ACME Corp - Employee Leave Policy

Effective Date: January 1st, 2024 (Supersedes policy dated March 15th, 2022)

1. Introduction  
   This document outlines the leave policy for all full-time employees at ACME Corp. Our goal is to provide a fair and flexible leave system that supports work-life balance. This policy applies to all permanent staff members. The finance department has a separate annex for contractor leave, which is not covered here. Total operating budget for employee benefits in 2023 was $500,000.
2. Annual Paid Leave  
   2.1. All full-time permanent employees are entitled to 22 working days of paid annual leave per calendar year.  
   2.2. Leave accrues on a pro-rata basis for employees joining or leaving mid-year.  
   2.3. Employees with over 5 years of continuous service receive an additional 3 days, making their total annual entitlement 25 working days. For instance, an employee completing 5 years on June 1st would get a pro-rated portion of these additional days for the current year.
3. Leave Carry-Over  
   3.1. Previous Policy (Prior to Jan 1st, 2024): Employees were allowed to carry over a maximum of 8 unused annual leave days to the following calendar year. These carried-over days had to be used by March 31st of that year.  
   3.2. New Rule (Effective Jan 1st, 2024): To encourage timely utilization of leave, the maximum number of unused annual leave days that can be carried over to the next calendar year is now 4 days.  
   3.3. Carried-over leave under the new rule must be utilized by June 30th of the following year. Any unused carried-over leave after this date will be forfeited.
4. Leave Application  
   4.1. All leave requests must be submitted through the "HRConnect" portal at least two (2) weeks in advance, except in cases of emergency.  
   4.2. Line manager approval is required for all leave requests. Verbal approvals are not considered official.
5. Sick Leave  
   5.1. Employees are entitled to 7 days of paid sick leave per year, supported by a medical certificate for absences longer than 2 consecutive days.  
   5.2. Unused sick leave cannot be carried over or encashed. It resets at the beginning of each calendar year.
6. Special Leave Types  
   6.1. Bereavement Leave: Up to 3 days of paid leave for the loss of an immediate family member.  
   6.2. Maternity Leave: 16 weeks of paid leave.  
   6.3. Paternity Leave: 2 weeks of paid leave.  
   6.4. Further details on special leave types are available in the "HR Special Leave Addendum" document (Ref: HR/SL/002), not this one.
7. Leave Balance Calculation  
   7.1. Your current leave balance is calculated as: (Total Annual Entitlement + Carried-Over Leave from Previous Year) - Leave Taken This Year.  
   7.2. For example, if an employee with 22 days entitlement carried over 3 days, and has taken 5 days so far, their current balance is (22 + 3) - 5 = 20 days.
8. Impact of the New Carry-Over Rule  
   The primary impact of the new carry-over rule (Section 3.2) is a reduction in the maximum transferable leave from 8 days to 4 days. This change aims to promote better planning and utilization of annual leave throughout the year. Employees are encouraged to plan their leave well in advance to avoid forfeiture. The finance team confirmed this change has no direct impact on the overall benefits budget allocation.
9. Contact  
   For any clarifications regarding this policy, please contact the HR Department at [hr@acmecorp.com](https://www.google.com/url?sa=E&q=mailto%3Ahr%40acmecorp.com) or extension 123.