

# Annual Leave Policy

**Policy Number:** HR-LOA-001 **Effective Date:** January 1, 2019 **Last Updated:** January 15, 2024 **Owner:** People Operations **Applies To:** All full-time employees globally

## Purpose

This policy outlines the annual leave (vacation) entitlements for NovaTech Solutions employees and the procedures for requesting and taking leave.

## Annual Leave Entitlements

### 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

\*Unlimited PTO requires minimum 15 days taken annually. See Unlimited PTO Guidelines (HR-LOA-015).

### United Kingdom

All UK employees receive 25 days annual leave plus 8 bank holidays, in accordance with UK employment law. Maximum carryover is 5 days.

### India

All India employees receive 24 days of earned leave plus 12 public holidays. Leave accumulation follows local statutory requirements.

## Accrual

- Leave accrues monthly at a rate of 1/12 of annual entitlement
- New employees accrue leave from their start date
- Leave accrual is prorated for mid-year starts
- Employees on unpaid leave do not accrue annual leave

## **Requesting Leave**

1. Submit leave requests via Workday at least 2 weeks in advance for requests of 3+ days
2. Shorter notice may be acceptable for 1-2 days with manager approval
3. Requests of 2+ consecutive weeks require 30 days notice
4. Manager approval required for all leave requests
5. Approval should be received within 3 business days of submission

## **Blackout Periods**

Certain teams may have blackout periods during critical business times (e.g., end of quarter for Sales, major releases for Engineering). Managers will communicate blackout periods at least 60 days in advance.

## **Leave Carryover**

- Unused leave up to the carryover maximum may be carried into the next calendar year
- Carried-over leave must be used by March 31
- Leave beyond the maximum will be forfeited on December 31
- Exceptions require VP approval and HR notification

## **Leave Cash-Out**

- Annual leave cannot be cashed out during employment
- Unused accrued leave will be paid out upon termination (where legally permitted)
- Maximum payout is capped at 30 days

## **Part-Time Employees**

Part-time employees receive prorated leave based on their FTE percentage. A 0.5 FTE employee in a role with 20 days entitlement receives 10 days.

## **Interaction with Other Leave Types**

- Annual leave may be taken consecutively with other leave types (parental, medical) with manager approval
- Annual leave does not accrue during unpaid leave
- See Parental Leave Policy (HR-LOA-003) and Medical Leave Policy (HR-LOA-004) for details

## **Manager Responsibilities**

- Respond to leave requests within 3 business days
- Ensure adequate team coverage during employee absences
- Monitor team leave balances to encourage usage
- Address any leave abuse concerns with HR

## **Tracking and Reporting**

- All leave balances are visible in Workday under “Time Off”
- Managers can view team leave calendars in Workday
- HR provides quarterly reports to managers on team leave utilization

## **Contact**

For questions about this policy, contact People Operations at [leave@novatech.com](mailto:leave@novatech.com) or via #ask-hr on Slack.

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*Related Documents: Sick Leave Policy (HR-LOA-002), Parental Leave Policy (HR-LOA-003), Leave Request Procedures (HR-LOA-010), Public Holidays (HR-LOA-020/021/022)*