

# Employee Leave Assistant Policy

## 1. Introduction and Purpose

This policy outlines the various types of leaves available to employees and the procedures for availing and encashing them. The purpose of this policy is to provide clear guidelines regarding employee absences, ensure fairness, and support work-life balance while maintaining operational efficiency.

## 2. Scope

This policy applies to all full-time employees of ABC Company, unless otherwise specified in individual employment contracts or local regulations.

## 3. Types of Leaves

The following leave types are available to eligible employees:

### 3.1. Annual Leave (AL) / Earned Leave (EL)

- **Definition:** Paid leave granted for rest and recreation.
- **Accrual:** Employees accrue 1.5 days of Annual Leave for every 1 month of service, totaling 18 days per year.
- **Eligibility:** Available after completing 6 months of continuous service.
- **Maximum Accumulation:** A maximum of 45 days of Annual Leave can be accumulated. Any leave beyond this limit will lapse if not utilized or encashed as per policy.
- **Application:** Must be applied for at least 10 days in advance, subject to manager approval and business exigencies.

### 3.2. Sick Leave (SL)

- **Definition:** Paid leave granted for an employee's illness or injury.
- **Accrual:** Employees are entitled to 7 days of Sick Leave per calendar year.
- **Maximum Limit:** The maximum Sick Leave an employee can avail is 7 days per calendar year.
- **Eligibility:** Available from the date of joining.
- **Medical Certificate:** For absences exceeding 3 consecutive days, a valid medical

certificate from a registered medical practitioner is mandatory.

- **Non-Accumulative:** Sick Leave is non-accumulative and lapses at the end of each calendar year.

### 3.3. Casual Leave (CL)

- **Definition:** Paid leave granted for unforeseen personal matters or short-term emergencies.
- **Accrual:** Employees are entitled to 5 days of Casual Leave per calendar year.
- **Maximum Limit:** The maximum Casual Leave an employee can avail is 5 days per calendar year.
- **Eligibility:** Available from the date of joining.
- **Application:** Should be applied for as soon as possible, ideally with prior notification to the manager.
- **Non-Accumulative:** Casual Leave is non-accumulative and lapses at the end of each calendar year.

### 3.4. Maternity Leave

- **Definition:** Paid leave granted to female employees for childbirth and childcare.
- **Duration:** As per the prevailing local labor laws (e.g., 26 weeks for the first two children). This duration is the maximum limit for maternity leave.
- **Eligibility:** As per the prevailing local labor laws (e.g., completed 80 days of service in the 12 months preceding the date of expected delivery).
- **Application:** Must be applied for with appropriate medical documentation and notification to HR.

### 3.5. Paternity Leave

- **Definition:** Paid leave granted to male employees upon the birth or adoption of a child.
- **Duration:** 5 days per child. This duration is the maximum limit for paternity leave.
- **Eligibility:** Available from the date of joining. Must be taken within 6 months of the child's birth or adoption.
- **Application:** Must be applied for with appropriate documentation (e.g., birth certificate).

### 3.6. Bereavement Leave

- **Definition:** Paid leave granted to employees upon the death of an immediate family member (spouse, child, parent, sibling).
- **Duration:** 3 days per instance. This duration is the maximum limit for bereavement leave per instance.

- **Eligibility:** Available from the date of joining.
- **Application:** Notification to manager and HR as soon as possible.

### 3.7. Sabbatical Leave (Unpaid)

- **Definition:** Extended period of unpaid leave for personal development, education, or other significant life events.
- **Eligibility:** Available to employees who have completed 5 years of continuous service.
- **Duration:** Minimum of 3 months, maximum of 12 months. The maximum duration for sabbatical leave is 12 months.
- **Approval:** Subject to management approval, business needs, and a formal application process. Terms and conditions will be outlined in a separate agreement.

## 4. Leave Application Procedure

1. All leave requests must be submitted through the designated HR system (HR Portal).
2. Employees must apply for leave as per the notice periods specified for each leave type.
3. All leaves require approval from the immediate manager. For extended leaves, HR approval may also be required.
4. In case of unforeseen circumstances (e.g., sudden illness), employees must notify their manager and HR as soon as possible, followed by a formal leave application.

## 5. Leave Encashment Details

### 5.1. Eligibility for Encashment

- Only Annual Leave (AL) / Earned Leave (EL) is eligible for encashment.
- Employees must have a minimum balance of 15 days of Annual Leave to be eligible for encashment.
- Encashment is typically allowed once per calendar year or upon separation from the company.

### 5.2. Encashment Calculation

- Leave encashment will be calculated based on the employee's basic salary at the time of encashment.
- Formula:  $(\text{Monthly Basic Salary} / 30) * \text{Number of Days to be Encashed}$
- Any applicable taxes will be deducted from the encashment amount.

### 5.3. Encashment Limits

- A maximum of 10 days of Annual Leave can be encashed in a calendar year.
- Upon resignation or retirement, all accumulated and unutilized Annual Leave (up to the maximum accumulation limit) will be encashed as part of the full and final settlement.

## 6. General Provisions

- **Public Holidays:** Public holidays declared by the company or government are not counted as leave days.
- **Leave Year:** The leave year for accrual and utilization purposes is January 1st to December 31st.
- **Carry Forward:** Unutilized Annual Leave can be carried forward up to the maximum accumulation limit mentioned in Section 3.1. Other leave types generally cannot be carried forward.
- **Unauthorized Absence:** Any absence without prior approval or valid notification will be considered unauthorized absence and may lead to disciplinary action.

## 7. Policy Review

This policy will be reviewed periodically by the HR department and management to ensure compliance with legal requirements and alignment with company objectives. Any amendments will be communicated to all employees.

**ABC Company**

**July 16, 2025**