

**CALIFORNIA INSTITUTE OF TECHNOLOGY  
STAFF PERSONNEL MEMORANDA**

<b>Subject:</b>  <b>Paid Time Off for Benefit Based Employees</b>	<b>Memo No. 15-2</b> <b>Pages: 9</b> <b>Date: February 1, 2024</b>
Approved by: Julia M. McCallin, Associate Vice President for Human Resources and Chief Human Resources Officer (CHRO)	

(This supersedes Memo No.15-2, dated June 17, 2022)

**1.0 GENERAL INFORMATION**

The Institute provides various types of paid time off such as vacation, sick leave, holidays. The Institute Personnel Memoranda, Other Leaves of Absence, Military Leaves and Employee Medical and Family Care Leaves provide information about other types of leaves, including bereavement, some of which are paid.

**2.0 ELIGIBILITY**

Paid time off applies only to regular benefit based employees and benefit based temporary employees who are regularly scheduled to work twenty (20) hours or more per week.

**3.0 VACATION**

**3.1** The Institute provides vacation to eligible employees so they can take time for rest and relaxation. The Institute encourages employees to take vacation annually.

**3.2 Vacation Accruals**

Eligible employees will begin accruing vacation upon the first day of employment.

Eligible employees on the bi-weekly payroll at Campus, and eligible employees at JPL who are not on the Fixed Vacation Plan, accrue vacation at the rates described below up to a maximum of 320 hours.

Employees accrue at rates determined by length of service and scheduled hours per week. The following rates are based on a scheduled forty (40) hour workweek. An eligible employee scheduled to work twenty (20) hours or more, but less than forty (40) hours a week, will accrue vacation at a proportionate rate.

- From the first month through the end of the fourth year of employment, 1.25 day (10 hours) per month.
- Upon completion of the fourth year through the end of the ninth year, 1.5 day (12 hours) per month.
- Upon completion of the ninth year and thereafter, 1.75 day (14 hours) per month.

Employees do not receive additional accrual for working in excess of forty (40)

hours per week.

**a. Employees on the Bi-Weekly Payroll at Campus in designated job classifications**

Campus employees in the following job classifications, who are on the bi-weekly payroll, accrue vacation time at the rate of 1.75 days (14 hours) per month, regardless of years of service, up to a maximum of 320 hours:

- Management, B and above
- Individual Contributor, Senior and above
- Legal Services in the Office of General Counsel
- Licensing Services in the Office of Technology Transfer and Corporate Partnerships
- Corporate and Foundation Relations in the Office of Technology Transfer and Corporate Partnerships
- Major Gifts in Advancement and Alumni Relations
- Investments in the Investment Office

**b. Employees on the Monthly Payroll at Campus and on the Fixed Vacation Plan at JPL**

Campus staff employees on the monthly payroll and JPL Employees on the Fixed Vacation Plan are entitled to take 21 days (168 hours at JPL prorated for part-time assignments) of vacation per calendar year. For JPL, the hourly equivalent is translated from days to hours as this is how JPL identifies these hours to be properly recorded for administrative purposes.

Each January 1 of the calendar year, these employees are credited with vacation not to exceed 21 days (or 168 hours). An employee may not receive nor have a balance of more than 21 days (or 168 hours) of vacation at any time. Any midyear hires or newly eligible employees are awarded with vacation not to exceed 21 days or 168 hours for that calendar year. At JPL, newly eligible employees who work less than a full-time schedule will receive a prorated fixed vacation balance at the time of election.

**3.3 General**

Vacation requests are subject to manager approval. Efforts will be made to accommodate employee requests to take vacation.

Employees are responsible for accurately recording vacation time taken.

Campus employees on the monthly payroll should notify their supervisor, or designee, of vacation hours used. Campus employees on the monthly payroll are responsible for keeping accurate records tracking vacation time taken using the employee's standard timekeeping method.

Managers are required to consider organizational needs in evaluating vacation requests, such as whether the vacation requested is during peak work periods or

when management determines there is insufficient coverage within the department.

Employees cannot take vacation in advance of accrual.

An employee cannot take leave without pay (LWOP) when vacation accruals are available.

