

University of Colorado at Denver
Fiscal Policy for
Payments of Unused Sick and Vacation Leave for Separating Employees

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I. Purpose, Reference, and Responsibility

A. Purpose

This policy provides the steps to be followed by departments in processing payments for unused sick and vacation leave balances for qualifying separating or retiring employees.

B. Reference

1. Administrative Policy on Faculty Exempt Professional Leave
2. State Personnel Rules for Classified Staff, Chapter 5 - Time Off.
3. Regent Law Article 11-H, Leave Policies for Officers, Exempt Professionals, and Faculty on Twelve-Month Appointments.

C. Responsibility

It is the responsibility of all department administrators and unit heads to ensure compliance with this policy.

II. Applicability and Definitions

A. Applicability

1. This policy is applicable as of July 1, 2001, to the payoff of any amounts due under University of Colorado Denver policy for unused sick and vacation leave at retirement or separation.
2. This policy does not apply to payments for early conversion of sick leave as allowed under the provisions of HB 1458 unless such payments are made in conjunction with the employee's retirement. In order for HB 1458 payments to be made from the Central Campus Pool Program such payments must be made within 60 days of the employee's retirement date. See section III. B. for additional details.

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B. Definitions

1. Qualifying Separation or Retirement

a. State Classified Staff who separate employment for any reason will be paid directly for any unused Vacation Leave time that has accrued but not been taken by the date of separation. In addition, if the separating employee meets the eligibility requirements (age and service) for retirement under PERA at the date of separation, 1/4 of unused sick leave will also be paid to the individual at the date of separation. Both payments are subject to accrual limits for vacation and sick leave provided in the State Personnel Rules.

2. Officers, Exempt Professionals, and Faculty who separate employment with the Health Sciences Center for any reason will be paid directly for any unused Vacation Leave time that has accrued but not been taken by the date of separation. In addition, if the separating employee meets the eligibility requirements (age and service) for retirement under the retirement plan in which he or she is enrolled at the date of separation, 1/4 of unused sick leave will also be paid to the individual at the date of separation. Payments for unused Vacation and Sick leave are subject to the limitation provided in the System Administrative Policy on Faculty Exempt Professional Leave.

C. Sick Leave Balance is number of sick hours remaining at the time of separation adjusted for usage and accruals the final month of employment. See Exhibits A and B to calculate.

D. Vacation Leave Balance is the number of vacation leave hours remaining at the time of separation adjusted for usage and accruals the final month of employment. See Exhibits A and B to calculate.

E. HB1458 Conversion of Sick Leave a program that allows PERA covered employees hired prior to July 1, 1988 to convert some or all of their sick leave balance in excess of 360 hours to salary. This program expires June 30, 2005.

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III. Policy

A. Payments of Sick and Vacation Leave Balances for Separating and Retiring Employees

1. It is the responsibility of the department administrator and unit head to ensure centralized records are maintained for sick and vacation leave balances for all Faculty, Exempt Professional, and Classified Staff personnel within his/her unit, department or division in accordance with Regent Law Article 11-H, Leave Policies for Officers, Exempt Professionals, and Faculty on Twelve-Month Appointments.
2. Upon notification of retirement or separation for any qualifying employee, the department administrator or unit head will calculate the unused portion of vacation leave (or vacation and sick leave in the case of an employee who is eligible for retirement) due the separating employee in accordance with applicable University of Colorado Denver leave policies or State Personnel Rules. Adjustments should be made for any leave to be used by the employee between the time of notification and the employee's final date of employment. Forms to assist the administrator in calculating the final leave balances are included as Exhibits A and B to this Policy. Exhibit A is for calculating state classified employees and Exhibit B is for calculating Faculty and Exempt Officers.
3. The department administrator will process a Separation Pay Form for the balance of hours due the separating employee and route for review and appropriate signatures. The Separation Pay Form is included as Exhibit C-1 (for DDC employees); and C-2 (for HSC employees). The program/project and the account code for the Separation Pay Pool are provided on this form. It is critical that this coding be used when the payment batch is created in the Human Resources Time Collection System so that the Centralized Pool is charged.
4. A copy of the employee's final leave roster or work record and a printout of the most recent leave accrual report (available in the PS Human Resources System) should be attached to the Separation Form before routing to Human Resources. If the employee is being paid for hours in excess of the standard cap for sick leave, attach a copy of the following documentation depending on the type of employee:
 - a. Faculty: A copy of the letter certifying the employee's initial balance on May 1, 2001.

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b. State Classified Employee: Screen Print from PeopleSoft Human Resources System leave panels showing the 6/30/88 balance.

5. Once an approved copy of the Separation Pay Form is returned from Human Resources, the department administrator will approve the payroll batch to generate payment to the employee. System approvals for the on-line batch are the same as other time collection payments. If the payment is made to the employee before Human Resources has approved the Separation Pay Form, it will be the responsibility of the department to refund the Pool any difference identified by Human Resources and Finance. Also it will be the responsibility of the department to collect from the employee any overpayment.

B. Conversion of Sick Leave in Accordance with the Provisions of HB 1458

In accordance with the provisions of HB 1458, state classified employees may convert excess sick time to compensation if the conversion is elected during the period from July 1, 2000 through June 30, 2005.

1. If at the time of retirement (or for a period of 60 days before retirement) a state classified employee wishes to convert all or a portion of their excess sick leave under the provisions of HB 1458, the amount converted may be charged to the central pool program for sick and vacation leave payment. Any other payments under HB 1458 must be covered from departmental programs/projects.
2. Conversions of leave under the provisions of HB 1458 are handled by the Payroll and Benefits Services Center (PBS). Upon notification by the employee to make a HB-1458 conversion as part of the employee's retirement, the department administrator and unit head should contact the PBS and file all appropriate documentation required to make the conversion. In order to have the conversion payment charged to the central pool, be sure to use the following program/project and speed type information in communicating with the PBS.

Speed Type		Account Code	Fund Code	Org Code	Program/ Project
DDC	HSC				
65759	46319	Varies depending on employee position PBS will know correct account to use	28	21088	29211

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3. Attach a copy of the PBS Sick Leave Conversion Form to the information required in Section A above when processing the conversion of leave for the individual's retirement. This form will help Human Resources verify the conversion payment as a separate transaction from the final payout of unused sick leave, and will aid in the reconciliation of leave balances.

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Performed by:	Action:
Department Administrator	<ol style="list-style-type: none"> 1. Upon notification of separation or retirement, calculate hours to be paid the employee. Use Exhibits A and B to this policy to assist in this calculation. 2. Complete Separation Pay Form (Exhibit C-1 or C-2), attach required supporting documentation, obtain appropriate departmental signatures and route completed form to Human Resources at Mail Stop A005/130, Fax 303-315-2725. 3. Create payment batch through time collection panels in the HR system for the separation pay. Do not approve this batch until you receive a signed copy of the Separation Pay Form from the Human Resources.
Human Resources	<ol style="list-style-type: none"> 4. Review Separation Pay Form and verify that hours are accurate based on system amounts and document supporting approved accrual balances. 5. Return Signed Form to Department. 6. Send a copy of the Separation Pay Form to Finance.
Department Administrator	<ol style="list-style-type: none"> 7. Once the approved Separation Pay Form has been received from the Human Resources, approve the batch in PeopleSoft that initiates the payment to the separating or retiring employee.
Finance	<ol style="list-style-type: none"> 8. Reconcile all approved payments to actual payments from the Pooled Program on a monthly basis.