

Calculating Reductions in Payout of Vacation Balances on Cessation of Employment

1) Vacation Tables By Employee Group

a. Professional/Managerial Staff

Length of Service (in months)	Monthly Accrual Rate (days per month)	Annual Vacation Entitlement (in days)	Reduction in Payment
0 to 132	1.667	20	5 days
133 to 156	1.75	21	5 days
157 to 168	1.833	22	5 days
169 or more	2.083	25	6 days

Max carry forward per year (with approval): 5 weeks above the annual entitlement, have them paid out in the form of salary or banked toward a planned leave.

b. Confidential Staff

Length of Service (in months)	Monthly Accrual Rate (days per month)	Annual Vacation Entitlement (in days)	Reduction in Payment
First 60	1.25	15	4 days
61 to 72	1.33	16	4 days
73 to 84	1.417	17	4 days
85 to 96	1.5	18	4 days
97 to 108	1.583	19	4 days
109 to 132	1.667	20	5 days
133 to 156	1.75	21	5 days
157 to 168	1.833	22	5 days
169 or more	2.083	25	6 days

Max carry forward per year (with approval): 5 days; otherwise paid out in last pay period of the year.

2. Threshold for Reduction

The reduction in payment will only be applied if and to the extent that the exiting employee has more vacation in the bank than their annual entitlement.

There is opportunity to review special circumstances.

Example #1

A PM employee with an annual entitlement of 22 days has 44 days in the bank on the date of termination. The employee's vacation balance is below the 50 day maximum payout under the Policy. The payment reduction for this annual entitlement is 5 days. The employee's vacation payout would be reduced as follows:

$$44 - 5 = 39$$

Therefore pay out 39 days.

Example #2

A PM employee with an annual entitlement of 25 days has 58 days in the bank on the date of termination. The employee's vacation balance is above the 50 day maximum payout under the Policy. Further, the payment reduction for this annual entitlement is 6 days. The employee's vacation payout would be reduced as follows:

$58-8=50$ – brings balance in line with max pay out under Policy

$50-6=44$ – application of payment reduction on cessation of employment

Therefore pay out 44 days.

Example #3

An employee with an annual entitlement of 20 days has 22 days in the bank on the date of termination. The payment reduction for this annual entitlement is 5 days. The employee's vacation payout would be reduced as follows:

$22-5=17$ - however, we do not reduce the employee's vacation to a level lower than their annual entitlement

Therefore pay out 20 days.

Example #4

A PM employee with an annual entitlement of 25 days has 52 days in the bank on the date of termination. The employee's vacation balance is above the 50 day maximum payout under the Policy. Further, the payment reduction for this annual entitlement is 6 days. The employee's vacation payout would be reduced as follows:

$52-2=50$ – brings balance in line with max pay out under Policy

$50-6=44$ – application of payment reduction on cessation of employment

Therefore pay out 44 days.

Example #5

An employee with an annual entitlement of 22 days has 12 days in the bank on the date of termination. The payment reduction for this annual entitlement is 5 days, however, this employee's vacation balance is below his/her annual entitlement, therefore there is no reduction upon termination.