

## HRM-9 Instructions

This form is used to authorize a person for payment of lump sum vacation at termination, death sick leave benefits, lump sum 1.0 and 1.5 comp-time at termination, and lump sum 1.5 comp-time upon promotion/reclassification from a non-exempt position to an exempt position. Lump sum comp-time at termination can only be paid to non-exempt employees. See the University Pay Plan to determine an employee's eligibility for comp-time payment.

### **Payment of Vacation Leave at Termination**

A staff member is entitled to payment of unused vacation leave upon their termination from university employment if they have been continuously employed for six (6) months or more with the State of Texas, providing that the individual is not a direct transfer to a vacation eligible position at another Texas State institution of higher education or is not re-employed in a vacation eligible position by a Texas State agency other than an institution of higher education within a period of 30 days from the date of separation from university employment.\* Lump sum vacation payments will generally be available on the first supplemental payroll following the payroll end date. If payment is to be made, the completed HRM-9 form should be attached to the HRM-6 form terminating the employee's payroll appointment with the University.

The usual method for payment of accrued leave is to extend the date of removal (termination) from salaried pay status from the date the employee is last physically on the job to allow for all accumulated leave to be used. However, the extension must be limited to the end of the last month in which the employee actually worked, unless an exception is granted by the Assistant VP Human Resources. If a balance of leave hours still remains, a lump sum payment must be made via the HRM-9. The lump sum calculation includes BRP and Additional Pay, but does not include longevity or hazardous duty pay.

If a lump sum vacation payment covers more than one month, include all payments owed in the box marked "Total Amount of Payment" (item 7 under Method of Calculation). Show separately each month's complete full payment in the comments section and use items 1-7 under Method of Calculation to calculate a partial month's payment. An employee is generally entitled to payment for any holidays that fall within the period of extension on the payroll or that fall within the period the employee would have been extended on the payroll when vacation leave payment is made by lump sum. Indicate the number of holiday hours, if any, and include the holiday hours in the lump sum payment calculation.

### **Payment of Benefits Upon Death of Employee**

The estate of a deceased employee who has been continuously employed with the state for six months is eligible for a lump sum payment of 1/2 of all unused sick leave to a maximum of 336 hours; all 1.5 comp-time (non-exempt employees only, deceased employees may not be paid for unused 1.0 comp-time); and all unused vacation time. The calculation of the number of sick leave hours to be paid is as follows:

Total balance of sick leave ÷ 2 = hours to be paid (maximum 336 hours).

The date of termination for a deceased employee is generally at the conclusion of the full work day (if applicable) on the date of death. Do not extend the termination date without consultation with Human Resources. The lump sum calculation includes BRP and Additional Pay but does not include longevity or hazardous duty pay. An employee is generally entitled to payment for any holidays that fall within the period the employee would have been extended on the payroll when death sick leave benefits payment is made by lump sum. Indicate the number of holiday hours, if any, and include the holiday hours in the lump sum payment calculation.

### **Payment of "Frozen" Vacation Leave**

Upon termination, non-vacation eligible employees are entitled to payment of the balance of "frozen" vacation leave accrued in a previous vacation eligible job. Lump sum payment of "frozen" vacation leave is paid at an hourly rate based on the monthly salary at which the employee last earned vacation (monthly salary + BRP ÷ working hours in month of termination = hourly rate). Lump sum payments of previously "frozen" vacation leave do not include holidays.

### **Calculation of Payments Across Fiscal Years**

A terminating employee is not entitled to a pay increase occurring after their termination of salaried employment. Lump sum payments should be calculated based on the monthly salary in effect at the time of termination, but using the month in which leave would have been extended to calculate the hourly rate.

### **Payment of Comp-time at Termination**

Non-exempt staff employees are entitled to payment of any remaining balance of 1.0 or 1.5 comp-time at the time of termination, except that deceased employees may not be paid for 1.0 comp-time. To pay for any remaining comp-time balance, select the earnings type "Lump Sum Comp-time" and list the EIS 1.0 and/or 1.5 comp-time balance at termination. **NOTE: The EIS 1.5 comp-time balance must be divided by 1.5 in order to pay the correct amount.** Payroll will make the calculation of the amount to be paid for any remaining balance.

### **Payment of 1.5 Comp-time at Promotion/Reclassification from Non-exempt to Exempt Position**

Employees are entitled to payment of any remaining balance of 1.5 comp-time at the time of transfer or reclassification from a non-exempt position to an exempt position. To pay for any remaining 1.5 comp-time balance, select the earnings type "Lump Sum Comp-time" and list the 1.5 comp-time balance as of the date of the promotion/reclassification. **NOTE: The 1.5 comp-time balance must be divided by 1.5 in order to pay the correct amount.** Payroll will make the calculation of the amount to be paid for any remaining balance.

\* Detailed information regarding the use and payment of leave may be found in the University Policy Manual, Vol. 1, Section 1.4, Leave Administration.