NEBRASKA AdministrativeServices

LEAVE ADJUSTMENT PROCEDURE – ROLL-OVER(PART 1)

DESCRIPTION:

State Accounting control procedures are used to automatically roll-over employee sick leave balances at calendar year-end; conversely the Agency control procedures are used to adjust the employee's carry over leave balances at the calendar year-end for both sick and vacation leave. The purpose of these procedures are to ensure that each employee does not carry over more leave hours at the end of each calendar year than entitled by statute or labor contract.

State Accounting cannot adjust individual employee leave balances for the following reasons:

a. The system cannot determine how the leave used and reported on the time cards in the first pay period in January should be allocated between December and January. This problem is caused because the leave reported in the first few pay periods in January, may include both December and January leave used, depending on each agency's pay period cutoff date. In addition, leave used is one month in arrears for monthly employees, so the leave used in December will not be reported until January. Consequently, the appropriate carry over balance cannot be determined until that time.

b. Occasionally, employees may be allowed to carry over more than the maximum vacation leave allowed. Consult the Nebraska Classified System Personnel Rules and Regulations, the appropriate Labor Contract or Agency Policy to determine if any may be carried over.

After all December payrolls have finalized, and before any January payrolls begin processing, State Accounting will process leave rollover.

A new accrual history record will be created by the leave rollover process. A beginning balance is calculated based on the following formula:

Add:	Beginning Balance at the start of the current calendar year.
Add:	Total hours accrued for the current calendar year completed.
Subtract:	Total hours used, paid, or donated for the current calendar year completed.
Equals:	Beginning Balance for the next calendar year.

RESPONSIBILITY:

State Accounting.

PROCEDURE FREQUENCY:

After December payrolls have finalized; and before January begin processing each year.

SPECIAL PROCEDURE CONDITIONS:

None.

NEBRASKA AdministrativeServices

LEAVE ADJUSTMENT PROCEDURE – AGENCY (PART 2)

DESCRIPTION:

The Agency control procedures are used to adjust the employee's carry over leave balances based on calendar year usage. The purpose of these procedures are to ensure that each employee does not carry over more leave hours at the end of each calendar year than entitled by statute or labor contract.

State Accounting is responsible for the leave roll over process in the system. In the case of sick leave, for those employee groups limited to 1440 hour balance, the balance will be automatically rolled back to 1440 hours. State Accounting will notify agencies by email after the leave roll over has been completed. The roll over for biweekly and monthly agencies may occur at different times, so be sure to note if the email is for biweekly or monthly payrolls.

PROCEDURE STEPS:

After the leave roll over process is completed, all agencies must examine all employees on the Leave Report for the last pay period of the calendar year just completed.

Agencies are responsible for making adjustments to leave balances. It is recommended any adjustments be completed as soon as possible after agencies receive notice that State Accounting has performed the leave roll over. Agencies must perform the following tests after the roll over is completed:

A. Vacation Leave

The vacation leave total Beginning Balance for all employees cannot be greater than 280 hours (35 days x 8 hours per day) for each employee. In accordance with State Accounting Policy #30, if the ending balance at the end of the calendar year is greater than 280 hours, the agency must make an adjustment by following the Leave Adjustment instructions. An audit trail should be documented indicating why the change was made and showing the status before and after the change

To determine the vacation leave adjustment that must be made at the end of the calendar year, the following formula must be used:

Start with: Beginning Balance of vacation leave for the new calendar year (which is the same as the "Available" balance on the Leave Report for the last pay date in December).

Subtract: Total vacation leave allowed (280 hours as per Personnel Rules and Regulations and Bargaining Unit contracts for classified positions and only hours earned for the year for non-classified positions, except when an Agency has adopted a policy allowing the balance to be in excess of one year's earnings, not to exceed 280 hours).

Subtract: Vacation leave used between the date of the last pay period paid in December and January 1. (For monthly employees, this amount would be December leave usage, as leave is reported one month in arrears.)

Equals: Total hours that the Beginning Balance must be reduced, if a positive number (if the result is zero or negative, no adjustment is necessary).

See examples in the table below to assist you in determining vacation leave adjustments.

	Employee 1	Employee 2	Employee 3	Employee 4
Balance on last leave report for year	272	288	296	344
State Accounting will adjust balance to	272	280	280	280
Number of hours leave balance reduced	0	8	16	64
Leave hours taken in December, recorded in January	8	8	24	40
Increasing adjustment to be completed by agency	no action	8	16	40

B. Sick Leave

B.1. For NAPE and SLEBC employees, unlimited accumulation of sick leave is allowed.

B.2. For all other employees, the sick leave total Beginning Balance cannot be more than 1,440 hours for each employee in all positions. State Accounting will automatically roll the balance back to 1440 hours if the balance is greater than that amount as of their last pay date in December.

As explained above, before any sick leave adjustments are made, ensure all applicable employees have had their leave balances rolled back to 1440 hours as of the last pay date in December.

To determine if any sick leave adjustment must be made to calendar year end balances, you must review the Leave Report for the last pay date of December. Then determine if any sick leave was taken between the last pay period date in the prior year through December 31. If no sick leave was taken, no further action must be taken,

If sick leave was taken, the following formula must be used:

Start with: the "Available" balance on the Leave Report for the last pay date in December.

ADD: sick leave hours used (as defined above) to the 1440 hours, **but the sum of these two numbers cannot exceed the "Available" hours on the Leave Report for the last pay date in December.**

To continue the sick leave calculation, please review the following examples:

See examples in the table below to assist you in determining sick leave adjustments.

	Employee 1	Employee 2	Employee 3	Employee 4
Balance on last leave report for year	1420	1460	1500	1460
State Accounting will adjust balance to	1420	1440	1440	1440
Number of hours leave balance reduced	0	20	60	20
Leave hours taken in December, recorded in January	40	40	64	10
Increasing adjustment to be completed by agency	no action	20	60	10

C. Compensatory Time

C.1. Examine the compensatory time Beginning Balance for the calendar year completed, and apply any internal policies developed on compensatory leave carry over (none are required by Statute)

RESPONSIBILITY:
All agencies, boards, and commissions that have leave balances in NIS. Please contact State Accounting if there are questions about this procedure.

PROCEDURE FREQUENCY:
After December 31 of each calendar year and after notification from State Accounting that the leave roll over process has occurred.

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