

BUSINESS & FINANCE

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Policies & Procedures

4 Payroll

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4.3.6 Process Payroll Separation Vacation and Sick Leaves

Policy Statement

Employees accrue vacation and sick leave based on their type of appointment. When an employee terminates employment, the accrued and unused vacation and 50% of compensable sick leave hours, if applicable, are paid to them at the employee's current rate of pay averaged for multiple jobs.

Procedure

To process payroll separation vacation and sick leaves:

1. Plan ahead. Because the separation process is complex and involves non-Payroll offices, it can take longer to complete than most adjustments.
2. Process an HRFE transaction to end the job. Forward the transaction to the Office of Human Resources for them to complete. Include the reason for separation, the last day worked, and the last pay period the employee is paid.
3. Submit a payroll adjustment to University Payroll and Benefits (UPB) for the accrued vacation and sick leave due the employee. Balances to pay must agree with the PEALAV form in Banner. Accrued vacation pay is subject to Federal and State tax, Medicare, and SURS withholding. Compensable sick leave is subject to Federal, State, and Medicare tax withholding.
4. The HR Front End and payroll adjustment will trigger the required report of termination to SURS. SURS will not process a retirement request, "roll over" of funds to another pension account, or a refund without the termination report from the University of Illinois System.

Related Policies and Procedures

4.1.5 Handle
Unclaimed
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4.2.2 Report Tip
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4.3.1 Adjust an
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4.3.2 Process
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4.3.4 Correct
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4.3.5 Submit
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4.3.6 Process
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**Vacation and
Sick Leaves**

Business and Finance

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