

Implementation expected no later than July 1, 2025

LEAVE EXCHANGE

I. Purpose

The purpose of this policy is to establish a leave exchange program for eligible employees of any campus, division, or unit of the University of Arkansas System. A leave exchange program provides employees with the opportunity to exchange annual leave for payment on qualified student loans.

II. Eligibility

Eligibility for participation in the leave exchange program requires current employment in a position accruing annual leave. The employee must have an annual leave balance of at least 80 hours after an exchange. Employees with disciplinary warnings or actions related to leave within the previous 12 months may not participate in the leave exchange program.

III. Benefit

Employees may exchange accrued annual leave for direct payment to the lender on qualified student loans. The equivalent hourly rate of accrued leave shall be discounted by 14% in exchange and shall not exceed a discounted value of \$7,500 in a single calendar year.

Subject to approval by the President, campuses may annually increase or decrease the maximum exchange value of \$7,500 and may establish exchange windows or other process guidelines in support of efficient management of this policy.

Any payment on a qualified student loan pursuant to this policy will be reported as income of the employee in accordance with the Internal Revenue Code or federal tax regulations.

IV. Administration

The President shall approve the service agreement with a company or companies, qualified to do business in the State of Arkansas, to administer the leave exchange program.

No exchange of excess annual leave for direct payment on a qualified student loan shall occur unless authorized in writing by the employee.

Eligible student loans are those loans within the Internal Revenue Service's definition of qualified education loan and the administrative guidelines as identified the terms of the service agreement.

May 23, 2024 (Adopted)