

# Extending Resignation or Retirement with Vacation or Banked Leave

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## Frequently Asked Questions:

**Q. Does the new policy include banked sick leave?**

A. No

**Q. Is the maximum of 30 days calendar days or working days?**

A. It is a maximum of 30 calendar days.

**Q. Can banked leave and vacation hours be combined to extend employment more than 30 days?**

A. The time may be a combination of banked leave and vacation hours, but the maximum amount of time which employment may be extended by banked leave and vacation time is 30 calendar days.

**Q. How does an employee “prove” that they had prior approval to extend their employment with banked leave or vacation hours more than 30 calendar days prior to July 8, 2019?**

A. Prior approval would need to be proved by the supervisor who approved it. Employees who have approval prior to July 8, 2019 would include employees who are already using their banked leave, having left the institution, but still on payroll through an agreed-upon date. It may also include employees for whom we have already received their resignation/retirement notice from them and/or their supervisor stating their upcoming end date, stating they are using their banked leave to extend their end date, and stating their actual end date. In almost all cases, the employee and/or supervisor has already been in contact with human resources early in the process, so we are already aware of the approved, upcoming resignation/retirement.

**Q. How is the lump sum payout of banked leave and vacation hours taxed?**

A. The lump sum payout of banked leave and vacation hours is taxed per the regular payroll tax withholdings as selected by the employee during the regular payroll run.

**Q. Will the employee be required to pay the taxes when they file taxes?**

A. The W-2 will show the payout and the related withholdings. Like all income, the employee is responsible for filing their taxes and paying what is shown as due on the tax return, if any.