Office Memorandum

Date:      May 20, 2020
To:        Agency Payroll, HR, and Accounting Staff
From:      Mary Muellner, Director, Statewide Payroll Services
Subject:   Vacation Cap Extension Instructions

On or after July 13, 2020, agencies will need to manually restore lost vacation hours for eligible employees. Eligible employees may submit a Vacation Cap Waiver Request to their agency Human Resources (HR) staff. Agencies will be responsible for manually tracking, calculating, adjusting and reducing time for employees granted extensions.

Vacation Cap Waiver Requests
Agency HR staff will provide employees instructions on eligibility requirements and how to request a Vacation Cap Waiver. Approved waivers will provide a six-month extension for reducing vacation balances to 275 hours or below by December 31, 2020.

Steps for Adjusting Vacation Hours

At Fiscal Year-End
For employees who have not reduced their leave to the required minimum by the deadline, SEMA4 will automatically reduce their balance during the leave processing for pay period ending July 7, 2020. Vacation Cap Waiver Requests for eligible employees will need to be manually adjusted in SEMA4 on or after July 13.

1. Agency Human Resources staff will provide a list of employees eligible for the Vacation Cap Waiver.
2. Identify the number of hours to be restored for eligible employees by viewing FIHR6511, Report of Employees Who Have Lost Vacation Leave (Document Direct/InfoPac ID HP6511), which will be available July 13, 2020.
3. Enter Prior Pay Period adjustments in SEMA4, to manually add vacation hours that were lost using the *VL earn code and entering the ‘lost’ hours on a day in July (e.g. *VL 43.25).

Monitor and track if the employee reduces their vacation balance to 275 hours or below during the extension period ending 12/31/2020.

   NOTE: When determining if an employee has reached the minimum for the fiscal year, use the following formula:


At Calendar Year-End
During the 1/5/2021 pay period, payroll staff must reduce the vacation balance for anyone who did not meet the minimum requirements on or before December 31.

1. Calculate the number of hours to be ‘lost’ by eligible employees who have not met the minimum requirements by 12/31/2020.
Use the following formula:

\[
\text{Beginning Balance} - \text{Taken (taken includes hours used up to and including 12/31)} + \text{Adjusted} - \text{Paid Off} - \text{Donated} - \text{Converted} = \text{Minimum Balance for the Pay Period}.
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2. Enter a Prior Period adjustment using earn code *VL and the number of hours that need to be reduced (e.g. *VL -43.25).

3. Inform the employee that the minimum requirements were not met; and the employee’s vacation balance will be reduced to the minimum.

Questions?
Agency Payroll, HR, and Accounting staff should contact Jody Dahl in Statewide Payroll Services at jody.dahl@state.mn.us or 651-201-8206 if there are questions.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF