

**PURPOSE**

The purpose of this policy is to establish the criteria and process regarding accrual and usage of annual leave for employees at Nashville State Community College ("College"). It is the policy of the College, in accordance with TBR policy 5:01:01:01, to provide all regular full-time and part-time employees with regular periods of rest and relaxation away from the work environment; and to recognize length of service through additional annual leave accrual. The appropriate approving authority may require key administrative personnel to take a certain number of consecutive days of annual leave each year.

**DEFINITIONS**

N/A

**POLICY/GUIDELINE**

I. Introduction

All employees who are eligible to accrue annual leave may request use of annual leave at any time through their proper approving authority. Such requests are subject to the discretion of the approving authority, which is responsible for planning the work under his or her control, and should be approved only at such times as the employee can best be spared.

In addition, annual leave may be used to remain in an active pay status by an employee who has exhausted all sick leave and whose continued absence has been approved in accordance with Sick Leave Policy 05-02-01 and/or Family and Medical Leave Act Policy 05-02-02. Annual leave may not be used intermittently with leave without pay during a continuous FMLA leave period.

Lastly, annual leave is paid as a lump sum for employees terminating from the College and cannot be used as "terminal" leave except upon the employee's notice of retirement.

II. Eligibility to Accrue Annual Leave

- A. Regular full-time employees (excluding nine, ten and eleven-month faculty) regardless of probationary status, shall be eligible to accrue annual leave.
- B. Regular part-time employees, including twelve-month academic personnel (excluding nine, ten and eleven-month faculty) scheduled to carry less than a full teaching load or its equivalent, regardless of probationary status, shall be eligible to accrue annual leave on a prorated basis equal to the percentage of their employment to full-time employment.
- C. Nine, ten and eleven-month academic personnel, full or part-time, whether or not compensated over a twelve-month period, shall not be eligible to accrue annual leave.
- D. Temporary employees shall not be eligible to accrue annual leave.

1. Temporary employees who are subsequently appointed as regular employees with no break in service shall become eligible to accrue annual leave and shall receive annual leave balances accrued retroactively from the date of employment.
  2. Temporary clerical and support personnel who subsequently become eligible to accrue annual leave shall also receive retroactive credit for service from the date of employment for the purpose of calculating annual leave accrual rates.
- E. All full-time and part-time employees who are employed pursuant to funds available to the institution through grants or contracts are not eligible to accrue annual leave unless the grant or contract involved provides sufficient funds to cover the costs of such leave, or unless eligibility to accrue annual leave is approved by the president of the institution.
- F. Student employees shall not be eligible to accrue annual leave.

### III. Annual Leave Accrual

- A. Regular full-time clerical and support personnel (non- exempt) shall accrue annual leave, expressed in hours, in accordance with the following schedule:

Years of Service	Accrual Rate Per Month*	Maximum Annual Accumulation*	Maximum Accumulation Within FY*	Total Maximum Accumulation Carried Forward to Next FY*
0-5	7.5	90.0	315.0	225.0
5-10	11.3	135.6	405.6	270.0
10-20	13.2	158.4	450.9	292.5
20 ≤	15.0	180.0	495.0	315.0

\*Number of hours

- B. Executive, administrative and professional personnel (exempt), and twelve-month academic personnel (faculty) who are regular full-time employees, who are exempt from the provisions of the Federal Wage and Hour Law, shall accrue annual leave at the rate of 15 hours per month, with the maximum accumulation of 315 hours to be carried forward to the next fiscal year.
- C. All regular part-time personnel employed on a twelve-month basis and regular part-time personnel on MODFY (modified fiscal year) appointments shall accrue leave on a prorated basis equal to the percentage of their employment compared to full-time employment, with said percentage to be applied to the rate of accrual and maximum accumulation described in items A and B of this section, as applicable.
- D. Eligible employees shall accrue annual leave from the date of employment. (See Section I.D, providing for retroactive credit for temporary employees who subsequently become eligible to accrue annual leave.)
- E. Eligible employees earn and accrue annual leave for each month upon completion of a major fraction thereof (i.e., more than fifty percent (50%) of the number of days in the month), and leave may be used when earned, regardless of an employee's probationary status, subject to the discretion of the approving authority. Annual leave may not be taken before it is earned.

F. Employees otherwise eligible to earn annual leave do not earn or accrue annual leave while on a leave of absence.

G. When an employee who is eligible to accrue annual leave transfers into a nine-month academic position (thus becoming ineligible to accrue annual leave), the employee shall take all accrued annual leave prior to the date of transfer unless the appropriate approving authority determines that the services of the employee must continue until the date of transfer. In that event, the employee shall be paid for all accrued annual leave by a lump sum payment at the time of transfer.

