

City of Milwaukee
Department of Employee Relations
Vacation & Transitional Vacation Account (TVA) Guidelines
Effective Pay Period 07 - March 17, 2013 *REVISED* April 23, 2013

1) AUTHORITY: Milwaukee Code of Ordinances (MCO) 350 – 40

2) DEFINITIONS

- a) **Biweekly Vacation Accrual** – Vacation accounting procedure in which the payroll system automatically calculates the amount of vacation accrual based upon the time paid in the pay period and the employee’s number of years of active service.

Accrual Rate	Total Hours	Maximum Hours	Years of Active Service
3.7 hours per pay period	96	176	less than 4 years
5.3 hours per pay period	136	216	at least 4 years but less than 9 years
6.8 hours per pay period	176	256	at least 9 years but less than 14 years
8.4 hours per pay period	216	296	at least 14 but less than 21 years
9.9 hours per pay period	256	336	at least 21 years

Employees who work an average of 20 hours per week on a year-round basis in a position which is budgeted as half-time or more will earn vacation on a prorated basis.

- b) **Active Service** - Continuous time spent as an appointed employee on the city payroll in a position qualifying for fringe benefits, including straight time worked, paid time off, military leave and mandatory furlough time.
- c) **Vacation Frozen Anniversary Date** - The date an employee completes their initial full 12 months of active service in a position qualifying for fringe benefits following a regular appointment. The Frozen Anniversary Date is based on a calendar year, and will be adjusted for any time employee is off the payroll, except for furlough time or military leave.
- d) **Transitional Vacation Account** - The Transitional Vacation Account or TVA is an account established on the payroll system to facilitate a change in the vacation accrual system as determined by the Department of Employee Relations (DER). TVAs are created and maintained according to DER Guidelines (MCO 350-40-3-a-1-i). TVA balances are determined by applying the current monthly vacation rate to the number of service months from each employee’s Frozen Anniversary Date (FAD) through the end of the year prior to the transition. In addition, prior year carryover vacation is added to this amount. There is no time limit for using up the TVA balance. TVA hours are paid out at time of separation unless an employee is terminated or discharged.
- e) **Pay Period Year** - The 26 or 27 pay periods comprising the city’s fiscal year. Utilization of vacation time is based upon an annual pay period year.
- f) **Maximum Vacation Balance** - The maximum amount of vacation benefit that employees may maintain in their vacation account, excluding TVA hours. The maximum vacation balance is based upon the biweekly vacation accrual plus 80 hours. Once an employee reaches the maximum amount of vacation that can be banked, no additional vacation will be added to the account until some vacation has been used.

3) DEPARTMENTAL AUTHORITY & RESPONSIBILITY - MCO 350-40-8

- a) Departments will determine when vacation periods will be granted and how vacation may be selected, considering the efficient operation of the department and the convenience of the employees. Where no operational disruptions are created, seniority shall be considered for vacation selection.
- b) Departments shall clearly communicate the process for scheduling or picking vacation periods. At the discretion of the department head, an employee may borrow up to 80 hours of vacation before it is earned in the pay period year. Work rules can not mandate that an employee utilize existing comp time or TVA hours before being allowed to borrow vacation. Departments may be justified in denying a request to borrow vacation hours in situations where there are staffing shortages, workload issues or where continued employment is questionable.

4) SCHEDULING VACATION & TVA HOURS – MCO 350-40-4

- a) It is the employee's responsibility to follow departmental rules and policies for scheduling vacation and TVA hours.
- b) New employees are eligible to use earned vacation benefits immediately upon employment.
- c) At the discretion of the department head, an employee may borrow up to 80 hours of vacation before it is earned in the pay period year. The department makes the decision based on business and operational needs with the expectation of an employee's continued employment. An employee is not entitled to any greater vacation time with pay than that which he or she is expected to earn in that pay period year. In no case, may an employee's vacation account balance exceed 80 negative hours.
- d) Annual Reconciliation of Borrowed Vacation - When the number of vacation hours an employee takes in a pay period year exceeds the number of hours that the employee earns in that year, TVA balances will be reduced by the total hours of borrowed vacation as of PP 26 or 27. Such adjustments will be made in PP 2 of the following year. Employees without TVA balances will schedule only the vacation hours they will earn in the next pay period year. Please see the following examples.

Example A:

Employees with a negative vacation balance who also have a TVA balance at the end of the pay period year will have the negative vacation balance deducted from the TVA balance.

PP 26, 2013 **TVA Balance** = 80 hours & **Vacation Balance** (042) = - 20 hours

PP 02, 2014 **TVA Balance** = 60 (80-20 = 60)

Example B:

Employees with a negative vacation balance and without TVA balance at the end of the pay period year will only be allowed to schedule the vacation that will be earned during the next pay period year.

An employee without a vacation or TVA balance who earns 3 weeks of vacation, is approved for a 2 week vacation beginning January 1, an unexpected emergency arises and the employee requests and is approved to take another 2 weeks in August.

PP 01, 2013 **TVA Balance** = 0 hours & **Vacation Balance** (042) = 0 hours

PP 26, 2013 **TVA Balance** = 0 hours & **Vacation Balance** (042) = - 40 hours

In 2014, the employee will only be allowed to schedule 2 weeks of vacation.

5) EARNED VACATION BENEFITS UPON SEPARATION

Any employee who leaves the service of the city due to resignation, retirement, layoff or death or who takes military leave will have the compensation for vacation time owed the city deducted from the final paycheck or will be paid for earned vacation time that has accumulated. Discharged employees are not entitled to pay for accumulated vacation time. (MCO 350-40-4)

6) VACATION BALANCE MONITORING

- a) Accuracy - It is the employee's responsibility to monitor his or her vacation balance and to receive proper approval before taking vacation time. If an employee questions the accuracy of the vacation balance, please contact your payroll clerk. If the matter is still unresolved, contact Labor Relations staff, Nicole Fleck at 286-3371 or Victoria Robertson at 286-2105.
- b) Management oversight – It is the responsibility of the employee's supervisor to ensure the employee follows the departmental vacation procedures and that proper reporting of time worked and time off is reviewed and approved every pay period.