Vacation will not accrue during any unpaid portion of a leave of absence from the Institute.

Paid holidays falling within a vacation period will not be charged against vacation accrual.

Vacation accruals are used to supplement Paid Family Leave benefits, state disability benefits or workers' compensation benefits and when sick leave has been exhausted.

Vacation and sick leave may be integrated with state disability insurance benefits, paid Family Leave benefits, short term disability or workers' compensation benefits to a combined amount of no more than the employee's weekly gross pay and to the extent allowed by law. A lump sum payment of accrued vacation may not be made except at the time of termination, at the onset of a Personal Leave of Absence, or at the onset of a leave covered by the Institute's long term disability insurance plan.

An employee retains their vacation balance when transferring within the Institute, including between Campus and JPL.

Vacation accruals may only be used on a regularly scheduled workday.

Overtime eligible employees at Campus and hourly/overtime eligible employees at JPL may use pre-approved vacation in partial or full day increments not to exceed the employee's regularly scheduled workday. Exempt employees at Campus and weekly employees at JPL record vacation in full day increments unless on an approved FMLA/CFRA leave.

Vacation payment is made at the employee's base rate of pay in effect at the time of vacation usage or termination. Payment includes applicable shift premiums and allowances authorized at the time of vacation or employee termination. Payment is based on the regularly scheduled number of hours per week from twenty (20) to forty (40), unless otherwise provided for in other Caltech policies.

Vacation is not considered as time worked when computing overtime pay for non-exempt employees at Campus and hourly/overtime eligible employees at JPL.

### **3.4 Vacation Payment at Terminations, including at retirement**

At the time of termination of employment, including at retirement, an employee will be paid all accrued or credited but unused vacation at their base rate of pay in effect and, any applicable shift premiums and allowances.

In compliance with IRS regulations, vacation paid at termination is treated as a supplemental wage payment and taxed in accordance with state and federal tax withholding tables.

## **4.0 SICK LEAVE**

**4.1** The Institute provides sick leave for eligible employees to use during absence from work due to their own illness or injury or exposure to contagious diseases, or for family members as described below.

### **4.2 Sick Leave Accrual**

Sick leave will not accrue during the unpaid portion of a leave of absence from the Institute.

An employee cannot take sick leave in advance of accrual nor leave without pay when sick leave accruals are available.

#### **Employees on the Bi-Weekly Payroll:**

Eligible employees will begin accruing sick leave upon their first day of employment.

Sick leave will accrue at eight (8) hours per month for employees on a forty (40) hour a week work schedule and a proportionate rate for employees on a work schedule of less than forty (40) hours per week. Accrual maximum: 960 hours.

#### **Employees on the Monthly Payroll at Campus:**

Campus staff employees on a forty (40) hour a week work schedule and who are paid on the monthly payroll may take up to six (6) months of paid sick leave in a rolling twelve (12) month period.

### **4.3 The use of sick leave is authorized in the following situations:**

When an employee requires time off from work for diagnosis, care, or treatment of an employee's existing health condition; preventive care; when an employee has been exposed to a contagious disease which may endanger the health of others; Organ Donor Leave or Bone Marrow Donation.

In addition, sick leave may be used by an employee who is a victim of domestic violence, sexual assault, or stalking, for the following purposes:

(1) To seek medical attention for injuries caused by crime or abuse.

(2) To obtain services from a domestic violence shelter, program, rape crisis center, or victim services organization or agency as a result of the crime or

abuse.

(3) To obtain psychological counseling or mental health services related to an experience of crime or abuse.

(4) To participate in safety planning and take other actions to increase safety from future crime or abuse, including temporary or permanent relocation.

(5) To participate in judicial proceedings when the employee or their family member is a victim of, or witness to, a crime.

Sick leave may also be used to care for a family member who is ill or needs medical diagnosis, treatment, or preventative care. A family member includes the employee's spouse, domestic partner, sibling, child (including an adult child and child of a registered domestic partner), parent, parent in-law, grandparent, grandchild, or designated person\* requiring the employee's assistance.

