

3.620 RCUH Vacation Leave

Effective Date: 07/01/2026

Prior Dates Amended: 07/01/1999, 07/23/2007, 12/03/2009, 05/01/2011,
12/31/2013, 03/01/2014, 07/07/2015, 01/12/2016, 07/06/2016, 08/01/2016,
04/12/2017, 08/08/2017, 12/10/2018

I. PURPOSE

The purpose of this policy is to allow its Regular-status employees to take paid time off from work. This policy applies to all Regular-status employees (regardless of FTE). Vacation accruals are only applicable to regular-status employees at 50% FTE or greater.

II. DEFINITIONS

- A. **FTE – Full Time Equivalency:** Percentage of a 40-hour work week that an employee works (based on a 100% scale). Example: Full-Time (100% FTE = 40 hours per week), Part-Time (50% FTE = 20 hours per week).
- B. **Pay Period:** RCUH is on a semi-monthly pay schedule where the month is split into two (2) pay periods. The pay periods are the 1st through the 15th and the 16th through the end of the month.
- C. **RCUH Work Week:** Monday (12:00 AM HST) to Sunday (11:59 PM HST).
- D. **Termination Vacation Leave:** In lieu of Termination Vacation Payout (default option), an employee uses their remaining vacation hours to take a period of leave immediately after the last day of work to push out the official last day of employment to extend benefits (i.e., additional month's coverage for health insurance) – See Section IV.D.2 for more details.
- E. **Termination Vacation Payout (default):** Full vacation payout (of remaining accrued hours) for voluntary or involuntary termination (regardless of reason) from the RCUH Vacation Payout Reserve.
- F. **Vacation Accrual:** Vacation hours are accrued each pay period based on an employee's FTE. A regular-status employee working 100% FTE will accrue 7 hours of vacation per full pay period of paid earnings (e.g., work, paid leaves). 50% FTE will accrue 3.5 hours per full pay period of paid earnings (e.g., work, paid leaves). The accrued hours will not be available for use until the first day of the following pay period. Late eTimesheets or corrections may delay the processing and posting of vacation accruals until the applicable payroll adjustments have been completed.
- G. **Vacation Carry Over:** Total amount of vacation hours an employee is allowed to carry over from one vacation plan year to the next plan year. There is a maximum carryover of vacation hours per RCUH vacation plan.
- H. **Vacation Forfeiture:** All vacation hours exceeding the maximum carry over of an employee's applicable vacation plan will be forfeited on December 31st of the plan year.
- I. **Vacation Payout Reserve Fringe Rate:** Effective July 1, 2015, RCUH established a Vacation Payout Reserve based on an assessed fringe benefit charge to all

applicable salaries and wages for Regular-status employees of 50% or greater FTE (see RCUH Policy 3.510 – RCUH Fringe Benefits Schedule for current rates).

- J. **Vacation Plan Year:** RCUH Vacation Plan year is based on a calendar year (e.g. January 1 – December 31). Employees will accrue vacation during the plan year based on their FTE (see Vacation Accrual)
- K. **Vacation Plan:** RCUH supports two vacation plans, A and B. Refer to section IV.C. for details on each plan.

III. **RESPONSIBILITIES**

A. **RCUH Employee:**

1. Comply with attendance procedures (i.e., call-in requirements, leave request, changes in work schedule) set forth by the Principal Investigator.
2. Request time off in advance of planned vacation leave and receive approval from the Principal Investigator or designee.
3. Record the approved time off using the Vacation Leave (LVA) code on the eTimesheet.
4. Report back to work upon the expiration of the approved leave.

B. **Principal Investigator:**

1. Ensure that attendance procedures (i.e., call-in requirements, leave request, changes in work schedule) are communicated to each employee. Enforce and monitor attendance procedures.
2. Review vacation requests and grant according to program/operational needs.
3. Ensure eTimesheets are accurately completed and submitted by the employee timely. Review and confirm approved vacation leave period is recorded on eTimesheet using the Vacation Leave (LVA) code. Approve eTimesheet by the RCUH Payroll deadlines.