H. MODFY employees who are employed during the period which would normally be the non-duty period of their appointment shall accrue annual leave in accordance with items A and B of this section for each month of full-time employment. For part-time employment during that period, MODFY employees shall accrue annual leave on a prorated basis in accordance with item C of this section.

I. Years of Service for Determining Accrual Rate

1. Anniversary date for computation of leave shall be the beginning date of employment for each employee, except when adjustments in the date must be made because of periods of non-accrual, i.e., leaves of absence, temporary breaks in employment, etc. The rate of accrual for employees will be effective the month following the anniversary date. Annual leave shall be accounted for and controlled for maximum accumulation purposes on a fiscal year basis.

2. In determining the amount of full-time or prorated part-time service accrued by an employee, all service accumulated while employed in any agency, office, or department of the State of Tennessee, or in any state college, university, or college of applied technology shall be credited for purposes of leave computation. In addition, any employee who was employed by a public school system as defined in T.C.A. § 49-1-103 and who becomes an employee eligible to accrue leave in this System shall receive credit for service with said public school system for leave accrual purposes after employment in this System for one continuous year. In order to be eligible to receive credit for the prior service the employee must begin employment in this System within two (2) years from the date of termination with the public school system.

J. Maximum Accumulation

1. The accumulation of annual leave shall not exceed the maximum accumulation indicated in items III.A and III.B of this section, or the proration thereof under item III.C. Annual leave in excess of the maximum may be used during the year in which the excess accrues; in the event it is not so used, it will be transferred to the employee's accumulated sick leave at the close of the fiscal year, unless the employee is on terminal leave, in which case the full amount of accrued annual leave shall be carried forward.

IV. Disposition of Accrued Annual Leave Upon Termination

A. Except as otherwise provided and subject to the limitations stated in this section, upon termination of employment with the College, an employee shall be paid for all accrued but unused annual leave as of their last working day.

1. Payment shall be by lump sum payment upon separation for reasons other than Retirement.

2. Upon Retirement payment shall be, at the option of the employee, either by terminal leave or by lump sum payment.
3. Whether payment is by terminal leave or lump sum payment, and whether termination is voluntary or involuntary, the discretion to determine the employee's last working day is reserved to the appropriate appointing authority.
4. Of course, the employee retains the right to make their last working day a date prior to the date established by the appointing authority.
5. In either option, payment should be made with the employee's normal payroll cycle.

**B. Terminal Leave**

1. Terminal leave is that period during which an employee remains on the payroll beyond their last working day until all accrued annual leave has been exhausted.
  2. If a retiring employee elects to be paid for accrued but unused annual leave by terminal leave, the date on which their annual leave is exhausted shall be the official date of retirement.
  3. During a period of terminal leave, an employee shall not earn additional annual or sick leave, shall not be eligible to use sick leave, and shall not be eligible for any salary increase.
    - a. However, an employee shall receive credit for any official holiday occurring during a period of terminal leave and shall receive the longevity bonus if the anniversary date occurs during the period of terminal leave.
  4. During a period of terminal leave, an employee shall continue to be eligible for group health insurance coverage. Premiums for the coverage shall be deducted from terminal leave payments if continued coverage is elected.
- C. If a terminating employee elects to be paid for accrued but unused annual leave by lump sum payment, the employee's last working day shall be the official date of termination.
- D. Payment for accrued annual leave under this section shall not be limited to the maximum accumulation amount which may be carried forward from one fiscal year to the next if the last working day occurs prior to July 1 (even if the terminal leave period extends beyond July 1).
- E. In the case of death, payment for an employee's unused accrued annual leave shall be made to the employee's estate or designated beneficiary.
- F. An employee who transfers to another System institution or another state agency shall not be paid for accrued but unused annual leave. Rather, all unused annual leave shall be transferred to the other institution or state agency. (In accordance with Nashville State Policy 05-02-09.)
- G. An employee who is dismissed for gross misconduct, or who resigns or retires to avoid dismissal for gross misconduct shall not be entitled to any compensation for accrued but unused annual leave at the time of dismissal. (For the definition of gross misconduct, refer to Nashville State Policy 05-01-00)

**SOURCES**

T.C.A. §§ 49-8-203; 49-1-103; Family and Medical Leave Act and Fair Labor Standards Act

**RELATED POLICIES**

Nashville State Policies 05-02-01, 05-02-02 and 05-02-09

*Approved by President's Cabinet 1/10/22*