THIS POLICY IS LEGALLY DESIRABLE

SAMPLE VACATION PAY POLICY

ABC Company provides each full-time employee with paid vacation time as one of the many ways we show our appreciation for your loyalty and continued service. Eligible employees accrue vacation based on their length of service, according to the following schedule:

1. At the end of the first year of service, one week (40 hours) of vacation.
2. Two years or more but less than five years of service, two weeks (80 hours) of vacation per year.
3. Five years or more but less than 10 years of service, three weeks (120 hours) of vacation per year.
4. Ten years or more of service, four weeks (160 hours) of vacation per year.

Regular part time employees earn vacation on their employment anniversary date, prorated based on their normally scheduled hours compared to a regular 40-hour workweek. For instance, a regular, part time employee who usually works 20 hours per week would earn half the vacation time available to a full-time employee (20 hours as opposed to 40) upon completing the first year of service.

Vacation does not accrue between employment anniversary dates and may not be taken until it is earned. Vacation time must be used within the 12-month period after it is earned and may not be carried over past the employee’s next anniversary date. For instance, an employee with two-weeks' vacation as of his or her third anniversary date must use the two weeks prior to his or her fourth anniversary date. Any time not used by the next anniversary date will not be carried over.

Employees are not entitled to pay in lieu of time off for vacation, except that terminating employees, other than those terminated for cause, will be paid for all earned, unused vacation. Employees terminated for cause will forfeit any earned but unused vacation.