

**Florida A & M University
Office of Human Resources**

INTERNAL OPERATING PROCEDURE

Procedure No. HR-3005

Subject: Leave Payout	
Authority: Rule 60L-34.0041, 60L-34.0042 Florida Administrative Code; 110.122, 110.219(5) Florida Statutes; Board of Trustees (BOT) Policy 2005-23	Effective Adopted Date: 02/01/2006
Revision(s)	3/20/17
Related References	
Purpose	To establish a procedure for the payout of unused sick and annual leave
Signature of Approving Authority	

1.0 General Information

When an employee separates from the University, those employees eligible for payout of any accumulated annual leave, compensatory leave, and sick leave as of their last scheduled workday.

When an employee resigns from the University to accept employment with another state agency or institution subject to University policy, the employee will be paid for accrued leave unless the employee request to transfer their leave in writing with the Office of Human Resources. Leave payouts are processed on a payroll off-cycle.

2.0 Responsibilities

Department/Academic units are responsible for notifying the Office of Human Resources regarding changes in an employee's employment status in writing and providing backup documentation to support the change. For employees separating from the University, ensuring that the employee completes an exit interview with Time & Labor Administration in the Office of Human Resources.

Time & Labor Administration is responsible for handling the exit interview process for separating employees, performing leave audits, and collecting clearance forms.

Payroll Operations is responsible for processing the leave payout on a payroll off-cycle.

3.0 Definitions

- A. **Annual Leave Payout**—Payment for unused annual leave.
- B. **Sick Leave Payout**—Payment for unused sick leave.
- C. **Compensatory Leave Payout**—Payment for unused compensatory time.
- D. **Faculty** – These positions are assigned the principal responsibility of teaching, research, or public service activities or administrative responsibility for functions directly related to the academic mission.

- E. **Administrative & Professional (A&P)** – These positions perform administrative and management responsibilities or professional duties at the department/unit level or above.
- F. **University Support Personnel Systems (USPS)** – These positions perform professional, paraprofessional, administrative, clerical, secretarial, technical, skilled crafts, service or maintenance duties.
- G. **Executive Service** – These positions are assigned to the Administrative and Professional Classification Plan and normally report directly to the President. These positions are responsible for and/or involved in policy making at the University.

4.0 Annual Leave Payout

- 1. Employees separating from the University with six (6) months or more of continuous service in an established position will be paid for all unused annual leave hours up to the year-end maximum allowed for the pay plan.
- 2. Payment is made at the employee's salary rate at the time of separation.
- 3. Faculty employees changing from a twelve-month appointment to a nine month appoint can expect a payout for all unused annual leave.
- 4. If an employee is moving from a permanent position to a temporary position, they can expect a payout of unused annual leave.
- 5. When an employee elects enrollment into the Deferred Retirement Optional Program (DROP), they have the option to cash out up to the pay plan's maximum allowable hours of accrued annual leave. Upon retirement from DROP, the employee will be eligible to receive payment for the remaining hours accrued minus the number of hours cashed out when the employee enrolled into DROP. The maximum allowable hours is based on the pay plan in which the employee was in when enrolled into DROP.

5.0 Sick Leave Payout

- 1. Employees with ten (10) or more years of creditable services (*State of Florida or University*) in an established position will be paid for unused sick leave.
 - Hours earned prior to 10/1/1973 are paid at 12.5% which is one-eighth of all unused sick leave.
 - Hours earned on or after 10/1/1973 are paid at 25% which is one-fourth of all unused sick leave.
- 2. If an employee has less than ten (10) years of continuous service, they will not be paid for any unused sick leave and such leave shall be forfeited.
- 3. Payment is made at the employee's salary rate at the time of separation.

6.0 Compensatory Leave Payout

- 1. Special Compensatory Leave
 - Employees with positive balances are eligible for payout either after termination or while currently employed.
- 2. Overtime Compensatory Leave
 - Employees with positive balances are eligible for payout either after termination or while currently employed.
- 3. Regular Compensatory Leave
 - Active USPS exempt employees with a balance of 120 accrued hours or less will received a payout either after termination or while currently employed.

7.0 Conditions Requiring Leave Payouts

1. End of appointment/termination.
2. A change in status which requires annual leave and certain compensatory leave balances to be paid out, such as changing from a position to a temporary appointment.
3. Active employee entering DROP and requesting a portion of their annual leave to be paid out.
4. Active employee receiving payout of Special Compensatory, Overtime Compensatory, and Regular Compensatory leave.
5. Transfer of employee to new organizational unit (college/division) within Florida Agricultural & Mechanical University (FAMU) requires payout of overtime and special compensatory leave, paid by the current unit and not the receiving unit.
6. Death of an employee.

8.0 Procedures

A. Terminated employees or employees changing from an established position to temporary:

1. The department is responsible for providing written notification to the Office of Human Resources regarding changes in an employee's employment status.
2. In certain circumstances, backup documentation must go along with the employment status change such as resignation letter.
3. The department should conduct an audit of the employee's leave balances two weeks prior to the termination date or position change.
4. If adjustments are needed, the department must contact a representative in Time and Labor Administration within the Office of Human Resources for further instructions.
5. If the employee is separating from the University, please have the employee contact a representative in Time & Labor Administration to initiate the exit process.
6. The leave payout will be processed on a payroll off-cycle.

B. Faculty employees changing from 12-month to a 9-month position:

1. Academic Affairs is responsible for submitting a Recommendation for Faculty Employment form to the Office of Human Resources.
2. The department should conduct an audit of the employee's leave balances two weeks prior to the termination date or position change.
3. If adjustments are needed, please contact a representative in Time and Labor Administration within the Office of Human Resources for further instructions.
4. The leave payout will be processed on a payroll off-cycle.

C. Active employees entering DROP and cashing out annual leave:

1. If the employee is enrolling in DROP, please have the employee contact the Office of Human Resources to speak with a representative in Benefits for further instructions.
2. The leave payout will be processed on a payroll off-cycle.

D. Active employees with a payout of compensatory leave:

1. Employees with positive balances are eligible for payout either after termination or while currently employed.
2. The leave payout will be processed on a payroll off-cycle.

E. Employee transferring to a new organization unit:

1. The department should conduct an audit of the employee's leave balances two weeks prior to the employee transferring to the new unit.
2. If adjustments are needed, the department must contact a representative in Time and Labor Administration within the Office of Human Resources for further instructions.
3. If the employee is showing positive balances for compensatory time, the employee can expect payout of any hours due.
4. The leave payout will be processed on a payroll off-cycle.

F. Death of an employee:

1. Please notify the Office of Human Resources immediately upon learning of an employee's death.
2. A representative from Time & Labor Administration will conduct an audit.
3. The employee's beneficiaries should contact the Office of Human Resources and speak with a representative in Benefits for further instructions.
4. Upon receipt of necessary documentation, Payroll Operations will initiate the payment process.

9.0 Records

The Office of Human Resources will be responsible for maintaining a copy of leave payouts in the payroll file.