C. **Fiscal Administrator (UH Projects Only):**

1. Ensure RCUH employees' payroll/fringe are charged to a valid project number/account or sponsored agreement.

IV. **POLICY**

A. **Eligibility Requirements**

- 1) Regular-status employees at 50% FTE or greater will accrue applicable vacation hours based on their FTE and work/paid leave hours. Eligible employees begin earning vacation hours upon hire and may begin using earned vacation on the first day of the following pay period in which vacation hours are earned (i.e., if an employee's date of hire is January 1, then the employee may take vacation leave beginning January 16 for the vacation hours earned from January 1 through January 15).

- 2) Regular-status employees with accrued vacation whose FTE drops below 50% FTE will no longer earn vacation hours but may continue to take vacation leave from their available balance based on their prevailing FTE.

B. How Vacation is Earned

- 1) Regular-status employees at 100% FTE earn 7 hours per pay period (or 14 hours per month).
- 2) Regular-status employees at 50% or greater (less than 100%) FTE will earn a prorated accrual based on their FTE (calculated to the nearest 0.25 hour) during the applicable accrual pay period.
- 3) Vacation is calculated and accrued on a semi-monthly basis. Accrual calculations are rounded to the closest 0.25 hour. This calculation is based on the following formula:

$$\frac{\text{No. of Hours Worked or Paid in a Pay Period}}{\text{No. of Hours in Pay Period}} \times 7 = \text{No. of Vacation Hours}$$
- 4) Vacation leave will not be earned and accrued during any of the following:
 - a. Leave without pay (including unpaid protected/special leaves/time off);
 - b. Unpaid suspension/unpaid administrative leaves;
 - c. Overtime hours or other additional compensation;
 - d. Zero hours recorded/No eTimesheets submitted;
 - e. Time off while receiving long-term disability benefits; or
 - f. Unauthorized leave.
- 5) Regardless of number of hours worked the maximum accrual of vacation leave is 7 hours for each full pay period (based on 100% FTE).

C. RCUH Vacation Plans (A&B), Maximum Carry Over/Forfeiture and Accrued Vacation Hours

- 1) Vacation Plan A (default plan): Employees may carry over up to a maximum of 10 workdays (or 80 hours at 100% FTE) of vacation in a calendar year based on their FTE. All new projects and their employees will be defaulted to Vacation Plan A. Accrued and carryover vacation hours are prorated based on the employee's FTE.
- 2) Vacation Plan B (legacy plan): Projects who were previously approved in the legacy plan will be allowed to remain in Vacation Plan B. Employees may carry over 15 workdays (or 120 hours at 100% FTE) of vacation hours in a calendar year based on their FTE, up to a maximum cumulative of 45 workdays (or 360 carryover hours). Accrued and carryover vacation hours are prorated based on the employee's FTE.
- 3) Maximum Carry-Over Hours and Forfeiture: All regular-status employees are subject to RCUH's year-end (December 31st) vacation forfeiture process. After close of business on December 31st, all vacation hours exceeding the maximum carryover allowed by the applicable Vacation Plan will be forfeited and cleared from the employee's vacation balance. Maximum carryover hours are prorated by an employee's FTE (and applicable Vacation Plan).
- 4) Accrued Vacation Hours and Transferring Positions (No Break in Service): Employees will be allowed to maintain their accrued vacation balance (including carry-over vacation hours) when they transfer with no break in service from one Regular-status RCUH job to another Regular-status RCUH

job. There will be no vacation payouts for transfers (with no break in service) even if the employee is hired into a new position under a different Principal Investigator. Vacation hours are non-transferrable to other State of Hawai'i agencies (non-RCUH).

