1. Accrual of Vacation

a. "Period of Service" for the Purpose of Determining Vacation Accrual Rates
"Period of service" for the purpose of determining vacation accrual rates means the years of service counted from the employee's initial hire date as a "regular staff employee," as defined in Guide Memo 2.2.1 [1]: Definitions. Months that count as service are:

(1) those for which some pay is received, and

(2) those following layoff when rehire occurs within 24 months.

b. Accrual Rate Change Dates
Changes in vacation rate accruals (both increases and decreases) are effective on the first day of the employee's anniversary or status change month. The accrual change is credited in the system by the last day of that month.

c. Vacation Accrual Amounts

(1) For Full-time Employment
Vacation leave accrues according to the following tables:

**Vacation Leave Accruals, Non-exempt Staff**
Qualifying Service Non-Exempt Staff

<table>
<thead>
<tr>
<th>Pay Status</th>
<th>Approximate Days Accrued per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>During first year</td>
<td>0.057700</td>
</tr>
<tr>
<td>Beginning year 2 through end of year 9</td>
<td>0.07693</td>
</tr>
<tr>
<td>Beginning year 10 and thereafter</td>
<td>0.092310</td>
</tr>
</tbody>
</table>

Vacation Leave Accruals, Exempt Staff

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Hours per Calendar Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exempt Staff (Do not track hours worked)</td>
<td></td>
</tr>
<tr>
<td>During first year</td>
<td>10</td>
</tr>
<tr>
<td>Beginning year 2 through end of year 9</td>
<td>13.33</td>
</tr>
<tr>
<td>Beginning year 10 and thereafter</td>
<td>16</td>
</tr>
</tbody>
</table>

(2) For Part-time and Part-month Employment

Vacation is credited on a prorated basis for all hours in straight time pay status (not overtime) in the month credited. "Straight-time pay" for the purpose of vacation accrual includes both straight-time pay for work performed and pay for holidays, vacation, and sick time. (For more information, see Guide Memo 2.1.5 [3] : Compensation of Staff Employees.) Accrual for exempt employees is prorated based on the proportion of the employee's FTE.

d. Method of Accruing Vacation

(1) Vacation Does Accrue
Vacation accrues from the first month of employment during non-overtime periods of work, sick time, and vacation. During seasonal layoff, vacation accrues as if the employee were continuing to work regular time. Vacation is credited at the end of each month of service.

(2) Vacation Does Not Accrue
No vacation accrues:

- During any period of terminal vacation, pursuant to section 2.g.(2).
- During periods of leave with or without pay, including periods of short-term disability, long-term disability, Workers’ Compensation, or when using Family Temporary Disability wage replacement (FTD).

e. Maximum Vacation Accumulation

(1) Accrual Limits
Unused vacation accumulates from year to year, but the maximum amount of vacation that a full time employee can accrue is 240 hours (30 work days). If an employee has accrued the maximum, vacation ceases to accrue. Vacation time will again accrue after the employee uses vacation time and the balance falls below 240 hours. The employee is not credited any vacation not earned due to having reached the 240 hour accrual maximum. New accruals will not exceed the 240 hour maximum.
2. Use of Vacation

a. No Advance on Vacation
Employees may not use vacation before it has been credited, except for borrowing up to the amount the employee would normally accrue in one month to cover time that would otherwise be unpaid during Winter Closure.

b. Scheduling of Vacations
Departments are responsible for providing opportunities for employees to take vacations each year. Vacation should normally be taken in the fiscal year when it is accrued. Specific arrangements are subject to supervisory approval and scheduling compatible with depart-mental operational needs, and should consider the employee's preferences. If an employee has not scheduled vacation, they may be required to use accrued vacation time before the close of the fiscal year in which it was accrued, or before the close of a grant or contract that supports the employee's salary.

c. Reporting Vacation Time

(1) Non-Exempt Employees
Record all vacation time taken during a pay period in the human resources management system (HRMS).

(2) Exempt Employees
Vacation time is generally not reported in increments of less than four hours. For reporting purposes of four or more hours, record a minimum of four hours or the actual time taken if over four hours.

d. Use of Vacation for Non-vacation Absences
Vacation accruals can be used for other absences (e.g., disability, personal, Winter Closure) when requested by the employee and approved by the supervisor.

e. Advance Pay for Vacations
See Guide Memo 2.2.3: University Payroll.

f. Pay in Lieu of Vacation
g. Vacation Payment upon Termination

(1) Lump Sum Payment. At the termination of their regular staff employment with Stanford University, employees receive a lump sum payment at their current rate of pay for their accrued vacation and any unused PTO time and Floating Holiday hours.

(2) Terminal Vacation. Terminal vacation is a benefit the university offers to employees who are retiring or being laid off, in which the affected employee may elect to use their accrued vacation, unused PTO, and Floating Holiday hours in the period immediately following the employee’s last day of active work. The time is used at the work commitment level held at retirement or layoff (e.g., a full-time employee will use 8 hours per day) to remain on the payroll. Any remaining accruals that are less than a full day are paid out to the employee on the last full day of terminal vacation.

a. Eligibility: Only employees who are retiring or being permanently laid off may elect to use unused Vacation accruals, Floating Holiday time and PTO hours after the last day of actual work.

b. Notice: A laid off employee must submit to the local Human Resources office written notice of their election to use accumulated hours in the form of terminal vacation within seven (7) calendar days of receiving notice of layoff. A retiring employee must submit to the local Human Resources office written notice of their election to use accumulated hours in the form of terminal vacation at least seven (7) calendar days prior to the last day of active work.

c. Additional Employment: While an employee is receiving terminal vacation pay, they cannot be employed in any other Stanford University position if such employment would cause the total hours/amount paid to be more than the work commitment and pay level that existed prior to layoff or retirement.

d. On the first work day following the Terminal Vacation Period:

   " The effective date of layoff or retirement will begin.
   " The laid-off employee’s bridging period and severance repayment period begins.

h. Leaves of Absence
An approved leave of absence without pay is not a termination of employment and lump-sum payment of accumulated vacation is not provided when an employee takes leave without pay.

i. Changing Positions
When an employee leaves one position and accepts another position within the university, the employee retains their accumulated vacation accruals. The employee is subject to any policies applicable to the new position regarding vacation time, including policies regarding vacation time use and limits on vacation time accruals.

j. Fixed-Term Appointees and Employees on Fixed Funding
Employees on fixed-term appointments and regular staff employees paid from fixed funding sources may be required to use all accrued vacation before the end of the fixed-term appointment period or the expiration of the funding source.

k. Non-exempt Employees Working Premium Shifts
Employees who regularly work swing or owl/night shifts (see Guide Memo 2.1.5 [3]: Compensation of Staff
Employees, Section 7.c) and thus normally receive shift premium pay continue to receive shift premium pay for hours charged to vacation leave.

3. Guide to Supervisors

a. Records and Reports of Vacation
Employees must update leave records at the end of each pay period. When an employee terminates, refer to the Human Resources Management System job aids [5] and look in the Termination section. To compute the monetary value of vacation, see How to: Calculate Vacation Accrual [6]. For more information, see Guide Memo [3]: Compensation of Staff Employees.

b. Reporting Vacation Accumulation to Employees
Employees can view their vacation accrual amounts in Axess [7] or on their pay statements.


Links
[5] https://hr.stanford.edu/hr-systems/human-resources-management-system