



**POLICY: 6Hx28:3F-02**

**Responsible Executive:**

Vice President, Organizational  
Development and Human Resources

**Policy Contacts:**

**Specific Authority:** 1001.64, F.S.

**Law Implemented:** 1001.64, F.S.

**Effective Date:** 12-12-2018

**Date of Last Policy Review:**

12-12-2018

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## **Terminal Pay for Full-Time Employees**

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**Policy**

**Statement:**

Terminal pay for unused sick leave accumulated at, or transferred to, Valencia College and unused vacation leave accumulated at Valencia College will be paid to a full-time employee who separates from employment at the college or to the employee's beneficiary if service is terminated by death. In addition, eligible full time 12-month employees who transfer to a position at the College that is not eligible for sick and/or vacation leave shall be paid terminal pay for earned but unused leave upon transition to the new position. All terminal pay shall be paid out in accordance with applicable Florida law and procedures as adopted and implemented by the President or designee(s).

In lieu of payment at the time of separation, employees electing to participate in the Florida Retirement System (FRS) Deferred Retirement Option Program (DROP) may elect to be paid for unused vacation leave in accordance with this policy effective the day preceding the DROP begin date. Employees electing such lump-sum payment will not be eligible to receive a second lump-sum payment upon separation, except to the extent that they have earned additional vacation leave which combined with the original payment does not exceed the lump-sum payment allowed under this policy.

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## **Policy**

### **History:**

Adopted 7-11-73; Amended 1-19-83; Amended 2-17-82; Amended 7-11-84; Amended 6-15-88; Amended 11-18-92; Amended 10-18-95; Amended 5-20-98; Amended 9-16-98; Amended 3-17-99; Amended 11-20-01; Amended 11-2-16; Amended 12-12-18; Formerly 6Hx28:7-11; Formerly 6Hx28:07-32

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## **Related**

### **Documents/Policies:**

College Policy 6Hx28:3F-01 Outprocessing of Employees  
College Policy 6Hx28:3C-14, 401(a) Qualified Retirement Plan  
6Hx28:3C-15 403(b) Qualified Retirement Plan

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## **Procedures:**

Full-time employees are eligible to receive terminal pay benefits based on their respective positions as instructional employees, educational support employees, and employees other than educational support.

- I. Terminal Pay Provisions for All Full-time Employees
  - A. Terminal pay for employees will be calculated based on the employment category of the employee at the time of separation or at the time of transfer to a position that is not eligible for one or more leave types.
  - B. For purposes of calculating terminal pay, a year of service will be credited when the employee serves one day more than one-half of the number of days in the contract year or fiscal year, whichever is applicable, or the equivalent.
  - C. To calculate the daily rate of pay for terminal payments
    1. For eight-month employees – divide the base contracted rate by 160
    2. For ten-month employees – divide the annual rate by 194
    3. For twelve-month employees – divide the annual rate by 228
  - D. If an employee receives terminal pay benefits based on unused sick leave, the unused sick leave credit will become invalid; however, if an employee separates

employment without receiving terminal pay benefits and is reemployed by the College, the employee's unused sick leave credit will be reinstated.

- E. Sick and vacation leave terminal pay payments to employees separating from the college will be made after successful completion of outprocessing in accordance with policy 6Hx28:3F-01 Outprocessing of Employees.

## II. Terminal pay Provisions for Instructional Employees

(Instructional employees are full-time classroom professors filling 8-month, 10-month, or 12-month positions and librarians and counselors filling 12-month positions.)

### A. Terminal pay for instructional employees hired on or before June 30, 1988

#### 1. Sick leave terminal pay

- a. Until being credited with four years of service, the daily rate of pay multiplied by 35 percent times the number of days of accumulated and unused sick leave.
- b. After being credited with four years of service, the daily rate of pay multiplied by 40 percent times the number of days of accumulated and unused sick leave.
- c. After being credited with seven years of service, the daily rate of pay multiplied by 45 percent times the number of days of accumulated and unused sick leave.
- d. After being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days of accumulated and unused sick leave.

#### 2. Vacation leave for 12-month instructional employees

- a. The daily rate of pay multiplied by the number of accumulated and unused vacation days, not to exceed 30 days

### B. Terminal Pay Provisions for instructional employees hired between July 1, 1988 and June 30, 1995

#### 1. Sick leave terminal pay

- a. Until being credited with five years of service, no terminal pay benefits will be paid for accrued and unused sick leave.

- b. After being credited with five years of service, the daily rate of pay multiplied by 25 percent times the number of days of accumulated and unused sick leave.
- c. After being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days of accumulated and unused sick leave.

2. Vacation leave terminal pay for 12-month instructional employees

- a. Until being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days accumulated and unused vacation leave not to exceed 30 days.
- b. After being credited with ten years of service, the daily rate of pay multiplied by 100 percent times the number of days accumulated and unused vacation leave not to exceed 30 days.