D. Termination of Employment – Vacation Payouts or Termination Vacation Option

- 1) **Vacation Payout (default option):** All available unused vacation for eligible employees will be fully paid out upon their (voluntary or involuntary) termination of employment from the RCUH Vacation Payout Reserve. The payout will occur up to two (2) pay periods following the employee's termination of employment pay period via direct deposit on pay day.
Example: If an employee's last day of work is July 10th (occurring in the July 1st through 15th pay period). The vacation payout will be processed by the August 1st through 15th pay period, and will be available to the employee on August 22nd (pay day for the August 1st through 15th pay period)
- 2) **Termination Vacation:** Contingent upon Principal Investigator's approval and the availability of funds, an employee may use their remaining vacation hours (in lieu of the vacation payout) to instead take a period of leave immediately after the last day of work and extend their official last day of employment, and provide them with additional benefit coverage (i.e., additional month's coverage for health insurance). Employees on Termination Vacation Leave do not accrue additional vacation hours. If allowable the Principal Investigator must select the Termination Vacation Leave option for the employee terminating via the ePAF (electronic Personnel Action Form) termination action through the RCUH Human Resources (HR) Portal. RCUH Human Resources (HR) reserves the right to change Termination Vacation to Vacation Payout upon review, if it does not extend the employee's benefits, or if Termination Vacation is beyond a project's end date (i.e., if termination is due to "Project Termination," Termination Vacation may not extend an employee's employment beyond the project's end date).

E. How Vacation Leave is Administered

- 1) **Use of All Accrued Vacation:** When vacation leave is granted, it may include the hours accrued up to the end of the employee's last pay period of service immediately preceding the commencement of the vacation leave or any other continuous leave.
- 2) **Minimum Vacation Leave Allowed:** The minimum vacation leave an employee can request is one (1) hour. Fractional hours beyond one (1) hour may be granted in ½-hour (30-minute) increments thereafter (unless exhausting remaining vacation balance).
- 3) **Retain and Use Earned Vacation:** Employees will be allowed to retain and use all accrued vacation (at their prevailing FTE) even if their FTE drops below 50%. Vacation accruals will cease once an employee's FTE drops below 50%. (See Section IV.G).
- 4) **Exhaust Vacation Prior to Leave Without Pay:** The available vacation balance must be exhausted before leave without pay (LWP) can be taken, except for leave taken in accordance with the State Hawai'i Family Leave Law (HFLL) or RCUH Military Leave policy. If an employee is on approved vacation leave but

does not have any or enough accrued vacation, the time off may not be charged to sick leave (LSK) and will need to be leave without pay:

- a. Hourly employees: record 0 hours (no hours worked and no hours vacation leave (LVA)) on the eTimesheet.
 - b. Salaried employees: record Leave Without Pay using the "LWP" code in the dropdown on the eTimesheet. Failure to use the LWP code will result in an overpayment and will require manual correction.
 - c. NOTE: Any Leave Without Pay taken may affect an employee's eligibility to participate in RCUH group benefits.
- 5) Vacation and Family & Medical Leave: Vacation used in accordance with RCUH's Family & Medical Leave Policy will be deducted from the employee's accrued vacation balance (see RCUH Policy 3.660 – RCUH Family & Medical Leave).
- 6) Vacation and Other Disability Benefits: Vacation leave may not be applied to absences due to disability covered under workers' compensation at employee's other non RCUH job and while receiving long-term disability benefits.
- 7) Holidays: Holidays which fall within the employee's approved vacation leave period shall be paid as holiday leave.
- 8) Termination Vacation Leave: Contingent upon the Principal Investigator's approval and the availability of funds, an eligible regular-status employee may use accrued vacation leave immediately prior to termination of employment. Employees on Termination Vacation Leave do not accrue additional vacation hours. The Principal Investigator must initiate the termination action through the RCUH ePAF system to designate the approved Termination Vacation Leave period.
- 9) Failure to Submit eTimesheet by the Payroll Deadline: If an employee fails to submit a certified eTimesheet by the RCUH payroll deadline:
- a. The eTimesheet will be processed by RCUH using the employee's available accrued Vacation Leave (LVA) (or Leave Without Pay (LWP) if not enough vacation), to ensure continuation of benefits (if applicable) and accrual balances, and minimize disruptions to payroll processing.
 - b. The employee and Principal Investigator must submit a manual timesheet of actual work hours/leaves taken to RCUH Payroll. The Principal Investigator will also need to address the untimely reporting and how to avoid recurrence.
 - c. Upon receipt of the manual timesheet, RCUH Payroll will process the timesheet in the next earliest pay period.
 - d. If adjustments to accruals are needed, this will be processed in the pay period following when the manual timesheet was processed. The employee will see the corrected available accrual balance at the beginning of the pay period after the correction has been made (i.e., corrected accruals to an employee's available leave balance may take up to two (2) pay period to appear accurately on their eTimesheet and pay statement).

