

## Rice University Policy No. 405

### PAID TIME OFF

#### I. General Policy

Rice University grants staff members who are eligible for benefits an amount of paid time off (also known as PTO or benefit time) during which an employee may be absent for any reason, including vacation, personal business, illness, or religious holidays. The university encourages employees regularly to use their PTO in order to increase productivity, job satisfaction, work-life balance and overall retention.

The use of paid time off must be scheduled in advance with supervisors, who approve requests according to departmental workload and available staffing levels. In the event of sudden illness or emergency when there is no opportunity for advance scheduling, the employee's supervisor should be notified as soon as possible and preferably before the normal time that the employee would begin work.

The manner in which employees use and track PTO depends upon their Fair Labor Standards Act (FLSA) status – either exempt or non-exempt. Non-exempt employees are paid on an hourly basis and are entitled to overtime pay when they work more than 40 hours in one week; exempt employees are salaried and are not eligible for overtime. Under no circumstances is compensatory (comp) time permitted for either non-exempt or exempt employees.

#### II. Roles and Responsibilities

**Exempt benefits-eligible employees** take paid time off in full-day increments and track paid time off used via Esther's online Paid Time Off (PTO) reporting. The employee should enter paid time off used on a monthly basis and submit to the supervisor for review and approval. The supervisor will subsequently perform the review and approval process on a monthly basis. Esther will also report the employee's cumulative record of paid time off accumulation, use, adjustments, and available balance.

**Non-exempt benefits-eligible employees** take paid time off in hour or half-hour increments and track paid time off used via Esther's web time entry (WTE) timesheet. The supervisor reviews and approves paid time off used as part of reviewing the overall timesheet. Esther will also report the employee's cumulative record of paid time off accumulation, use, adjustments, and available balance.

**Part-time benefits-eligible employees** accumulate paid time off according to the percentage of a full year they regularly work. For example, a non-exempt person who works 20 hours a week all year (50 percent of full time) would accumulate 84 hours a year if he or she had worked at Rice for more than five years but less than ten years. An exempt person who works 20 hours a week all year (50 percent of full time) would accumulate 10.5 days if he or she had worked at Rice less than ten years.

**New benefits-eligible employees** accumulate paid time off beginning with the first pay period worked. However, paid time off accumulated during the first six months of employment is not vested until the first six months of employment has been completed. With supervisor approval, accumulated paid time off may be taken in the first six months of employment, but if the employee terminates during the first six months, any paid time off taken will be deducted from the final paycheck. Once the employee reaches six months of employment, the

accumulated paid time off is vested with the employee and may be used as approved by the supervisor.

**Supervisors** are responsible for approving and monitoring the appropriate use of paid time off.

**Human Resources** is responsible for keeping records of time used, and periodically reviewing the administration of this benefit.

### **III. Elaboration of Policy**

#### **A. Basis of Paid Time Off Accumulation**

An employee accumulates paid time off in units of either days (for exempt staff) or hours (for non-exempt staff). The employee's designation as either exempt or non-exempt is classified by the Fair Labor Standards Act (FLSA) overtime provisions. The rate of accumulation also depends on the seniority date, which takes into account all full years of any prior benefits-eligible service at Rice University in a benefits-eligible position.

In order to accumulate paid time off for any given pay cycle, the employee must work or be on paid time off (other than short term disability leave or Workers Compensation) at some point during that pay cycle (semi-monthly for exempt staff, bi-weekly for non-exempt staff).

On a staff member's anniversary of employment, he or she may carry forward a maximum of one year's accumulated paid time off. He or she then begins accumulating additional days or hours of paid time off.

Postdoctoral research associates (postdocs), regardless of their length of service, accumulate paid time off at the same rate as other exempt staff members with less than 10 years of service. The postdoc must exhaust all paid time off prior to the end date of the appointment specified in the current appointment letter. If a postdoctoral research associate's current appointment letter specifies a term beyond one year, the postdoc may carry forward a maximum of one year's accumulated paid time off, with the understanding that all paid time off must be used by the end date of his or her current appointment; any extensions, renewals, or subsequent appointments reset the amount of accumulated paid time off to zero.

#### **B. Pay Cycle Accrual**

The schedule of paid time off accumulation for full-time employees is as follows:

| <b>NON-EXEMPT STAFF</b>                        |   |  |
|--|---|--|
| Length of continuous benefits-eligible service | Paid time off hours accumulated per employment year | Non-exempt employee bi-weekly accumulation |
| 0 – 5 years                                    | 128 hours   | 4.925 hours                                |
| 5 – 10 years                                   | 168 hours   | 6.465 hours                                |
| 10 + years                                     | 208 hours   | 8.000 hours                                |

| <b>EXEMPT STAFF</b>                            |  |   |
|--|--|---|
| Length of continuous benefits-eligible service | Paid time off days accumulated per employment year | Exempt employee semi-monthly accumulation |
| 0 – 10 years                                   | 21 days  | 0.875 days                                |
| 10 + years                                     | 26 days  | 1.085 days                                |

**C. Coordination with Short-Term Disability Program**

In the case of major illness or injury (not work related), the elimination period (first five days of leave) is covered with available paid time off, or a combination of paid time off and unpaid leave. If the individual does not have any paid time off available, the first five days will be unpaid. Thereafter, short-term disability coverage, if available, may be used according to the provisions of that program (see Policy No. 423). If a holiday or recess occurs during the first five days, it is counted as paid time off and not as holiday or recess pay. Staff members do not get extra holiday or recess time for missed holidays or recess time while on leave (even if using paid time off during the elimination period). Staff cannot use paid time off to supplement their pay while on short-term disability pay.

**D. Payout of Paid Time Off at Termination**

Effective July 1, 2012, the payout of unused paid time off to a staff member (other than a postdoctoral research associate as described in IIIA above) with at least six months of continuous benefits-eligible service who terminates from Rice for any reason will be no more than one year’s accumulation based on FTE and years of service (e.g., a maximum of 26 days, or 208 hours, for a full-time staff member with fifteen years of service.) Staff members on research grants are eligible for the payout of unused paid time off. However, if the grants from which they are paid do not allow the payout of terminal paid time off, principal investigators and departments must identify another appropriate source of funds for the payout.

**E. Policy Implementation**

This policy is effective immediately. Staff members who had 20 or more years of service on January 1, 1993, or were in the 20th year of Rice employment on that date, are entitled to an accumulation rate of 31 paid time off days each year; and upon termination of employment, these staff members may receive a maximum payout of 31 days of unused paid time off.

**IV. Cross Reference to Related Policies**

- Rice University Policy 403, Benefits Eligibility
- Rice University Policy 415, Holiday Policy
- Rice University Policy 423, Short-Term Disability Policy
- Rice University Policy 438, Research Positions

**V. Responsible Official and Key Offices Regarding this Policy**

Responsible Official: Vice President of Administration  
Associate Vice President for Human Resources

Key Offices: Human Resources, Payroll Office

**VI. Links to Additional Information**

[Human Resources Paid Time Off information page](#)

*Signed David W. Leebron*  
David W. Leebron, President

Policy History

Revised: January 10, 2017; February 17, 2011