C. Terminal Pay Provisions for Instructional Employees hired on or after July 1, 1995

1. Sick leave terminal pay

- a. Until being credited with five years of service, no terminal pay benefits will be paid for accrued and unused sick leave.
- b. After being credited with five years of service, the daily rate of pay multiplied by 25 percent times the number of days of accumulated and unused sick leave.
- c. After being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days of accumulated and unused sick leave.

2. Vacation leave terminal pay for 12-month instructional employees

- a. Until being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days accumulated and unused vacation leave not to exceed 30 days.
- b. After being credited with ten years of service, the daily rate of pay multiplied by 100 percent times the number of days accumulated and unused vacation leave not to exceed 30 days.

### III. Terminal Pay Provisions for Educational Support Employees

(Educational Support Employees are Staff employees in positions formerly classified as Career Service)

#### A. Terminal pay for Educational Support Employees hired on or before June 30, 1988

##### 1. Sick leave terminal pay

- a. Until being credited with four years of service, the daily rate of pay multiplied by 35 percent times the number of days of accumulated and unused sick leave.
- b. After being credited with four years of service, the daily rate of pay multiplied by 40 percent times the number of days of accumulated and unused sick leave.
- c. After being credited with seven years of service, the daily rate of pay multiplied by 45 percent times the number of days of accumulated and unused sick leave.
- d. After being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days of accumulated and unused sick leave.

##### 2. Vacation leave terminal pay

- a. The daily rate of pay multiplied by the number of accumulated and unused vacation days, not to exceed 30 days

#### B. Terminal Pay Provisions for Educational Support Employees hired between July 1, 1988 and June 30, 1995

##### 1. Sick leave terminal pay

- a. Until being credited with five years of service, no terminal pay benefits will be paid for accrued and unused sick leave.
- b. After being credited with five years of service, the daily rate of pay multiplied by 25 percent times the number of days of accumulated and unused sick leave.

- c. After being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days of accumulated and unused sick leave.

2. Vacation leave terminal pay

- a. Until being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days accumulated and unused vacation leave not to exceed 30 days.
- b. After being credited with ten years of service, the daily rate of pay multiplied by 100 percent times the number of days accumulated and unused vacation leave not to exceed 30 days.

C. Terminal Pay Provisions for Educational Support Employees hired on or after July 1, 1995

1. Sick leave terminal pay

- a. Until being credited with five years of service, no terminal pay benefits will be paid for accrued and unused sick leave.
- b. After being credited with five years of service, the daily rate of pay multiplied by 25 percent times the number of days of accumulated and unused sick leave.
- c. After being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days of accumulated and unused sick leave.

2. Vacation leave terminal pay

- a. Until being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days accumulated and unused vacation leave not to exceed 30 days.
- b. After being credited with ten years of service, the daily rate of pay multiplied by 100 percent times the number of days accumulated and unused vacation leave not to exceed 30 days.

IV. Terminal Pay Provisions for Employees Other than Educational Support Employees

(Employees Other than Educational Support Employees are Staff employees in positions formerly classified as Professional; and employees in positions classified as Administrative and Executive Management)

A. Terminal Pay Provisions for Employees Other than Educational Support hired on or before June 30, 1988, excluding sick leave days accrued after June 30, 2001

1. Sick leave terminal pay

- a. Until being credited with four years of service, the daily rate of pay multiplied by 35 percent times the number of days of accumulated and unused sick leave.
- b. After being credited with four years of service, the daily rate of pay multiplied by 40 percent times the number of days of accumulated and unused sick leave.
- c. After being credited with seven years of service, the daily rate of pay multiplied by 45 percent times the number of days of accumulated and unused sick leave.
- d. After being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days of accumulated and unused sick leave.

2. Vacation leave terminal pay

- a. The daily rate of pay multiplied by the number of accumulated and unused vacation days, not to exceed the following:
  - i. Executive Management: 30 days (62 days at time of retirement/DROP only)
  - ii. Administrative employees other than executive management: 30 days (45 days at time of retirement/DROP only)

3. Staff employees formerly known as Professional: 30 days

B. Terminal Pay Provisions for Employees Other than Educational Support hired between July 1, 1988 and June 30, 1995, excluding sick leave days accrued after June 30, 2001

1. Sick leave terminal pay

- a. Until being credited with five years of service, no terminal pay benefits will be paid for accrued and unused sick leave.
- b. After being credited with five years of service, the daily rate of pay multiplied by 25 percent times the number of days of accumulated and unused sick leave.
- c. After being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days of accumulated and unused sick leave.

