

## *Organizational Policy*

### VACATION LEAVE

#### **Purpose**

The City of Rochester is committed to providing a work environment that recognizes work-life balance and employee well-being. This policy provides employees with a paid vacation benefit to encourage an opportunity for rest, relaxation, and rejuvenation. It also outlines the criteria governing eligibility, the accrual and use of vacation leave.

Nothing stated in this policy creates an employment contract between the City of Rochester and its employees.

#### **Eligibility**

Employees who are classified as regular, benefits eligible will accrue vacation benefits, unless otherwise specified in a collective bargaining agreement. Regular, benefits eligible is defined as employees whose length of employment is scheduled to last more than 12 months and who are working 20 hours or more per week. Regular, part-time employees accrue vacation benefits on a prorated basis to reflect hours worked compared to full-time equivalency (FTE). Employees regularly scheduled to work less than 20 hours per week or hired as temporary or seasonal employees shall not be eligible for accrued paid vacation benefits.

#### **Vacation Accrual**

The amount of vacation which an employee earns is determined by the employee's length of service as of their employment anniversary date. Employees accrue vacation as specified in the following accrual schedule, unless otherwise provided for by a collective bargaining agreement:

##### *Non-exempt Employees*

| <b>Time Worked</b>  | <b>Vacation Accrual</b> |
|---------------------|-------------------------|
| Less than 1 year    | 96 hours (Prorated)     |
| 1 through 2 years   | 96 hours/12 days        |
| 3 through 5 years   | 120 hours/15 days       |
| 6 through 10 years  | 152 hours/19 days       |
| 11 through 15 years | 176 hours/22 days       |
| 16 through 19 years | 192 hours/24 days       |
| 20 years            | 200 hours/25 days       |

##### *Exempt Employees*

| <b>Time Worked</b> | <b>Vacation Accrual</b> |
|--------------------|-------------------------|
| Less than 1 year   | 120 hours (Prorated)    |
| 1 through 2 years  | 120 hours/15 days       |
| 3 years            | 128 hours/16 days       |
| 4 through 5 years  | 136 hours/17 days       |
| 6 years            | 160 hours/20 days       |

|                    |                   |
|--------------------|-------------------|
| 7 through 8 years  | 168 hours/21 days |
| 9 through 10 years | 176 hours/22 days |
| 11 years           | 200 hours/25 days |

Vacation accrued shall appear each pay period on the employee's payroll advice or as stated in the Employee Self-Service electronic record.

A vacation accrual cap of 2 times their annual vacation accrual rate is applied to an eligible employee's vacation balance each December after the last pay date of the year. Any amount above the cap on that date will be forfeited.

Vacation shall not accrue during the time an employee is laid off or during a period of an unpaid leave of absence. Accruals are calculated based on regular, non-overtime hours. Employees must be paid their full FTE in regular and/or accrued paid leave time in order to receive their full vacation accrual. Employees must be paid a combination of regular and/or paid leave time totaling their normal work schedule in any given pay period to be eligible for an accrual.

### **Vacation Use**

Vacation is meant to be used for any time needed away from regularly scheduled work hours, excluding City recognized holidays, bereavement or time away that is eligible for the use of sick leave. This includes scheduled vacations, personal business or when pre-approved to be used for a personal or family member illness in the event of the exhaustion of sick leave. Employees may use vacation only after it has been earned and they may not borrow against future accruals. Vacation should be applied to their timesheet in accordance to their regular schedule of work, up to the employee's FTE, and in no less than 15-minute increments. Vacation hours cannot be applied to exceed the employee's FTE. Only vacation accrued in the employee's bank prior to the pay period is available for use in that pay period.

The supervisor or their designee will approve the use of paid vacation providing a reasonable advance request was provided and based on departmental workload priorities. Vacation time-off requests will also be balanced with staff-level requirements and previously approved vacation for other employees. Organizational tenure may be a factor when granting vacation requests.

Employees in a probationary status may use accrued vacation providing approval is granted by their supervisor.

### **Vacation Payout Prior to Separation of Employment**

Accrued unused vacation will be paid out at termination, retirement or when an employee transfers to a non-benefited position that does not accrue leave benefits. If an employee transfers from a sick and vacation covered position to a position only offering Paid Time Off (PTO), their vacation will be converted to PTO as outlined in the PTO policy.

Non-exempt employees who give a minimum of a 14-day working notice <sup>1</sup> and exempt employees who give a minimum of a 28-day working notice, may submit a written request to Human Resources to remain on payroll using vacation or compensatory time for up to four calendar weeks after their last day of employment. This four calendar week runout period will follow the employee's regular work schedule. Any remaining vacation banked will be paid out on the final paycheck at the employee's base rate of pay in effect at that time. Employees choosing to runout time would not be eligible for a performance review increase that falls within the runout period but would be eligible for a general salary increase that applies City-wide.

Vacation payouts are subject to all federal and state withholding requirements and a Minnesota State Retirement System (MSRS) Health Care Savings Plan (HCSP) agreement in place at the time of payout.

Policy revisions approved by City Administrator:



Alison Zelms

09/26/2025

Date

Policy History

Current Revision: 09/2025

Previous Revision(s): 2/2003, 4/2004, 10/2019, 5/2020, 09/2021

Associated Form(s)

*The forms associated with this policy can be found on RW - Human Resources – Forms*

Legal/Statutory Authority

N/A

<sup>1</sup> A working notice consists of an employee continuing to work their scheduled shifts and perform their regular work duties for a minimum of a 2-week period for non-exempt employees and a 4-week period for exempt employees. Leave time does not count toward the working notice requirement.