

Leave Carryover Rules

Policy Number: HR-LOA-011 **Effective Date:** January 1, 2019 **Last Updated:** December 1, 2023 **Owner:** People Operations **Applies To:** All employees globally

Purpose

This document outlines the rules for carrying over unused leave from one calendar year to the next at NovaTech Solutions.

Annual Leave Carryover

United States

Employee Level	Annual Entitlement	Maximum Carryover
Individual Contributor (L1-L3)	20 days	5 days
Senior IC / Manager (L4-L5)	25 days	7 days
Director+ (L6+)	Unlimited PTO	N/A

Key Rules: - Unused leave up to the carryover maximum transfers to January 1 of the following year - Carried-over days must be used by **March 31** - Days not used by March 31 are forfeited - Leave exceeding the carryover maximum is forfeited on December 31

United Kingdom

Category	Maximum Carryover	Use-By Date
Contractual leave (25 days)	5 days	March 31
Bank holidays	Cannot carry over	N/A

UK statutory requirements mandate a minimum of 8 days carryover. NovaTech's 5-day policy applies to the contractual 25 days, separate from the 8 statutory bank holidays.

India

Leave Type	Maximum Carryover	Use-By Date
Earned Leave (24 days)	10 days	No expiry*
Casual Leave	0 days	N/A

*India earned leave may accumulate up to a maximum of 30 days total. Leave beyond 30 days is forfeited.

Carryover Calendar

Date	Action
November 1	HR sends leave balance reminders
December 1	Final reminder with forfeit warning
December 31	Carryover calculation executed
January 1	New balances visible in Workday
March 31	Carryover days expire (US/UK)

Checking Your Carryover Balance

1. Log in to Workday
2. Navigate to Time Off > Time Off Balance
3. View “Carryover Balance” column
4. Carryover days are used first before new year accrual

Exceptions to Carryover Limits

Extended Leave Exception

Employees returning from extended leave (parental, medical, sabbatical) who couldn't use leave before year-end may request an exception:

- Submit request to HR by December 15
- Include leave dates and remaining balance
- Exception requests reviewed case-by-case
- Maximum extended carryover: 10 days additional

Business-Critical Exception

If business needs prevented an employee from taking leave:

- Manager must submit exception request
- Must demonstrate specific business reason
- VP approval required
- Maximum extended carryover: 5 days additional

How to Request an Exception

1. Email leave@novatech.com with subject “Carryover Exception Request”
2. Include: current balance, carryover amount requested, reason
3. Copy your manager
4. Submit by December 15 for same-year carryover

Carryover and Termination

Resignation/Termination Before March 31

- All unused leave (including carryover) is paid out per local regulations
- US: Paid at regular rate
- UK: Paid at regular rate
- India: Per statutory requirements

Termination After March 31

- Forfeited carryover is not paid out
- Only current year accrued balance is paid

Leave Types That Do Not Carry Over

The following leave types expire at year-end with no carryover:

Leave Type	End of Year Treatment
Sick Leave	Forfeited (resets to full entitlement)
Floating Holidays	Forfeited
Bereavement Leave	N/A (as-needed basis)
Jury Duty Leave	N/A (as-needed basis)

Unlimited PTO and Carryover

Employees on Unlimited PTO (Director level and above) do not have carryover because there is no balance to carry over. However: - Minimum 15 days must be taken annually - HR monitors utilization and may reach out if minimum not met - See Unlimited PTO Guidelines (HR-LOA-015) for details

Manager Responsibilities

Encouraging Leave Usage

- Monitor team leave balances quarterly
- Proactively encourage employees with high balances to take leave
- Plan for team coverage to enable leave-taking
- Discuss leave plans in regular 1:1s

Year-End Planning

- Review team balances in November
- Ensure fair access to Q4 leave dates
- Approve leave requests promptly to enable planning

Handling Forfeit Situations

- If an employee forfeits significant leave, discuss with HR
- Document any business-critical reasons
- Plan to prevent recurrence next year

Frequently Asked Questions

Q: What happens to my carryover if I change roles mid-year? A: Carryover transfers with you. Your new entitlement level applies going forward.

Q: Can I cash out leave instead of carrying over? A: No, leave cannot be cashed out during employment (except at termination).

Q: What if I have a leave request pending at year-end? A: Pending requests are processed normally. If approved for January, your balance will show the deduction.

Q: Does carryover count toward my new year balance maximum? A: No, carryover is tracked separately and must be used by March 31.

Q: What happens to carryover if I go on parental leave in Q1? A: Contact HR for an exception request. Carryover expiration may be extended.

Contact

For questions about leave carryover, contact People Operations at leave@novatech.com or via #ask-hr on Slack.

Related Documents: Annual Leave Policy (HR-LOA-001), Unlimited PTO Guidelines (HR-LOA-015), Leave Request Procedures (HR-LOA-010)