



Responsible Official:  
Vice President, Organizational Development and  
Human Resources

Specific Authority: 1001.64, F.S.  
Law Implemented: 1001.64, F.S.

Effective Date: 11-20-2001

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## **Terminal Pay**

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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 terminates his or her employment at the College, or to his or her beneficiary if service is terminated by death, in accordance with the following provisions. In lieu of payment at the time of termination, employees electing to participate in the 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 termination, 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.

- I. Terminal pay for Faculty, Career Service, Professional, and Administrative employees, excluding leave days accrued by Executive Management employees after June 30, 2001.
  - A. Terminal pay for employees hired on or before June 30, 1988
    1. Sick Leave
      - 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

The daily rate of pay multiplied by the number of accumulated and unused vacation days, not to exceed the following:

- a. Executive Management:  
30 days (62 days at time of retirement/DROP only)
- b. Administrators, other than executive management:  
30 days (45 days at time of retirement/DROP only)
- c. All other twelve-month employees:  
30 days

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

### 1. Sick Leave

- 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

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 and 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 following:

- a. Executive Management:  
30 days (62 days at time of retirement/DROP only)
- b. Administrators, other than executive management:  
30 days (45 days at time of retirement/DROP only)

- c. All other twelve-month employees:  
30 days

C. Terminal pay for faculty and career service employees hired on or after July 1, 1995

1. Sick Leave

- 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

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

D. Terminal pay for professional and administrative employees hired on or after July 1, 1995

1. Sick Leave

- 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. Sick leave accumulated prior to July 1, 1995, and subsequently reinstated or transferred to the college, will be paid in accordance with Paragraph B above.

2. Vacation Leave

Until 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 vacation leave and after being credited with ten years of service,

the daily rate of pay multiplied by 100 percent times the number of days of accumulated and unused vacation leave, not to exceed the following:

- a. Executive Management:  
30 days (62 days at time of retirement/DROP only)
  - b. Administrators, other than executive management:  
30 days (45 days at time of retirement/DROP only)
  - c. All other twelve-month employees:  
30 days
- II. Terminal pay for sick leave accrued by employees in the executive management pay grade after June 30, 2001.
- A. For sick leave accrued before July 1, 2001, terminal pay shall be made in accordance with the provisions of Paragraph I above.
  - B. For sick leave accrued 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.
  - C. If the employee has 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.
- III. Terminal pay provisions to all employees
- A. Terminal pay for employees hired on or after July 1, 1995, will be calculated based on the employment category of the employee at the time of termination.
  - 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/fiscal year, or the equivalent.
  - C. The daily rate for ten-month employees is determined by dividing the annual rate for ten months by 194; the daily rate for twelve-month employees is determined by dividing the annual rate for twelve months by 228.
  - D. Terminal pay for employees filling grant-funded positions
    1. Employees filling grant-funded positions hired on or before June 30, 1988, will be paid terminal pay benefits as provided in the employee's employment contract.

2. Employees filling grant-funded positions hired on or after July 1, 1988, will not be paid terminal pay benefits unless the grant includes funding for this purpose and is approved by the president or a designee.

- E. If an employee receives terminal pay benefits based on unused sick leave, the unused sick leave credit will become invalid; however, if an employee terminates employment without receiving terminal pay benefits and is reemployed by the College, the employee's unused sick leave credit will be reinstated.
  - F. Employees who are retiring from the College may be eligible for additional retirement incentive benefits under Policy 6Hx28:3C-12 Retirement Incentive Program.
  - G. Effective March 31, 1999, terminal vacation and sick leave payments made to eligible participants as defined in 6Hx28:3C-14, 401(a) Qualified Retirement Plan, are required to be contributed to the 401(a) plan 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. Terminal Vacation Leave
      - a. Payments made to DROP participants the day prior to the DROP begin date and/or on the date of separation.
      - b. Payments made to all other eligible participants on the date of separation.
    - 2. Terminal Sick Leave
      - 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.
      - b. Remaining payments made to eligible participants on the date of separation.
- IV. After the maximum contributions have been paid into the 401(a) plan 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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**Procedures:**

- I. Employees will call the human resources office for an appointment to complete the necessary application materials to receive terminal pay benefits.

- II. Upon receipt of the DROP Notice of Election form completed by the employee, DROP participants who elect to do so will be paid terminal vacation pay the day preceding the DROP begin date.
- III. Terminal sick and vacation leave payments to employees separating from the college will be made after the employee completes outprocessing in accordance with Policy 6Hx28:3F-01 Outprocessing of Employees.

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**Related Documents/Policies:**

None

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**Policy History:**

Adopted 7-11-73; Amended 1-19-83; Formerly 6Hx28:7-11; 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; Formerly 6Hx28:07-32

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**Procedure History:**

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