

Staff Personnel Manual (SPP)

SPP 702–01: Vacation Leave Benefits

Effective: 7/1/1978

Revised: 1/1/2025

Purpose

To provide eligible employees with vacation salary continuance during periods of absence from work

Sources

Fair Labor Standards Act, as revised

Arizona Board of Regents Policy Manual –6-706; 6-803

Eligibility

Benefits-eligible [classified staff](#), [university staff](#), and [non-faculty administrators](#)

Policy

Benefits-eligible employees accrue vacation in accordance with this policy. Furthermore, employees and supervisors are responsible for requesting, using, approving, and recording vacation in accordance with this policy.

Accrual and Accumulation

Benefits-eligible employees accrue 6.77 hours of vacation per pay period for a maximum annual accrual of 176 hours. Vacation leave benefits begin to accrue on the first day in a benefits-eligible position.

The computation of vacation accrual is based on a full-time, eight-hour day. An employee’s actual accrual is based on the number of hours worked plus any paid leave benefits hours (e.g., vacation, health, bereavement, holiday, jury duty, or parental) in a pay period.

Unused vacation leave may be accumulated and carried forward from one calendar year to the next in a total amount not to exceed 320 hours. Vacation accruals in excess of the maximum number of hours are forfeited at the end of each calendar year. Forfeited time may take up to two pay periods following the end of the year to reflect on an employee’s pay advice.

Any vacation leave benefits used pending workers’ compensation benefits will be credited back to vacation leave accrual balances, up to the amount of the workers’ compensation determination.

Vacation leave benefits do not accrue when an employee is taking an unpaid leave of absence, is receiving income-replacement benefits paid by a third party (i.e., short-term disability insurance), or is using hours received from a compassionate transfer of leave (see [SPP 702–04](#), “Compassionate Transfer of Leave Benefits”).

Academic-Year Employees

An employee who works an academic year accrues vacation leave benefits during the employment period only. This period usually begins on the first day and ends on the last day of the academic year and includes semester breaks and

non-class periods occurring during this employment period. For reporting of vacation for academic-year employees, see [Requesting and Reporting/Recording Vacation Leave](#).

Flexible Leave Time

In addition to the vacation leave described above, benefits-eligible employees can take up to 8 hours of additional flexible leave annually. The flexible leave time will be prorated based on FTE and date of hire. This flexible leave time is available beginning the first day of the year and can be used at any time for any reason. It may not be carried over to a future year, transferred under the compassionate transfer of leave program, or paid out to the employee upon separation, retirement, or death. Use of flexible leave time is subject to the same reporting and approval requirements for vacation leave as described in this policy.

Transfers

Lateral Transfer within Arizona State University

An employee who has a lateral transfer, and continues in a vacation-accruing position, retains the vacation balance and accrual rate. The new employing department assumes liability for the accrued vacation hours of the transferred employee.

An employee transferring from one department to another and going to a non-accruing position must use or be paid for their unused accrued vacation time, up to one year's accrual, by the original department prior to the effective date of the transfer.

Transfer within the Arizona University System

Employees who change employment between the Arizona Board of Regents, Arizona State University, Northern Arizona University, or the University of Arizona within 30 calendar days shall accrue at the rate based on the combined, benefits-eligible years of service at any of the aforementioned organizations.

Transfer from Other State Agencies

An employee hired from a State of Arizona agency into Arizona State University shall accrue vacation based only on years of service with ASU according to the accrual schedule for classified staff, university staff, or administrative employees.

Rehired Employees

An employee rehired by the university within 12 months after separation will receive credit for prior years of benefits-eligible service.

Leaves of Absence

Paid Leave

Vacation leave benefits continue to accrue for an employee while receiving paid leave benefits (e.g., vacation, health, jury, parental) adjusted to the percentage of paid leave used.

Unpaid Leave

Vacation leave benefits do not accrue for an employee while on any unpaid leave.

Requesting and Reporting/Recording of Vacation Leave

Supervisors' Responsibilities

Accrued vacation hours are available for use by all eligible employees immediately upon accrual and with approval from supervisor/manager. Supervisors are responsible for approving hours used and of ensuring accurate records of vacation taken by their employees are recorded. A supervisor may temporarily delegate approvals but remains responsible for adequately supervising any time recording assigned to others.

Employees' Responsibilities

All employees are required to report vacation time. Employees should request vacation leave from their direct supervisor/manager with sufficient prior notification to avoid scheduling conflicts and allow for business/department coverage as needed.

Nonexempt staff

Nonexempt staff should report vacation leave in fifteen-minute increments during the work week.

Exempt staff

Exempt staff should report vacation leave for any hours not worked (and not reported for any other reason, i.e., health leave or holiday) within their standard, biweekly pay period (80 hours based on 100% FTE).

Academic-Year Employees

Academic-year employees are encouraged to use accumulated vacation leave during semester breaks and non-class periods. Vacation leave benefits may not be used during non-employment periods.

Vacation Leave Use/Payout Requirements

An employee must use or be paid for accrued vacation hours as designated below.

Employees on Military Leave of Absence

Employees called to active duty who have accrued vacation leave may elect to:

1. retain the hours until they return to active work status
- or
2. have the hours paid out each pay period at either their normal or a reduced work schedule rate.

Change of Status

Employees who change to a non-benefits-eligible status or to a position that does not accrue vacation must use or be paid for accrued vacation, not to exceed one year's accrual, prior to the effective date of transfer into their new position.

If the FTE status of an employee is reduced, and the employee remains in a position that accrues vacation leave benefits, the department has the option of:

1. using, in the same calendar year, the number of hours already accumulated in excess of the maximum carryover accrual for the new FTE status
- or

2. paying out, in the pay period following the FTE change, for the number of hours already accumulated in excess of the maximum carryover accrual for the new FTE status.

Separation or Retirement

Upon separation of employment or retirement, an employee shall be paid for an accumulated vacation leave not to exceed one year's accrual. Vacation hours taken in the last pay period of employment are included in the calculation of the one year accrual maximum.

Accumulated vacation leave will be paid out at the rate of pay in effect at the time of separation or retirement.

Classified staff who resign or who are terminated before completing an initial probationary period must use accrued vacation prior to the date of termination.

Probationary periods are:

- twelve months of continuous service for classified staff assigned to the ASU Police Department (ASU PD)
- or
- six months of continuous service for other classified staff.

Classified staff who are serving a new probationary period due to competitive promotion/transfer and are terminated will receive their accrued vacation, not to exceed the amount earned for one year of service, determined by length of service and FTE.

An employee may not use vacation leave to extend the date of an involuntary termination, reorganization, or reduction-in-force.

Vacation leave taken to extend a voluntary termination or retirement date may not exceed the earned amount for one year's service and must be approved by the department's dean or vice president.

In the Event of Death

The employee's estate shall be paid for all accumulated vacation leave at the rate of pay in effect at the time of the employee's death.

Cross-Reference

For more information on voluntary transfer of vacation hours to employees in need, refer to [SPP 702-04](#), "Compassionate Transfer of Leave Benefits."