

	Vacation Leave Policy	
	Section No: 4.04	
	Category: Benefits and Leave Policies	
	Resolution Number: 257-2026	
	Effective Date: September 1, 2026	
	<i>Supersedes: former Section 14, Resolution 2023-370 – January 1, 2024</i>	
	Next Review Date: September 1, 2028	
Responsible Office: Human Resources		
Policy Applies to:	☐ All City employees (Full-time, Part-time, LSEs, temps, etc.) ☐ All City and School Employees	☒ Full-Time employees only ☐ Other: _____

Relevant Definitions

N/A

Policy

All new hires will be given a **benefit** of 1 week/40 hours (72 hours for 24-hour shifts) of vacation time. Additional weeks of vacation may be granted for related work experience with City Manager approval.

All vacation leave must be approved in advance by the employee's department head or designee. Although vacation leave may accrue it may not be used until the employee's request to use the vacation leave is approved by the department head or designee.

Each department head or designee will schedule vacation leave with particular regard to departmental work requirements. Vacation leave may not be taken before being accrued. Departments will manage vacation schedules based on operational needs. When the need arises and the requirements of the City demand it, vacation leave may be suspended by the department head or designee temporarily to meet those needs. Additionally, a department head or designee may require an employee take vacation leave when the department head or designee determines it in the best interest of the City.

Accruals:

Vacation leave accrues only for employees while serving in board approved regular full-time positions.

For vacation leave purposes,

- Employees hired on or before the **15th day** of the month receive full accrual for that month.
- Employees hired on or after the **16th day** of the month do not receive vacation leave accrual for that month.
- Any employee who is in unpaid status for at least 50% of the month will not receive accruals for the month.

Vacation leave accrues monthly from January 1 through December 31 of each calendar year. The amount of paid vacation leave an employee accrues each month is based upon designated accrual rates and months of service as follows:

Longevity (Full-time service time)	Vacation Accrual per month	
	8-hour and 12-hour shift employees	24-hour shift employees
< 5 years (1 month through 60 months)	6.67 hours (80 hrs per year = 2 weeks)	12 hours (144 hrs per year = 2 weeks)
5– 10 years (61 months through 120 months)	10 hours (120 hrs per year = 3 weeks)	18 hours (216 hrs per year = 3 weeks)
10 – 20 years (121 months through 240 months)	13.33 hours (160 hrs per year = 4 weeks)	24 hours (288 hrs per year = 4 weeks)
20 years > (241 months or more)	16.7 hours (200 hrs per year = 5 weeks)	30 hours (360 hrs per year = 5 weeks)

Accruals are based on continuous service with the City, which includes approved paid leave. Except as set out below, all prior service as a board approved full-time City employee (known as longevity), will be used in determining service time for vacation accrual rates only, except as otherwise required by law.

Vacation leave is accrued at the end of each month and is available for use, in accordance with the requirements contained in this policy, in the month/months following such accrual.

Note: The adjustment in vacation accrual will be visible on the paycheck that encompasses time reported for the final day of the month.

Rollover

~~Beginning January 1 of each calendar year, an employee's available vacation leave may not exceed:~~

- ~~• All vacation hours accrued but unused during the previous calendar year, plus~~
- ~~• A maximum of 80 hours of unused vacation carried over from earlier years (144 hours for employees who work 24-hour shifts).~~

Employees may carry over a maximum of **280 hours** of accrued leave into the next calendar year. Employees assigned to a **24-hour shift schedule** may carry over a maximum of **440 hours**.

Any accrued leave balance that exceeds the applicable carryover limit at the end of the calendar year will automatically be converted to accrued sick leave.

~~If, after carrying over the allowed two weeks of vacation, additional hours from the previous year remain, up to 40 hours (or 72 hours for 24 hour shift employees) will be converted to sick leave.~~

~~Any vacation leave that exceeds the above noted rollover allowance will be forfeited. The City does not provide payout for forfeited vacation leave. Once forfeited, the hours are removed from the official record and are no longer considered accrued.~~

Additional Provisions:

- Official holidays occurring during vacation leave will be counted as holiday leave, not as vacation leave.
- Vacation leave does not accrue for overtime hours.
- Vacation leave does not accrue and cannot be used while an employee is placed on suspension, pursuant to the City's corrective action policy.
- An employee, who in the normal scope of their job handles City monies, is required to take one (1) continuous work week of vacation leave during the calendar year. **This requirement applies to positions with cash handling or financial responsibilities, including, but not limited to:**
 - accounts payable,
 - payroll,
 - purchasing,
 - procurement,
 - bank reconciler,
 - maintain accounting records or general ledger entries
 - process utility payments or customer accounts
 - administer credit cards or purchasing cards
 - has authority to create vendors or approve payments.
 - manage grants or federal funds.
 - have significant system administrator privileges over financial systems.
- An employee whose employment with the City is terminated (voluntarily or involuntarily— including retirement) may receive pay for any vacation leave which has accrued but is unused up to the date of termination.
- An employee whose employment is terminated voluntarily or involuntarily, on or before the expiration of their new hire probationary period will not be eligible for and will not receive any pay out for vacation leave.
- Any employee who leaves employment before the 15th day of the month shall not earn accruals for the month.

Recordkeeping

The City payroll office will keep the official records of vacation leave accrual and use. If a reporting error is discovered in the official records, a correction of the error will be made only for the ninety (90) calendar days immediately preceding notification of such error to the Human Resources Office, unless otherwise required by law.

Consequences of Policy Violation

Employees are expected to follow all procedures and requirements outlined in the Vacation Leave Policy. Failure to comply may result in corrective or disciplinary action, depending on the seriousness and frequency of the violation, in accordance with the City's Corrective Action policy.

Related Information or Procedures:

N/A

Other Provisions:

Nothing in this policy should be construed to conflict with or supersede state or federal law, or as interfering with the constitutional rights of employees.

While the City is committed to the principles embodied in this policy, the policy itself is not intended to state contractual terms and does not constitute a contract between the City and its employees. This policy supersedes all policies that conflict with the terms of this policy. Furthermore, this statement constitutes only the policy of the City. A finding of a violation of this policy does not mean that the conduct violates state and/or federal laws.

Contacts

The Human Resources Office can address questions regarding this Policy: Phone: (423) 229-9401, HROffice@kingsporttn.gov