

ANNUAL LEAVEI. Purpose

The purpose of this policy is to establish procedures for the accrual and use of annual leave, also called vacation leave, for all eligible employees¹ of any campus, division, or unit of the University of Arkansas System.

II. Annual Leave Accrual

A. General Rule. Except as provided in Section II(C) of this policy, eligible employees will receive monthly annual leave accruals as follows:

1. Eligible, exempt employees hired or moved into their position before January 1, 2025, shall accrue annual leave at the current rate of 15 hours per month.
2. Eligible, non-exempt employees on January 1, 2025, shall be credited with their eligible time of service and thereafter accrue annual leave as provided in the Accrual Schedule found in Section II(B) of this policy.
3. Eligible employees hired or moved into an eligible position on or after January 1, 2025, will accrue annual leave as provided in the Accrual Schedule found in Section II(B) of this policy.

For all eligible employees, annual leave is accrued at the end of each month and is cumulative.

B. Accrual Schedule for Each Year of Eligible Employment

<u>Years of Eligible Employment</u>	<u>Monthly Accrual</u>
Through the first year	10 hours per month
Through the second and third years	12 hours per month
Through the fourth and fifth years	14 hours per month
Upon completion of the fifth year	15 hours per month

C. Exceptions to General Rule.

1. Employees holding positions for which annual leave accrual is addressed in special appropriation language will accrue leave on the basis and at the rate provided in the special appropriation language.

¹ Medical residents employed at UAMS are subject to the UAMS annual leave policy set out in the Resident Handbook established through the Graduate Medical Education Resident/Fellows program.

2. Employees who are employed pursuant to employment contracts or appointment letters that exclude annual leave as a benefit are not eligible for annual leave. However, any such contract or appointment letter excluding annual leave must be either approved by the President or executed pursuant to a Chancellor-approved campus policy that specifically identifies the position categories that do not accrue leave.
3. Campuses, units and divisions may adopt, after review by the Office of General Counsel and approval by the President, campus annual leave accrual policies that differ from this policy for specialized categories of exempt employees or to recognize specialized skills and work experience of employees. Any such policy must specifically identify any position categories affected, the formula used to determine the alternative accrual policies, and how employees are affected. In no instance shall the accrual rate, eligibility, annual carryover, or payout of annual leave exceed the maximums provided in this Policy.

III. Eligibility

- A. Except as provided in Section II(C) of this policy, annual leave is granted to all eligible non-student employees on 12-month appointments of one-half time or more, with part-time employees earning leave in proportion to the time worked.
- B. An employee whose period of employment is scheduled to be changed from a 12-month basis to a nine-month basis may, within the guidelines of Section IV., take all accrued, unused vacation before the end of the 12-month period, or, within the carryover limits, may reserve accrued annual leave hours for payout upon termination of employment. Payment for any reserved accrued hours shall be based upon the lesser of the salary on the date of the last hour accrued immediately prior to the change from a 12-month basis to a nine-month basis or the salary at the time of termination of employment. A 12-month appointment shall not be extended for the purpose of paying an employee for unused vacation.

IV. Use of Annual Leave

- A. Use of accrued annual leave may be requested by an employee at any time. The appropriate supervisor will grant the request when it least interferes with the efficient operation of the department. Annual leave shall not be taken before it is accrued.
- B. An employee's final date of employment shall not be extended solely for the purpose of exhausting accrued annual or sick leave in order to receive continued compensation, fringe benefits, or retirement contributions without actively working. Employees may use a reasonable amount of accrued leave as pre-approved by the department; however, extended leave usage may not be used to

prolong employment beyond the intended separation date, including for the purpose of maximizing benefit eligibility.

V. Annual Leave Carryover Limit

Annual leave is cumulative; however, no employee may have more than 30 days on December 31 of each year. During the calendar year, accrued leave may exceed 30 days, but those days more than 30 (inclusive of holidays) will be lost if they are not used before December 31 of each year. An exception may be made when an end-of-year vacation is postponed for the convenience of the University. Any such exception must be approved by the President.

VI. Other Limitations

Annual leave may not be accumulated while an employee is on leave without pay or on catastrophic leave.

VII. Annual Leave for Graduate Study

Annual leave for graduate study may be granted to otherwise eligible employees under the following terms:

- A. Accrued leave with pay may, if used for graduate study, be accumulated for two calendar years preceding the date of the leave if it is used by January 1 of the third year.
- B. Permission to carry over such credit must be requested in writing by the employee and approved by the President in advance of the commencement of vacation accrual.

The President may approve a modified application of the regulation where circumstances warrant, not to exceed the earned annual leave for two years.

VIII. Payment of Accrued Leave Compensation at Separation of Employment

- A. General Rule. Upon termination of employment in which a person ceases to be an active employee of the University, the amount due to the employee or the employee's estate from accrued annual leave and holiday leave, shall be included in the final pay to the employee or distributed to the employee's estate upon verification as follows:
 - 1. Newly benefits eligible employees on and after January 1, 2025, shall receive terminal annual and holiday leave pay according to the payment structure set out in Section VIII(B).

2. Existing benefits eligible employees as of December 31, 2024, shall continue in the current terminal annual and holiday leave payment structure through December 31, 2029, after which they will be paid according to the payment structure set out in Section VIII(B).

- B. Payment Structure. Payment of eligible accrued annual and holiday leave combined shall not exceed 30 working days and is subject to the maximum payment amounts set out below.

<u>Years of Employment Maximum</u>	<u>Maximum Payment Amount</u>
Through the first year of employment	To 30 days not to exceed \$7,500
Through the second year of employment	To 30 days not to exceed \$12,500
Through the third year of employment	To 30 days not to exceed \$17,500
Through the fourth year of employment	To 30 days not to exceed \$25,500
Through the fifth year of employment	To 30 days not to exceed \$32,500
Upon completion of the fifth year	To 30 days not to exceed \$35,500

The maximum payment amounts may be adjusted each January 1st as approved by the President. The maximum payment amounts shall be published on the University of Arkansas System's benefit page and made available through the campus Human Resources offices.

- C. Other. A lump-sum terminal payment shall not be made unless an employee terminates employment with the University.
- D. Return to University. No employee receiving such accrued leave compensation shall return to University employment until the number of days for which the employee received such compensation has expired.

September 18, 2026
 May 18, 2026 (Revised)
 November 20, 2025 (Revised)
 May 23, 2024 (Revised)
 May 25, 2023 (Revised) Effective July 1, 2023
 May 27, 2021 (Revised)
 May 21, 2020 (Revised)

January 31, 2019 (Sick Leave Section Replaced
 by BP 420.3)
 June 9, 1995 (Revised)
 July 24, 1991 (Corrected)
 June 14, 1991 (Revised)
 April 15, 1983 (Revised)
 February 13, 1981 (Revised)
 November 9, 1979 (Revised)