Leave Accruals, Usage, and Balance

Overview of process

Overview

The purpose of this presentation is to explain the leave accrual and usage process in the Payroll & Personnel System (PPS) and the relationship between CalTime and PPS.

Topics that will be covered

- Leave Eligibility
- Leave Accrual
- Leave Usage
- Adjustments to leave
- Reporting

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Eligibility and Leave Code

Eligibility requirements for leave accruals are based on union contracts and policy which can be found on the Human Resource website:
http://hrweb.berkeley.edu/labor/contracts

- Employee is assigned a leave code based on the number of years service and leave eligibility

The leave code is setup in the employee job record in the Human resource system (HCM). The leave code and employee record passes to the payroll system nightly and will appear in the IAPP screen in the payroll system.

Leave Accruals

Leave Accruals in PPS occur in two ways:

Automated

- The Payroll system will calculate accruals based on the employees hours on pay status

Manual Entries

- The Timekeeper will process a manual leave adjustment in the payroll system to adjust vacation, sick, comp-time or paid time off.
- Compensatory time accruals must be sent by the CalTime system or manually entered in the Payroll system. The payroll system does not calculate compensatory time accruals.

Leave Accruals

The UC Berkeley calculates leave accruals using two methods:

1. Factor leave Accrual Method

The factor leave accrual method is used **for both non-academic exempt and non-exempt** eligible staff employees. This method multiples a factor rate against the employees hours on pay status to determine the amount of leave accrued.

Accrual Type	Hours on Pay Status		Factor rate		Leave Accrued
Vacation	160	X	.057692	=	8.653800
Sick Leave	160	X	.046154	=	6.923100

Note Factor rate depends years of service.

2. Table Accrual Method

The table leave accrual method is used **for academic appointees**. This method takes the employees percentage of time on pay status and an accrual amount is granted on a range. In the example below, if employee works 85% of the month he would get 9 hours of accrual.

Number of Hours on Pay Status				Percent of Time on Pay Status	Hours of Vacation Earned
160-Hr. Month [2]	168-Hr. Month [2]	176-Hr. Month [2]	184-Hr. Month [2]		
136 - 151	143 - 159	150 - 167	157 - 174	85 - 94	9
152 - 160	160 - 168	168 - 176	175 - 184	95 - 100	10

Leave Accruals

The accrual rate tables may be found within the union contracts and policy's as well as on the payroll website.

1. **Factor leave Accrual Method**

   - Non-Exempt Factor Rate table:
     http://controller.berkeley.edu/sites/default/files/FactorLeaveAccrualChartforBiweeklyPaidNonexemptEmployees_031114.pdf

   - Exempt Factor Rate Table:

     http://controller.berkeley.edu/sites/default/files/FactorAccrualChartExempt_031414.pdf

2. **Table Accrual Method**

   http://ucnet.universityofcalifornia.edu/tools-and-services/administrators/vct/vct_profsupp.html

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Payroll System

The Payroll system is the system of record for calculating vacation and sick leave accrued. Each pay period, CalTime sends leave used to the payroll system. In addition leave adjustments may be manually entered directly into the payroll system by a timekeeper.

The payroll systems calculate the leave accrued, and adjusts the employees leave balance to account for the leave taken by the employee. Once this process is complete, the payroll system updates CalTime with a new vacation and sick leave balance.

Exempts and Non-Exempts

Slight variation in factor accrual processing for Exempts, Non-Exempts, and Academic Appointees

