

ASU System Policy

Effective Date: July 1, 2023

Subject: Annual Leave Policy

1. Purpose

This policy does the following:

- Establishes eligibility criteria for accrual of annual leave;
- Establishes accrual rates for annual leave and limitations on carryover of annual leave from year to year;
- Provides for payout or transfer of annual leave balances upon retirement or termination of employment with the ASU System or one of its member institutions; and
- Sets general expectations governing requests and approval or denial of annual leave use.

2. Eligibility

Annual leave means vacation time with pay but does not include compensatory time. An employee, within the ASU System who works in a fulltime, appropriated position and is regularly scheduled to work a minimum of 20 hours per week, accrues annual leave every month.

However, the following employees do not accrue annual leave:

- Emergency, intermittent, extra help, and *per diem* employees;
- Employees with annual appointments of less than 12 months, such as 9- and 10-month faculty members (even if such faculty members teach summer courses for additional compensation), adjunct instructors, and graduate assistants; and
- NCAA Division I athletic coaches.

3. Accrual Rates and Limitations

a. General Accrual Rates

Employees who accrue annual leave do so at the rates shown in the time table listed below, unless another rate is indicated elsewhere in this policy. Employees must have completed full years of employment before movement to the next higher accrual rate. For example, an employee would not move to the second level of annual leave accrual rate until they have completed three (3) full years of employment and were starting their fourth year.

Years of Employment	Monthly	Annually
Through 3 years (1 through 36 months)	1 day (8 hours)	12 days
4th through 5th years (37th through 60th months)	1 day, 2 hours (10 hours)	15 days
6th through 12th years (61st through 144th months)	1 day, 4 hours (12 hours)	18 days
13th through 20th years (145th through 240th months)	1 day, 6 hours (14 hours)	21 days
Over 20 years (241st + months)	1 day, 7 hours (15 hours)	22.5 days

For accrual purposes only, employees will accrue half their monthly annual leave if they are employed on the first working day of the month and are in active status on the payroll through the 15th of that month. Employees will accrue half their monthly accrual if they are employed on the first working day after the 15th of the month and are in active status on the payroll through the last working day of that month. Leave must be earned before it can be used.

b. Grandfathering Certain Employees in Non-Classified Positions as of June 30, 2023

Employees, who were employed in non-classified positions and accruing annual leave at a rate of 22.5 days per year as of June 30, 2023, shall continue to accrue annual leave at that rate while serving in a position that is eligible to accrue annual leave, regardless of their years of employment.

c. Pro-Rata Accrual

Employees in annual leave-eligible positions, who are regularly scheduled to work less than 40 hours per week, accrue leave on a *pro-rata* basis. For example, an annual leave-eligible employee in their second year of employment who is regularly scheduled to work 30 hours per week (75% of 40 hours) accrues annual leave at a rate of 6 hours per month (75% of 8 hours).

d. Leave Accrual Service Credit for Prior State Employment

All prior years of full-time employment in an agency of the state of Arkansas or an Arkansas public institution of higher education are counted in determining years of employment for purposes of annual leave accrual. This includes prior employment in any Arkansas state government entity, such as the General Assembly, the state judiciary, and state constitutional offices. This does not include employment in city, county, or other municipal government, or in a public school district.

e. Accrual During Periods of Leave

Employees continue to accrue annual leave at their normal accrual rate when they are on paid leave, such as sick or annual leave. Employees do not accrue annual leave during any pay period in which they are in “leave without pay” status for 5 or more cumulative days (40 or more hours).

f. Carry-Over of Annual Leave as of December 31

Annual leave is cumulative; however, no employee may retain in excess of 240 hours of annual leave beyond December 31 of each year. During the calendar year, an accrued leave balance may exceed 240 hours, but an employee may not carry more than 240 hours of annual leave into the following calendar year. Any excess annual leave on the books, as of December 31, will automatically be donated to the catastrophic leave bank at the employee’s campus, unless the employee notifies their campus’ human resources department, in writing, prior to December 31, that they wish for their excess leave to be forfeited rather than donated.