## 2. Vacation leave terminal pay

- a. Until being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days accumulated and unused vacation leave not to exceed the number of days in the categories listed below:
  - i. Executive Management: 30 days  
(62 days at time of retirement/DROP only)
  - ii. Administrative Employees: 30 days  
(45 days at time of retirement/DROP only)
  - iii. Staff Employees (in positions formerly classified as Professional): 30 days
- b. After being credited with ten years of service, the daily rate of pay multiplied by 100 percent times the number of days accumulated and unused vacation leave not to exceed the number of days in the categories listed below:
  - i. Executive Management: 30 days  
(62 days at time of retirement/DROP only)
  - ii. Administrative employees: 30 days  
(45 days at time of retirement/DROP only)
  - iii. Staff Employees (in positions formerly classified as Professional): 30 days



C. Terminal Pay Provisions for Employees Other than Educational Support hired on or after July 1, 1995, excluding sick leave days accrued after June 30, 2001

1. Sick leave terminal pay

- a. Until being credited with five years of service, no terminal pay benefits will be paid for accrued and unused sick leave.
- b. After being credited with five years of service, the daily rate of pay multiplied by 25 percent times the number of accumulated and unused sick leave which shall not exceed a maximum of 60 days.
- c. For unused sick leave accumulated prior to July 1, 1995 and subsequently reinstated or transferred to the college will be paid in accordance with the appropriate provisions listed in this policy.

2. Vacation leave terminal pay

- a. Until being credited with ten years of service, the daily rate of pay multiplied by 50 percent times the number of days accumulated and unused vacation leave not to exceed the number of days in the categories listed below:
  - i. Executive Management: 30 days  
(62 days at time of retirement/DROP only)
  - ii. Administrative Employees: 30 days  
(45 days at time of retirement/DROP only)
  - iii. Staff employees (in positions formerly classified as Professional): 30 days
- b. After being credited with ten years of service, the daily rate of pay multiplied by 100 percent times the number of days accumulated and unused vacation leave not to exceed the number of days in the categories listed below:
  - i. Executive Management: 30 days  
(62 days at time of retirement/DROP only)
  - ii. Administrative Employees: 30 days  
(45 days at time of retirement/DROP only)

- iii. Staff employees (in positions formerly classified as Professional): 30 days

D. Terminal Pay Provisions for Sick Leave days accrued after June 30, 2001, for Employees Other than Educational Support

1. For unused sick leave accumulated before July 1, 2001, terminal pay shall be made pursuant to rules or policies of the District Board of Trustees, which were in effect on June 30, 2001.
2. For unused sick leave accumulated on or after July 1, 2001, terminal pay may not exceed an amount equal to one-fourth (1/4) of the employee's unused sick leave or 60 days of the employee's pay, whichever amount is less.
3. If the employee had an accumulated sick leave balance of 60 days or more on June 30, 2001, sick leave earned after that date may not be accumulated for terminal pay purposes until the accumulated leave balance as of June 30, 2001, is less than 60 days.

V. Terminal Pay Provisions for Employees filling Grant-Funded Positions

- A. Employees filling grant-funded positions will not be paid terminal pay benefits unless the grant includes funding for this purpose and is approved by the president or a designee(s).

VI. Terminal Pay Provisions for Employees entering or in the Florida Retirement System Deferred Retirement Option Program (DROP)

- A. Terminal vacation and sick leave payments made to eligible participants as defined in 6Hx28:3C-14, 401(a) Qualified Retirement Plan and 6Hx28:3C-15 403(b) Qualified Retirement Plan, are required to be contributed to the 401(a) and 403(b) plans to the maximum extent permitted by Federal tax laws and college policy. Terminal pay calculations are based on the employee's leave balances and salary in effect on the date of the mandatory payments. These mandatory payments include:

1. Sick Leave Terminal Pay for DROP participants

- a. Payments made to all eligible participants each June 30. A minimum balance of 30 days of personal sick leave shall be retained in the employee's account until the employee separates from the college or ends DROP, whichever occurs first, at which time all remaining terminal pay payments will be paid.

2. Vacation Leave Terminal pay for DROP participants

- a. Payments made to DROP participants the day prior to the DROP begin date, if the employee elects to do so, and/or on the date of separation for any remaining terminal pay payments.
  - b. Payments to DROP participants who did not elect vacation leave payment prior to entering DROP will be paid on the date of separation.
3. Remaining terminal pay payments will be made to DROP participants on the date of separation.
- B. After the maximum contributions have been paid into the 401(a) and/or 403(b) plan(s) for the plan year, remaining sick leave and vacation leave balances will be carried over for payment in a subsequent plan year, unless the employee separates from the college. If the employee does separate from the college, payments for remaining sick and vacation leave balances will be made directly to the employee subject to FICA and federal income taxes.

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**Procedure History:**

Adopted 7-11-73; Amended 1-19-83; Amended 2-17-82; Amended 7-11-84; Amended 6-15-88; Amended 11-18-92; Amended 5-20-98; Amended 3-17-99; Amended 11-2-16; Amended 10-19-2017; Amended 12-12-2018; Formerly 6Hx28:7-11; Formerly 6Hx28:07-32

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**Date of Last Procedure Review:** 12-12-2018