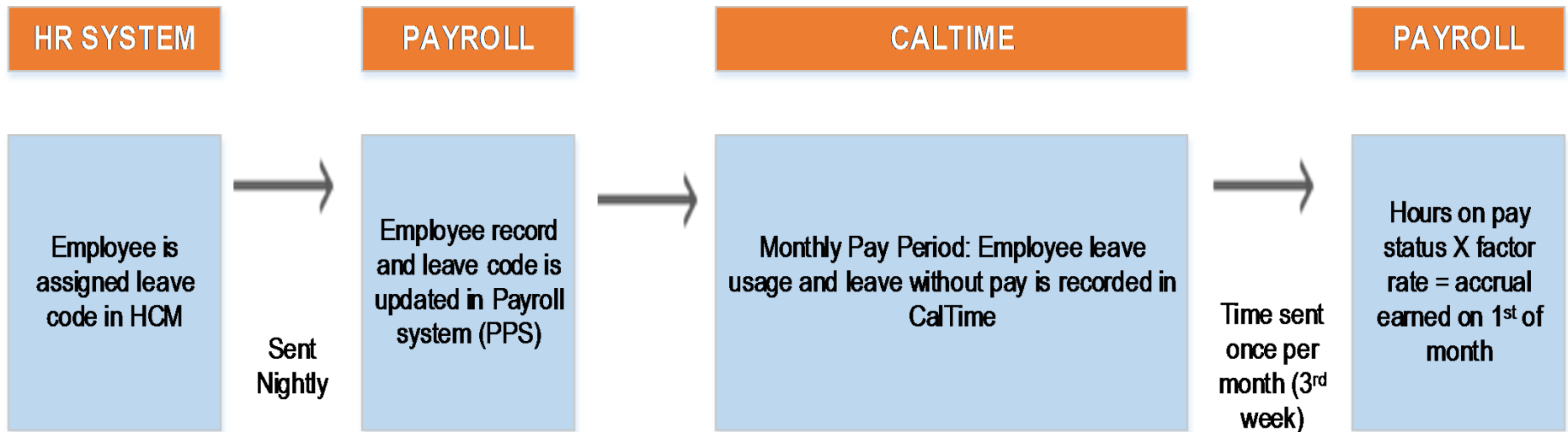|	Non-Exempt Staff Employee	Exempt Staff Employee	Academic Appointees
Eligibility	Eligibility to accrue and use leave is subject to union contract or personnel policy.		
Period of Accrual	quadra-weekly cycle (two biweekly pay cycles, 160 hour period)	Calendar Month (based on number of working hours in the calendar month)	
Calculation	Factor rate X hours on pay status (during two biweekly pay cycles, 160 hours)	Factor Rate X hours on pay status during calendar month	Table method, Hours on pay status within a table range provides accrual grant.
Factor Rate	Factor rate is assigned based on employees number of years of service		Non-Applicable
Accrual Granted	The business day following the close of the quadra-weekly cycle (two biweekly pay cycles)	1st of the month following the close of the calendar month (monthly pay period)	

Accrual Rate Table

For Academic Appointees, the rate below represents the full accrual amount for a fulltime employee

For non-academic exempt and non-exempt staff, the table below shows the factor rate based on leave code assigned which will be multiplied against the employees hours on pay status

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LEAVE CODE	Academic Appointee Employees Full-time accrual rate (Table method)		Non-Academic Staff Factor Rate assigned based on leave code	
	VACATION	SICK LEAVE	VACATION	SICK LEAVE
A	10	8	0.057692	0.046154
B	12	8	0.069231	0.046154
C	14	8	0.080769	0.046154
D	16	8	0.092308	0.046154
E	16	0	0.092308	0
F	0	8	0	0.046154
G	10	8	0.057692	0.046154
H	12	8	0.069231	0.046154
J	14	8	0.080769	0.046154
K	16	8	0.092308	0.046154

*leave codes are assigned based on eligibility

Understanding the Leave Accrual Process for Exempt Staff Employees

Exempt Factor Accrual overview

HR SYSTEM		PAYROLL		CALTIME		PAYROLL
Employee is assigned leave code in HCM	→ Sent Nightly	Employee record and leave code is updated in Payroll system (PPS)	→	Monthly Pay Period: Employee leave usage and leave without pay is recorded in CalTime	→ Time sent once per month (3rd week)	Hours on pay status X factor rate = accrual earned on 1st of month

Note: Academic Employees are not subject to factor accruals

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Exempt Staff Employee Example

A full-time employee has a Vacation Factor rate = .057692 and sick leave factor rate =.046154)
The employee was on pay status the entire month of January. January has 184 working hours.