10) Failure to Return from Authorized Vacation: An employee who fails to return to work upon expiration of their approved vacation and fails to contact their Principal Investigator will be considered to have abandoned their job. This will be considered as a voluntary resignation/termination.

F. Official Vacation Balances – The official vacation balance will be maintained at the RCUH Human Resources Department. Employees will be provided with their vacation plan and balances on their pay statement each payday. Principal Investigators will be able to view and monitor vacation leave balances on the RCUH Human Resources (HR) Portal and are responsible for checking on a regular basis to ensure that the information is correct.

- 1) **Alternative Reports (available on the Financial Portal)**: The following two reports are currently available on the RCUH Financial Portal:
 - a. The “Vacation and Sick Leave Report” provides employees’ leave balances on the project level.
 - b. The “Summary Vacation Planning Report” forecasts year-end vacation forfeitures based on the current balances.

G. Vacation Forfeiture or Business-Related Deferral of Forfeiture

- 1) Year-End Vacation Forfeiture: All vacation hours in excess of the maximum allowable carry-over will be forfeited (at close of business) on December 31st. There will be no vacation payouts from the RCUH Vacation Payout Reserve in lieu of these forfeitures.
- 2) Business-Related Deferral of Forfeiture: Principal Investigators may request a deferral of the year-end forfeiture if, due to a business-related reason (e.g., project workload requirements), the employee was unable to take sufficient vacation to avoid a forfeiture of vacation hours. Principal Investigators must send the Director of Human Resources a memo that justifies this deferral not later than December 1st. The justification must include support documentation that describes the workload requirements that prevented the employee from taking his/her vacation. This may include ship operations schedules, unforeseen or emergency situations, or other circumstances that require the employee to remain on duty rather than be allowed to take vacation. The deferral will expire on December 31st of the next vacation year.
- 3) Exception to the Forfeiture Process (FTE Actions Processed in December Only): Employees whose FTE drops below 50% FTE on or after December 1st will be automatically exempt from the year-end forfeiture, but on up through the next vacation plan year (e.g., December 31st of the next calendar year). Vacation balances will automatically be carried over into the new year.

H. Vacation Payout Reserve for Termination Vacation Payouts – The RCUH Vacation Payout Reserve will be used for all termination vacation payouts. The Vacation Payout Reserve is funded through a fringe benefit charge on the payroll of Regular-status employees with an FTE of 50% or greater. The Vacation Payout Reserve will pay for all unused vacation hours of the terminating employee(s). Refer to the RCUH Fringe Benefit Schedule (3.510 Fringe Benefits Schedule) for the prevailing fringe rate.

V. CONTACT INFORMATION



RCUH Human Resources Department – Benefits Section

Email: rcuh_benefits@rcuh.com

VI. **REFERENCES**

- A. [3.510 RCUH Fringe Benefits Schedule](#)
- B. [3.650 RCUH Leave of Absence Without Pay](#)
- C. [3.660 RCUH Family & Medical Leave](#)
- D. [3.674 RCUH Military Leave](#)