When an employee on the bi-weekly payroll qualifies for a family care leave under the Family Medical Leave Act/California Family Rights Act (FMLA/CFRA), the employee may use accrued sick leave. The definition of family member under FMLA is limited to dependent children, employee's spouse, or parent. CFRA includes those defined under FMLA plus adult children and children of a registered domestic partner, registered domestic partner, siblings, parent in-law, grandparent, grandchild, or designated person\*.

A Registered Domestic Partner is defined as domestic partnership where both persons file a Declaration of Domestic Partnership with the Secretary of State, and, at the time of filing, all of the domestic partnership requirements are met.

Applicable state laws will be followed as appropriate if you reside and work in a State other than California.

A written statement from a health care provider may be requested by the Institute to verify the employee's need to miss work or to confirm a release to return to work. In cases where the employee is off work for a period of five (5) or more workdays, a statement from a health care provider will be required and the formal leave process will begin. Additional information is in the Employee Medical and Family Care Leaves Personnel Memorandum.

*To adhere to state and/or federal regulations, all medical documentation should be forwarded to Human Resources and not retained in department files.*

Sick leave should be charged when a Campus overtime eligible employee or an hourly/overtime eligible employee at JPL takes a full or partial day absence for a medical or dental appointment.

Sick leave and vacation may be integrated with state disability insurance benefits, paid family leave benefits, short term disability or workers' compensation benefits to a combined amount of no more than the employee's weekly gross pay and to the extent allowed by law.

Exempt employees at Campus and weekly employees at JPL record absences in full day increments except while on leave under the Family and Medical Leave

Act (FMLA) or the California Family Rights Act (CFRA).

- 4.4 An employee retains their sick leave balance when changing benefit eligibility status, or transferring within the Institute, including between Campus and JPL.
- 4.5 An employee's sick leave balance is not payable when an employee changes status from benefit-based to non-benefit based, or upon termination except as provided below.

*\*Allowed once each rolling 12-month period*

#### **4.6 Reporting Sick Time**

An employee is responsible for reporting their sick leave absence to their manager or designee before the start of their scheduled work shift or as soon as possible. When reporting the absence, the employee must distinguish whether the absence is for themselves, or that of a family member or designated person.

Employees are responsible for accurately recording sick time taken.

#### **4.7 Payment Basis**

Payment for sick leave will be based on the employee's regular rate of pay in effect at the time of sick leave usage. Payment will include any shift premium or allowances in effect at the time the leave is taken.

Payment is based on the regularly scheduled number of hours per week from twenty (20) to forty (40), unless otherwise provided for in other Institute policies. Combined work time and paid sick leave cannot exceed the employee's regular daily schedule of hours, unless otherwise provided for in the Institute's policies.

Paid sick leave cannot exceed an employee's regularly scheduled hours for any one (1) workweek or workday. For example, if an employee's regular schedule is thirty-two (32) hours per week, sick leave usage will not exceed thirty-two (32) hours or if an employee's regular schedule is six (6) hours per day, sick leave usage will not exceed six (6) hours.

Sick leave taken during a regular workweek is not considered as time worked when computing weekly overtime pay for non-exempt employees at Campus and hourly/overtime eligible employees at JPL.

Paid holidays falling within a sick leave period will not be charged against sick leave accrual.

#### **4.8 Termination and Retirement Credit for Unused Sick Leave**

Unused sick leave will not be paid to the employee at the time of termination.

The sick leave balance for a former Institute employee, who completed the introductory period and is re-employed within twelve (12) months of their

voluntary termination date will be restored to the balance at the time of termination.

The sick leave balance for a former Institute employee who is laid off and re-employed within 24 months will be restored to the balance at the time of termination.

#### **4.9 Retirement Credit for Unused Sick Leave**

When an employee on the bi-weekly payroll meets the criteria to retire from the Institute with retiree benefits immediately prior to retirement, the employee can elect from the options noted below. If such an employee dies while actively employed, their applicable beneficiary(ies) will receive any sick leave credit per option one.

Option 1: To receive a sick leave credit paid in cash as part of the retirement process. Retirement credit is based on a percentage of unused sick leave hours. Contact Human Resources for specific information about the credit calculation.