Accrual Type	Hours on Pay Status		Factor rate		Leave Accrued
Vacation	184	X	.057692	=	10.615328
Sick Leave	184	X	.046154	=	8.492340

Exempt Employees will accrue more in some months and Less in others typically averaging out over the calendar year.

Factor Accrual Method for Monthly Paid Exempt Employees			
Calendar Month	**Full Time Hours Per Month**	**Vacation Accrual**	**Sick Leave Accrual**
January	184	10.615328	8.492340
February	160	9.230720	7.384640
March	168	9.692256	7.753872
April	176	10.153792	8.123104
May	176	10.153792	8.123104
June	168	9.692256	7.753872
July	184	10.615328	8.492340
August	168	9.692256	7.753872
September	176	10.15379	8.123104
October	184	10.61533	8.492340
November	160	9.23072	7.384640
December	184	10.61533	8.492340
		120	96

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Exempt Update Schedule

CalTime vacation, and sick leave accruals cannot be updated until Payroll processing to produce paychecks has completed.

For Example,

- January 1-31: Employee pay period
- February 1: Employee turns in time-sheet
- Feb 22: Payroll processing completed
- Feb 23: CalTime balances updated

Jim, a monthly paid employee works during the pay period of January 1-31, Although the pay period ended on the 31st, Jim turns in his time-sheet which is updated on the next monthly payroll cycle. Monthly payroll processing did not complete until the night of the 22nd, his CalTime balance was updated the following day on the 23rd.

PAY PERIOD END DATE	BALANCE UPDATED IN CALTIME *Accruals updated, View balance in Cal Time after 12pm	ACCRUAL EFFECTIVE DATE (*Employees updated once per month)	ACCRUAL PERIOD Employees accrue once per month
9/30/2015	10/1/2015 **	10/1/2015 **	Accrual period 10
10/31/2015	11/1/2015 **	11/1/2015 **	Accrual period 11
11/30/2015	12/1/2015 **	12/1/2015 **	Accrual period 12

Lost Accruals & Vacation Max

Payroll/leave accruals are processed for exception paid exempt employees the 3rd week of the month but exempt employees turn in their time sheet after the fact.

For example, Sara is close to vacation Max and used vacation in March to bring down her vacation balance

- 3rd week of March payroll is processed to pay exempt employees on the 1st of April.
- 1st week of April, exempt employees turn in timecards for time worked in March

Sara lost her vacation accruals for March because Payroll was already processed in march and didn't know that Sara took vacation time until she turned in her time-sheet in April

Exempt employees that are close to vacation max may lose accruals even though they may have used vacation to bring their balance down during March. When an exempt employee uses vacation or sick leave to bring their leave balance down in the month in which they lost accruals….a payroll administer should process an adjustment in the payroll system to restore the lost accruals.

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Understanding the Leave Accrual Process for Non-Exempt Staff Employees

Non-Exempt Employee Example

A full-time employee with a Vacation Factor rate = .057692 and sick leave factor rate =.046154)
The employee was on pay status full time for two biweekly pay cycles (accrual period). Employee will accrue leave on a standard quadra-weekly cycle (two biweekly pay cycles, 160 hours).

