cancellation costs incurred upon submission of proper receipts of those expenditures.
- G. Employees must take their total vacations. No compensation in lieu of vacation will be provided for any employee, and there will be no carry over of vacation days to the next vacation year.
- H. Full-time exempt and non-exempt employees must take at least one continuous week of vacation during their vacation year.
- I. Vacation time for full-time exempt and non-exempt employees must be taken in full-day units only. An exception is noted for part-time employees who move to a full-time position. If the number of vacation days they have been awarded for the part-time work is not evenly divisible by eight (8), the remainder may be utilized by itself.
- J. Vacation time for part-time employees must be taken in equivalent vacation day units. Equivalent vacation day units are computed as follows:

*After each year of employment, the average number of hours worked each week shall be determined by analyzing the last six months of employment. This figure will be divided by five to establish the hours to be reimbursed for each of the vacation days awarded. For instance, if an employee has averaged 32 hours weekly over the past six months, the 32 weekly hours is divided by 5 (working days) to obtain 6.4 hours as the value for each vacation day awarded. Vacation days taken would be reimbursed at the rate of 6.4 hours even if the employee had been scheduled to work more or less than 6.4 hours on the day taken.*

## VIII. REEMPLOYMENT AND CHANGE IN STATUS EMPLOYEES

- A. Full-time and part-time exempt and non-exempt employees who are separated from employment with at least one year of employment with the credit union, and are subsequently re-employed in either a full or part-time position with the credit union will be credited with the previous years of service earned for purposes of receiving their Vacation time. Years of service is defined as the time spent from the anniversary date of one year to the anniversary date of the next year. Separation from service must have been with at least two weeks notice, and with no fees, charges, or material items outstanding. Credit for years of service will only be granted for whole years of service. There will be no credit issued for partial years.
- B. Change in Status Employees
  - 1. Employee moves from part-time to full-time employment.
    - a. Full-time equivalent hours will be determined for the part-time hours worked to the date of assuming the new, full-time position. For example, if the employee had worked a total of 372 hours in the part-time position, this would be converted to a full-time equivalent by dividing by 8. The result would be 46.5, or 46 days. Note: credit for a full-day is only granted for complete 8-hour units of time.
    - b. The full-time equivalent hours will be used to determine an anniversary date for the full-time position. Business days of Monday through Friday are used in this computation.
    - c. After the appropriate anniversary date (6-month or annual) is calculated, the employee will receive the appropriate full-time paid time off benefit. If the anniversary date is the 6-month date, the paid time off benefit will be awarded after reaching the annual anniversary date.
  - 2. Employee moves from full-time to part-time employment.
    - a. The anniversary date of the employee will be retained in the new position.
    - b. Vacation time will be awarded based upon the method described in Section VII, J.

IX. VACATION ALLOWANCES

- Exempt and Non-Exempt Employees

<u>Completed Years of Service</u>	<u>Vacation Allowance</u>
1-4	10 days*
5-9	15 days
10-14	20 days
15 or more	25 days

\* Vacation day units for Part-time Employees– See Section VII, J.

X. PAYMENT OF UNUSED VACATION TIME UPON SEPARATION FROM EMPLOYMENT

- A. Any employee separating from employment, whether voluntarily or involuntarily, will receive pay in lieu of any Vacation time that they have received and not used.
- B. Payment of unused vacation time will be at the employee's current rate of pay.

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