



**UNIVERSITY OF WISCONSIN-LA CROSSE
TERMINAL BANKED LEAVE PAYOUT POLICY
EFFECTIVE: July 1, 2016**

PURPOSE

The University of Wisconsin-La Crosse has established a Terminal Banked Leave Payout policy in accordance with the University of Wisconsin System Financial Administration Policy and Procedures to provide accounting controls for the management of Terminal Banked Leave payouts on campus.

POLICY

Terminal Banked Leave Payout is defined as the lump sum payment of ALRA or banked sabbatical at the time of an employee's retirement or termination of employment. Academic Staff who have completed 10 or more fiscal years of continuous service may convert up to 40 hours (if over 25 years can convert up to 80 hours) of unused leave to an "Annual Leave Reserve Account (ALRA)" at the end of the fiscal year. University Staff may transfer a certain amount of unused annual leave to "banked" or "sabbatical" leave at the end of the calendar year depending upon their number of years of service (after 5 years). The banked leave does not expire and accumulates from year to year.

PROCEDURES

1. Each month a Terminal Banked Leave Payout charge will be assessed to every account that incurs permanent salary expenses for Academic Staff or University Staff. Salary expenses for Academic year staff and faculty are excluded from the assessment.
2. For non-grant accounts the expense will be charged to class code 3960 (supply and expense line). For grant accounts (Fund 133 and 144) the expense will be charged to class code 1979 (fringe benefit line). The offsetting entry will then post to a central university Terminal Banked Leave account that will serve as the funding source for campus Terminal Banked Leave payouts.
3. The assessment is calculated by UW System. UWL's assigned rate for FY18 is:
 - a. University Staff: 0.29%
 - b. Academic Staff: 0.49%
4. For the colleges, one account will be set up within the Dean's Office series for these expenses. All other departments will have these costs allocated to each departmental account which incurs permanent Academic Staff and University Staff salary expenses.
5. Each university division and its departments are responsible for funding the cost of the terminal banked leave assessment through budget savings or Program Revenue balances.
6. The usage of the central university Terminal Banked Leave account only applies to ALRA and Sabbatical Terminal Banked Leave payouts, and not to vacation, personal, or legal holiday payouts.

REFERENCES & RESOURCES:

UW System Accounting (Terminal Leave Allocations): https://www.wisconsin.edu/financial-administration/download/accounting_procedures/Terminal-Leave-Allocations.pdf

UW System Benefits/Leave Definitions: <https://www.wisconsin.edu/ohrwd/benefits/leave/vacation/>

Human Resources: <https://www.uwlax.edu/human-Resources/>

Business Services: <http://www.uwlax.edu/business-services/>

Budget Office: <https://www.uwlax.edu/budget/>