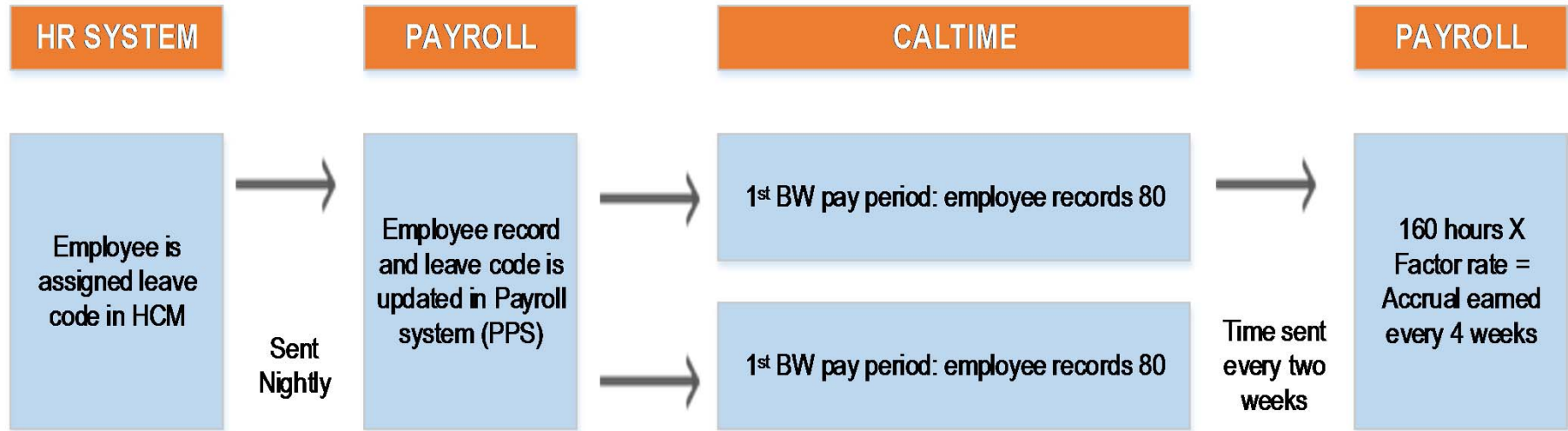| Accrual Type	Hours on Pay Status		Factor rate		Leave Accrued
Vacation	160	X	.057692	=	9.230720
Sick Leave	160	X	.046154	=	7.384640

13 Accrual cycles in the year.
13 * 9.230720 = 120 Vacation
13* 7.384640 = 96 Sick Leave

Full-Time non-exempts will accrue the same amount every 4 weeks(two biweekly pay cycles)

Pay cycle	Hours Paid	Vacation Accrued	Sick Leave Accrued
B1	80		
B2 quadra-weekly	80	9.230720	7.384640
B1	80		
B2 quadra-weekly	80	9.230720	7.384640
B1	80		
B2 quadra-weekly	80	9.230720	7.384640
B1	80		
B2 quadra-weekly	80	9.230720	7.384640
B1	80		
B2 quadra-weekly	80	9.230720	7.384640

Non-Exempt Factor Accrual overview

HR SYSTEM	PAYROLL	CALTIME	PAYROLL

Employee is assigned leave code in HCM

→ Sent Nightly

Employee record and leave code is updated in Payroll system (PPS)

→ 1st BW pay period: employee records 80

→ 1st BW pay period: employee records 80

Time sent every two weeks

160 hours X Factor rate = Accrual earned every 4 weeks

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Leave Processing

Factor Accruals For Non-Exempts

When Are Accruals Updated?

This schedule conveys the two biweekly pay periods that will be referenced in the payroll system to calculate the hours on pay status. The "**Balance updated in CalTime**" column below has the date (the day after payroll runs, OPTRS deadline) in which CalTime will be updated with new balances for non-exempts employees.

When we update the balances in CalTime we back date the effective date of the balance to the first day of the current biweekly pay period.

PAY PERIOD END DATE	BALANCE UPDATED IN CALTIME *Accruals updated, View balance in Cal Time after 3pm	ACCRUAL EFFECTIVE DATE (*Employees accrue every 2 Biweekly cycles)	*Employees accrue every 2 Biweekly cycles
9/12/2015	9/18/2015 by 3pm	9/13/2015	Accrual period 10
9/26/2015	10/2/2015 by 3pm	9/27/2015 **	
10/10/2015	10/16/2015 by 3pm	10/11/2015	Accrual period 11
10/24/2015	10/30/2015 by 3pm	10/25/2015 **	
11/7/2015	11/13/2015 by 3pm	11/8/2015	Accrual period 12
11/21/2015	11/25/2015 by 3pm	11/22/2015 **	

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Non-Exempt Update Schedule

CalTime vacation, sick leave, and comp-time balances cannot be updated until Payroll processing to produce paychecks has completed.

For Example,

- Jan 4-17: Employee pay period
- Jan 22: Payroll processing completed
- Jan 23: CalTime balances updated

Sara, a biweekly paid employee works during the pay period of 01/04-01/17, Although the pay period ended on the 17th, payroll processing did complete until the night of the 22nd, CalTIme balances were updated the following day on the 23rd.

CalTime: Accruals Tab (Timecard view)

Remember, the balance reflected below ill be based on the date you selected. If you click on a different day on the timecard it may show a different amount because it is factoring in any updates or leave usage up to the date that you selected.

In the example below, this employee lost accruals but they will show that they earned and lost accruals at the same time netting to zero.

TOTALS & SCHEDULE	ACCRUALS	AUDITS

Accrual Profile Exempt Default

Accrual Code	Balance on Selected Date	Units
Sick Accrual	8.12	Hour
Sick Leave	235.88	Hour
Vacation	320.0	Hour
Vacation Accrual	14.21	Hour
Vacation Lost Accruals	14.21	Hour
Vacation Maximum	336.0	Hour

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CalTime: Accruals Tab (Empl Rpt View)

MY ACCRUAL BALANCES AND PROJECTIONS

Return

Date Selected: 10/01/2015   Printed: 9/25/2015
Name: Parkinson, Crystal E   ID:

Accrual Code	Accrual Type	Period Ending Balance	Furthest Projected Taking Date	Projected Takings	Projected Credits	Projected Balance	Balance w/o Proj. Credits
Sick Accrual	Hour	8.12	10/01/2015	0.0	0.0	8.12	8.12
Sick Leave	Hour	235.88	10/01/2015	0.0	0.0	235.88	235.88
Vacation	Hour	320.0	10/01/2015	0.0	0.0	320.0	320.0
Vacation Accrual	Hour	14.21	10/01/2015	0.0	0.0	14.21	14.21
Vacation Lost Accruals	Hour	14.21	10/01/2015	0.0	0.0	14.21	14.21
Vacation Maximum	Hour	336.0	10/01/2015	0.0	0.0	336.0	336.0

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CalTime: Accrual Detail Report

Accrual Code Effective Date	Action	Amount		Running Balance	Pay Code	Source	Edit Date	Edited By
			ID:					
Sick Accrual (Hours)								
Wed 9/30/2015			Balance Forward	0.00				
Thu 10/1/2015	Reset	8.12		8.12			Thu 9/24/2015	Import
Total Debits:		0.00	Total Credits:	0.00				
Sick Leave (Hours)								
Wed 9/30/2015			Balance Forward	227.76				
Thu 10/1/2015	Earned	8.12		235.88			Thu 9/24/2015	Import
Total Debits:		0.00	Total Credits:	8.12				
Vacation (Hours)								
Wed 9/30/2015			Balance Forward	320.00				
Thu 10/1/2015	Earned	0.00		320.00			Thu 9/24/2015	Import
Total Debits:		0.00	Total Credits:	0.00				
Vacation Accrual (Hours)								
Wed 9/30/2015			Balance Forward	0.00				
Thu 10/1/2015	Reset	14.22		14.22			Thu 9/24/2015	Import
Total Debits:		0.00	Total Credits:	0.00				
Vacation Lost Accruals (Hours)								
Wed 9/30/2015			Balance Forward	0.00				
Thu 10/1/2015	Reset	14.22		14.22			Thu 9/24/2015	Import
Total Debits:		0.00	Total Credits:	0.00				
Vacation Maximum (Hours)								
Wed 9/30/2015			Balance Forward	336.00				
Total Debits:		0.00	Total Credits:	0.00				

Leave Processing

Factor leave adjustment for both Exempts or Non-Exempts

If you have an employee that you need to process a leave accrual adjustment for you will need do the following:

1. Look at the IAPP screen and find the employee leave code
2. Find the applicable factor leave rate based on leave code (you can see the factor rate chart http://controller.berkeley.edu/sites/default/files/FactorLeaveAccrualChartforBiweeklyPaidNonexemptEmployees_031114.pdf
3. Determine the hours on pay status (additional hours or hours you plan on reducing)
4. Calculate:

<div align="center">Hours on pay status X factor rate = leave accrued</div>

5. Process applicable RX or LX transaction based on desire to reduce or increase accruals. Remember to round to the 4th decimal place when entering the transaction in PPS.

Leave Processing

Leave adjustments: Impact of RX and LX on leave balance

Remember that the combination of an LX or RX transaction and leave code (i.e VAC, SKl) can have different effects of increasing or decreasing the leave balance. For example, an LX transaction for SKL (sick leave) will increase the employees sick leave where an RX transaction for SKL will decrease the balance.

DOS CODE	DEFINITION	IMPACT OF TRANSACTION TYPE ON LEAVE BALANCES	
		Input of an LX	**Input of and RX**
VAC	Vacation Leave Taken	DECREASES Balance	INCREASES Balance
SKL	Sick Leave Taken	DECREASES Balance	INCREASES Balance
CTO	Compensatory Time off	DECREASES Balance	INCREASES Balance
VAX	Prorates Vacation Leave Taken	DECREASES Balance	N/A
SKX	Prorates Sick leave Taken	DECREASES Balance	N/A
VLA	Vacation Leave Accrued Adjustment	INCREASES Balance	DECREASES Balance
SLA	Sick Leave Accrued	INCREASES Balance	DECREASES Balance
CTA	Compensatory Time Accrued	INCREASES Balance	DECREASES Balance
CMP	Compensatory Time Paid	Payment	DECREASES Balance
TRM	Terminal Vacation Pay	Payment	Reduction in Pay

Leave Processing

Comp Time

Compensatory time is accrued within CalTime and the accrued amount is automatically sent to PPS. It can also be manually added to PPS by a payroll administer by processing a manual transaction.

PPS does not calculate comp-time accruals.

When comp-time is used it is either recorded in CalTime and automatically sent to PPS or a payroll administrator must manually record the comp time usage within in PPS. The comp-time balance can be found on the ILAH screen in PPS. Please refer to the union contracts for policy regarding comp time max, accruals, usage and payout policy.

DOS CODE	DEFINITION	IMPACT OF TRANSACTION TYPE ON LEAVE BALANCES	
		Input of an LX	**Input of an RX**
CTO	Compensatory Time off	DECREASES Balance	INCREASES Balance
CTA	Compensatory Time Accrued	INCREASES Balance	DECREASES Balance
CMP	Compensatory Time Paid	Payment (Decreases Balance)	Reduction in Pay

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Leave Processing

Factor Accruals: View in the ILAH screen in PPS

Factor Accruals are accrued to the 6th decimal place in PPS however leave adjustments entered in PPS are to the 4th decimal place.

Because factor rates are up to the 6th decimal place, accruals will look different

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Manual Leave Adjustments

Departments may need to adjust an employee vacation and sick leave accruals under the following circumstances:

- Employee was allowed to go over the maximum vacation accrual for business reasons (PPS will stop accruing vacation when the employee has reach max)

- For exempt exception paid employees that are close to max, they may lose accruals in the month in which they took leave (i.e. This is because they turn in their time-sheet on the 1st of the month even though we have process pay already)

- As a result of an incorrect leave accrual code or retroactive service awarded, PPS leave balances do not agree with department records.

- An earning adjustment for a pay period that is more than 12 months ago affects the employee leave accrual eligibility.

Best Practices

- Review Lost accruals report on a monthly basis located in blu.berkeley.edu for exempt employees
- Check PPS leave usage and balances and CalTime leave usage and balances before making any updates
- In the case an employee needs a leave adjustment for a prior period and it is an urgent update that cannot wait until the next balance reset, Timekeepers should always update PPS first and then submit a ticket for a balance reset to caltime.berkeley.edu
- Do not assume the employee is correct, please research the leave usage and balance before making any updates to leave usage or accruals.
- Do not use the VLA dos code in PPS to put an employee over their max balance
- An employee should be notified regarding any adjustment to their leave usage or balance especially since they will see the update in CalTime
- Only make adjustments to exempts on the MO cycle, and only make adjustments to non-exempts on the biweekly cycle.

Resources

For questions regarding the calculation of factor accruals:
Email payhelp@berkeley.edu

For questions regarding CalTime and how to update CalTime:
Email calTime@berkeley.edu