



POLICY: 6Hx28:3F-02

Responsible Executive:

Vice President, Organizational
Development and Human Resources

Policy Contacts: Assistant Vice
President, Human Resources

Specific Authority: 1001.64, F.S.

Law Implemented: 1001.64, F.S.;
1012.865, F.S.; 60S-6.001, F.A.C.

Effective Date: 06-19-2025

Date of Last Policy Review:
06-19-2025

Terminal Pay for Full-Time Employees

**Policy
Statement:**

- I. Terminal pay for unused sick leave accumulated at, or transferred to, Valencia College ("College"), unused vacation leave accumulated at the College, and accumulated incentive credit day(s) will be paid to an eligible full-time employee who separates from employment at the College or to the employee's beneficiary if service is terminated by death. In addition, eligible full-time 12-month employees who transfer to a position at the College that is not eligible for sick and/or vacation leave shall be paid terminal pay for earned but unused leave upon transition to the new position. All terminal pay shall be paid out in accordance with applicable Florida law and procedures as adopted and implemented by the College President or designee(s).
- II. In lieu of payment at the time of separation, employees electing to participate in the Florida Retirement System (FRS) Deferred Retirement Option Program (DROP) may elect to be paid for unused vacation leave in accordance with this policy effective the day preceding the DROP begin date. Employees electing such lump-sum payment will not be eligible to receive a second lump-sum payment upon separation, except to the extent that they have earned additional vacation leave which combined with the original payment does not exceed the

lump-sum payment allowed under this policy.

- III. The College President or designee may adopt procedures to implement this policy.

Policy**History:**

Adopted 7-11-73; Amended 1-19-83; Amended 2-17-82; Amended 7-11-84; Amended 6-15-88; Amended 11-18-92; Amended 10-18-95; Amended 5-20-98; Amended 9-16-98; Amended 3-17-99; Amended 11-20-01; Amended 11-2-16; Amended 12-12-18; Amended 6-19-25; Formerly 6Hx28:7-11; Formerly 6Hx28:07-32

Related**Documents/Policies:**

College Policy 6Hx28: 3C-14 401(a) Qualified Retirement Plan
College Policy 6Hx28: 3C-15 403(b) Qualified Retirement Plan
College Policy 6Hx28: 3F-01 Employment Transitions, Separations and Exit Process
College Policy 6Hx28: 3D-03 Total Rewards: Vacation, Sick and Personal Leave for Full Time Employees

Procedures:

- I. General Terminal Pay Provisions for Full-Time Employees

- A. Eligible full-time:

- 1. employees shall receive terminal pay benefits for accrued and unused vacation and sick leave, as applicable.
 - 2. executives and senior administrators are eligible to receive terminal pay benefits for accrued incentive credit day(s), as applicable.
 - 3. employees entering or currently in the Florida Retirement System (FRS) Deferred Retirement Option Program (DROP) have additional provisions outlined in Section VII of these procedures.

- B. Definitions:

- 1. Employment Categories:

- a. Instructional employees are full-time professors filling 8-month and 10-month positions; full-time professors that are temporary or non-tenure earning filling 12-month positions (other than librarians and counselors); and librarians and counselors filling 12-month positions.
 - b. Educational support employees are staff employees filling 12-month positions formerly classified as Career Service; an education or administrative paraprofessional; a member of the operations, maintenance, or comparable department; or a secretary, clerical, or comparable level support employee as defined in 1012.865 (1)(a), F.S.
 - c. Employees other than educational support are staff employees filling 12-month positions formerly classified as Professional; and employees in positions classified as Administrators and Executives/Senior Administrators.
2. Years of Service: For purposes of calculating terminal leave and incentive credit day(s) payments:
- a. For eligible non-contract employees: A year of service is credited when the employee serves one day more than one-half of the number of days in the contract year or fiscal year, whichever is applicable, or the equivalent.
 - b. For eligible contract employees, a year of service is credited based on the following calculations:
 - i. 8-month employees: 160 days
 - ii. 10-month employees: 194 days
 - iii. 12-month employees: 228 days

The calculations listed in this section are used for the sole purpose of identifying terminal leave payment and do not necessarily reflect the full amount of work days in a given year, which may vary based on the annual and academic calendar.