Option 2: If eligible, to direct a portion of their Retirement Sick Leave Credit payment to a Tax Deferred Account (TDA) up to the maximum allowed by law. Individuals who take a retirement credit (as indicated above) and who are re-employed will start their sick leave balance at zero.

Option 3: If eligible, choose a combination of option 1 and option 2.

Campus staff employees on the monthly payroll do not receive a sick leave retirement credit. For additional information regarding sick leave credit, contact Human Resources.

### **5.0 Holidays**

**5.1** The Institute provides a total of 13 holidays annually to eligible employees based on the percentage of the employee's full time equivalent<sup>1</sup> schedule as of date of use. The ten listed below are consistent from year to year.

- New Year's Day
- Martin Luther King Day
- President's Day
- Memorial Day
- Juneteenth
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Day

In addition to the holidays above, the Institute designates two other holidays on the annual holiday schedule ("floating holidays") and a personal holiday.

#### **5.2 Eligibility**

Benefit based employees are eligible for holiday pay.

Employees who are on an unpaid leave of absence are not eligible to receive holiday pay during their leave of absence.

### **5.3 Personal Holiday**

The annual Personal Holiday is intended for use by eligible employees for personal reasons such as religious observances, birthdays, and so forth. This holiday:

Must be scheduled in advance by the employee and authorized by the employee's manager and must be taken in a full day increment.

Is paid at the employee's base rate of pay in effect at the time of personal holiday usage.

Is limited to one day per calendar year and is paid based on the percentage of the employee's full time equivalent<sup>1</sup> schedule as of date of use.

When an employee is on a leave of absence, the personal holiday will be paid after the employee's available sick leave and vacation accruals have been exhausted.

At the end of the calendar year, an unused personal holiday will be transferred into the employee's vacation accruals to the extent permitted by the Institute's Vacation policy.

<sup>1</sup> *Full time equivalent means scheduled weekly hours divided by five business days.*

### **5.4 Holiday Observance**

When a holiday falls on Sunday, it will typically be observed on the following Monday. When a holiday falls on Saturday, it will typically be observed on the preceding Friday, but in either case only one day will be considered a holiday.

When a holiday falls within the time granted for vacation or other leave with pay, the day will still be considered a holiday and will not be charged against the employee's vacation or other paid leave time.

### **5.5 Payment for Overtime Eligible Employees at Campus and Hourly/Overtime Eligible Employees at JPL**

Payment for holidays will be made for the day's regularly scheduled number of hours at straight time at the employees' base rate of pay. Paid holidays will not be considered as time worked when computing overtime pay.

If an observed Institute holiday occurs on an employee's scheduled day off or if the employee is otherwise required by the Institute to work on the holiday, the holiday should be observed on a scheduled workday as approved by the employee's manager and Human Resources at Campus and the employee's

manager at JPL. If taking an alternative day off is not possible with the same pay period at Campus or within the same workweek at JPL, the employee will be paid straight-time hours based on the employee's full time equivalent<sup>1</sup> schedule.

Time worked on a holiday must be reported using the employee's standard timekeeping method. Pay includes shift premium and allowances.

#### **5.6 Payment for Exempt Employees at Campus and Weekly Employees at JPL**

On an observed Institute holiday, eligible employees will receive a day off with regular holiday pay.

If an observed Institute holiday occurs on an employee's scheduled day off or if the employee is otherwise required by the Institute to work on the holiday, at management's discretion, the employee will be scheduled to take the holiday on an alternative workday within the same pay period or the employee will be paid for the holiday the equivalent of one day's pay.

Payment for the holiday will not count in calculating Extended Work Week pay.

#### **6.0 Exceptions**

Any exception to this Personnel Memorandum requires the approval of the Associate Vice President for Human Resources or their designee for Campus employees, or the Director for Human Resources at JPL or their designee for JPL employees.

#### Related Policies

[Employee Medical and Family Care Leaves](#)

[Other Leaves of Absence](#)

[Employee Timekeeping](#)

[Terminations](#)

[Hours of Work](#)

[Non-Exempt Alternative Work Schedule \(AWS\) – Campus](#)

[Alternative Work Schedule \(AWS\) - JPL](#)

[Benefits Handbook \(Summary Plan Description\)](#)