4. Annual Leave Transfer and Payout

a. Annual Leave Transfer Between Institutions and Other Arkansas State Agencies

Employees and applicants, transferring without a break in service between institutions within the ASU System or between an ASU System institution and another Arkansas state agency or institution of higher education that will agree to the transfer of annual leave, will retain all accumulated annual leave. However, if a transferring employee or applicant has any outstanding debt to the ASU System institution they are entering or leaving, the amount of such debt shall be deducted from the employee’s annual leave balance at the time of transfer. Further, if an employee or applicant is transferring into a position at an ASU System institution that is not eligible to accrue annual leave, then any annual leave balance that employee has, at an ASU System institution or at another Arkansas state agency or institution of higher education that will agree to the transfer of leave, shall be handled according to the operating procedure developed by the relevant ASU System institution under Section 6 of this policy. For purposes of this provision, an “Arkansas state agency” includes any Arkansas state government entity, such as the General Assembly, the state judiciary, and state constitutional offices, but does not include employment in city, county, or other municipal government, or in a public school district.

b. Annual Leave Payout at Termination

When an employee terminates employment with an ASU System institution for any reason other than a transfer covered by Section 4(a) of this policy, they are eligible to receive a payout of their annual leave balance up to 240 hours. However, if a terminating employee has an outstanding debt to their employing institution, the amount of such debt shall be deducted from the employee’s annual leave payout.

This provision shall not apply when the terminating employee is transferring without a break in service between institutions within the ASU System, or between an ASU System institution and another Arkansas state agency or institution that will agree to the transfer of annual leave. For purposes of this provision, an "Arkansas state agency" includes any Arkansas state government entity, such as the General Assembly, the state judiciary, and state constitutional offices, but does not include employment in city, county, or other municipal government, or in a public school district.

5. Approval and Use of Annual Leave

a. Request and Approval

An employee may request to use accrued annual leave at any time. The requesting employee's supervisor will review requests to use annual leave and will grant or deny such requests as appropriate to allow employees to utilize their accrued leave while minimizing disruption to the efficient operation of the relevant department or work unit. The minimum annual leave amount an employee can use is 15 minutes.

b. Accrual Prior to Use

An employee may only use annual leave after it has been accrued, and unearned annual leave may not be loaned to an employee. However, individual institutions within the ASU System may provide an exception, under the terms of a campus operating procedure, to allow employees in their first year of employment and who lack sufficient accrued annual leave needed for a campus-wide December shutdown, to accrue a negative annual leave balance in December. In such cases, if the employee leaves employment within the ASU System prior to accruing enough annual leave to eliminate the negative leave balance, the value of their negative leave balance will be deducted from their final paycheck.

6. Campus Operating Procedures

Each ASU System institution shall adopt an operating procedure implementing this policy. The operating procedure shall:

- a. Establish the institution's standards and mechanisms for requesting and approving or denying the use of annual leave; and
- b. Establish the institution's procedure for handling the annual leave balances of employees who transfer from positions that are eligible to accrue annual leave to positions that are ineligible to accrue annual leave.

Additionally, in its operating procedure, the institution may:

- a. Establish minimum annual leave balances that employees must reserve for a campus-wide December shutdown observed by that institution; and

- b. Establish a list of position categories within the institution that accrue annual leave at a rate other than as specified in the schedule provided in Section 3 of this policy or that do not accrue annual leave. However, such a list must be reviewed by the ASU System General Counsel and the Executive Vice President and approved by the ASU System President prior to adoption or amendment. Absent a significant special need, such list should only be adopted or amended with an effective date coinciding with the start of a new fiscal year.

ASU System Office employees will be governed by the Arkansas State University operating procedure.

(Adopted by the Arkansas State University System Board of Trustees on June 8, 2023, Resolution 23-23, supersedes the Annual Leave Accrual Policy of May 15, 2009.)