PROCEDURE OBJECTIVE

This procedure provides information regarding the payment of accrued vacation for terminated university employees and accrued vacation/sick leave time for UT Arlington employees who are deceased. In the event that an employee is terminated mid-month or has excessive absences, certain practices are followed as outlined in this procedure.

SCOPE

This procedure applies to all UT Arlington employees.

RESPONSIBILITIES
Payroll Services

• Processes payments for an employee's accrued vacation and when applicable, sick leave time

Employing Department

• Completes and forwards the Departmental Vacation/Holiday Payroll Voucher (Form 1-6) to the Office of Human Resources for payment of accrued vacation for terminated employees

• Prepares separate forms of the Departmental Vacation/Holiday Payroll Voucher (Form 1-6) for vacation pay and sick leave pay for deceased employees

• Ends an employee’s assignment in UT Share if a monthly employee is terminated mid-month

• Contacts Payroll Services if termination or any adjustments are made during Payroll Processing Dates

UT Arlington Employee

• Completes the six-month probationary period before he/she is eligible to be paid for vacation

Office of Human Resources

• Verifies the amount of vacation and sick leave time an employee has accrued

PROCEDURES

Section I. General Information

Employees report the use of vacation and sick leave hours on a monthly or semi-monthly time report or a monthly absence report as required by their position classification. Payment of vacation or sick leave for current employees is included in the regular paycheck.

Section II. Lump Sum Payment

Upon termination of employment, an employee who has at least six months of continuous service at UT Arlington will be paid accrued vacation in a lump sum. Payment will be processed when:

1. The employee’s final payment has been issued and all deductions and accruals finalized
2. The Departmental Vacation/Holiday Payroll Voucher is received by Payroll Services with all approvals

Payment will be made on either the Off-cycle payroll or the employee's next regular pay cycle following final payment, whichever comes first.

A. No payment is made for unused sick leave to an employee who resigns, is dismissed, or separates from University employment.

B. Longevity is not included in the calculation of the vacation hourly rate.

C. The accrued vacation lump sum payment is not subject to Optional Retirement or Teacher Retirement benefits.

D. The payment is subject to federal withholding tax and FICA deductions.

E. The payment is subject to holds placed by the Texas State Comptroller's Office. Travel and vendor payments will be held for any debt reported to the Comptroller's office, as will payments of lump sums of vacation and/or sick leave for terminated or deceased state employees. [https://fmx.cpa.state.tx.us/fmx/pubs/hold_guide/04-payments.php](https://fmx.cpa.state.tx.us/fmx/pubs/hold_guide/04-payments.php)

Section III. Payment Process for Accrued Vacation for Terminated Employees

The employing department completes the Departmental Vacation/Holiday Payroll Voucher (Form 1-6) to initiate payment of vacation accrual. A separate voucher will be prepared for each terminating employee.

A. The expenditure is recorded in cost center 320011-57601.

B. The employing department forwards the Departmental Vacation/Holiday Payroll Voucher (Form 1-6) to the Office of Human Resources for verification of accrued vacation hours.

C. After verifying the hours to be paid, the Office of Human Resources forwards the Departmental Vacation/Holiday Payroll Voucher (Form 1-6) to Payroll Services for processing.

D. Payroll Services distributes the payment according to the instructions indicated by the employee on the voucher, e.g., direct deposit or mail to forwarding address. Therefore, it is extremely important that the department obtain correct information from the terminated employee.

Section IV. Payment Process for Accrued Vacation/Sick Leave for Deceased Employees

Payment of accrued vacation and sick leave of a deceased employee is paid to the estate of the deceased employee in an amount equal to all unused vacation time and one-half of
unused sick leave time, not to exceed 336 hours. Longevity is not included in the calculation of vacation and sick leave paid to the estate of the deceased employee.

The employing department prepares separate Departmental Vacation/Holiday Payroll Voucher (Form 1-6) for vacation pay and sick leave pay. The vouchers are submitted together to Human Resources for verification. Human Resources will forward the two vouchers to Payroll Services for processing. When the checks are prepared, Payroll Services delivers the checks to Benefits in Human Resources for distribution to the estate of the deceased employee.

Section V. Absence Without Pay

An employee must complete the six-month probationary period before he/she is eligible to be paid for vacation. Therefore, if an employee is absent from work for reasons other than illness and state approved holiday, the absence is without pay. See Vacation Leave Policies (Procedure 3-9).

A. For more information about leave without pay see Employee Leave of Absence Without Pay (Procedure 3-61).

B. If adjustments are made during Payroll Processing Dates, contact Payroll Services immediately at (817) 272-5426.

Section VI. Mid-Month Terminations

If a monthly employee terminates mid-month, the employing department ends the assignment in UT Share. If termination is during Payroll Processing Dates, contact Payroll Services immediately at (817) 272-5426.

If the monthly payroll has already processed when Payroll Services receives notification of an employee's mid-month termination, Payroll Services adjusts the final check for proper payment, if possible. If the time frame does not allow for such adjustment, Payroll Services cancels the entire paycheck or direct deposit. The employee is then paid on the next Off-cycle payroll or the employee’s next regular pay cycle, whichever comes first.

**FORMS AND TOOLS/ONLINE PROCESSES**

*Departmental Vacation/Holiday Payroll Voucher (Form 1-6)*

*Payroll Processing Dates*

**DEFINITIONS**

N/A
RATIONALE

Upon termination of employment of an individual who has at least six months of continuous service at UT Arlington, accrued vacation is paid in a lump sum. Payment will not be made for sick leave to an employee who resigns, is dismissed, or separates from university employment. An employee must complete the six-month probationary period before he/she is eligible to be paid for vacation.

RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

<table>
<thead>
<tr>
<th>UT System Administration Policies and Standards</th>
<th>Other Policies and Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacation Leave Policies (Procedure 3-9)</td>
<td>Sick Leave Policies (Procedure 3-10)</td>
</tr>
<tr>
<td>Sick Leave Policies (Procedure 3-10)</td>
<td>Absenteeism (Procedure 3-37)</td>
</tr>
<tr>
<td>Death of an Employee (Procedure 3-39)</td>
<td>Overtime (Procedure 3-64)</td>
</tr>
</tbody>
</table>

APPENDICES

N/A

CONTACTS

If you have any questions about Procedure 1-16, *Accrued Vacation, Sick Leave, Death Benefits, Excessive Absences and Mid-Month Terminations*, contact the following departments:

<table>
<thead>
<tr>
<th>Subject in Procedure</th>
<th>Office Name</th>
<th>Telephone Number</th>
<th>Email/URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>All topics</td>
<td>Payroll Services</td>
<td>(817) 272-5426</td>
<td><a href="mailto:payroll@uta.edu">payroll@uta.edu</a></td>
</tr>
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<td></td>
<td></td>
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<td><a href="https://www.uta.edu/policy/bac/staff/accounting/payroll">https://www.uta.edu/policy/bac/staff/accounting/payroll</a></td>
</tr>
<tr>
<td>Website access</td>
<td>Administrative Information</td>
<td>(817) 272-0222</td>
<td><a href="mailto:aim@uta.edu">aim@uta.edu</a></td>
</tr>
<tr>
<td></td>
<td>Management</td>
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<td><a href="http://www.uta.edu/aim">http://www.uta.edu/aim</a></td>
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WEBSITE ADDRESS FOR THIS PROCEDURE

http://www.uta.edu/policy/procedure/1-16