- C. Sick leave terminal leave payments, vacation leave terminal leave payments, and incentive credit day(s) terminal payments for eligible employees will occur after successful completion of the following:

- 1. An employee separating from the College must complete the Full-Time Checkout Process in accordance with College Policy 6Hx28:3F-01 Employment Transitions, Separations and Exit Process. Once this process is completed, Organizational Development and Human Resources (ODHR) Leave and Access

will conduct an audit of the eligible employee's leave balances, as applicable. After the audit is conducted, the applicable terminal payment will be processed with the next available payroll cycle.

2. When an employee transitions to a position that is not eligible for one or more leave types, ODHR Leave and Access will conduct an audit of the eligible employee's leave balances, as applicable. After the audit is conducted, the applicable terminal leave payment will be processed with the next available payroll cycle.

D. Terminal leave and incentive credit day(s) payments for eligible employees will be calculated based on their daily rate of pay. The daily rate of pay calculations for the purposes of the terminal leave policy is as follows:

Number of Months Worked	Steps to Calculate Daily Rate of Pay
8-month employees	Divide the base contracted rate by 160
10-month employees	Divide the annual rate by 194
12-month employees	Divide the annual rate by 228

E. Grant-Funded Positions:

1. Employees filling grant-funded positions will not be eligible for terminal leave payments for accrued and unused vacation and/or sick days earned while employed in a grant-funded position unless the grant includes funding for this purpose.
2. Eligible full-time employees who are transferring from a College-funded position into a grant-funded position will:
 - a. be paid for accrued and unused vacation leave, and any accrued incentive credit day(s) as applicable and in accordance with these procedures, as of the date of transfer into the grant-funded position and after completion of a leave audit by ODHR/Leave and Access, as outlined in College Policy 6Hx28: 3D-03 Total Rewards: Vacation, Sick, and Personal Leave for Full Time Employees.
 - b. retain their balance of any accrued and unused sick leave from the College-funded position. The College-funded sick leave balance will be held in abeyance until either the eligible employee separates employment, transfers back into a College-funded position, or in limited circumstances, the eligible employee is authorized to use College-funded sick leave balances.
 - i. Separation from Employment: Eligible full-time employees

in a grant-funded position who separate employment and had previously held a College-funded position will be eligible for terminal leave pay for any unused sick leave accrued while in the previously held College-funded position in accordance with Procedures Section II below. The terminal pay sick leave rate of pay would be calculated at the eligible employee's last College-funded position and calculated years of service prior to moving into the grant-funded position.

- ii. For more information on transfers or limited circumstances, see College Policy 6Hx28: 3D-03 Total Rewards: Vacation, Sick, and Personal Leave for Full Time Employees.
3. Eligible full-time employees who are transferring from a grant-funded position to a College-funded position will retain their balance of any accrued and unused grant vacation leave and sick leave, which will transfer into the employee's general vacation and sick leave balance at the time of the position change. For more information, see College Policy 6Hx28: 3D-03 Total Rewards: Vacation, Sick and Personal Leave of Full Time Employees.

II. Terminal Vacation Leave Pay Provisions for Eligible Full-Time Employees

- A. In accordance with Procedure I.C., after completion of the Checkout Process and/or leave audit (as applicable), eligible full-time employees who separate from College employment or transfer to a position at the College that is not eligible for vacation leave shall receive terminal pay for all accrued and unused vacation leave hours as of the date of separation or transfer.
 1. In accordance with College Policy 6Hx28: 3D-03 Total Rewards: Vacation, Sick and Personal Leave for Full Time Employees, there are a maximum number of earned vacation days an eligible employee may carry over into a new calendar year. Any unused accrued vacation leave more than the maximum carry over shall be transferred to the employee's sick leave account effective January 1 of the new calendar year. The leave time transferred from vacation to sick leave is non-compensable and shall not be used in the calculation of terminal pay for unused sick leave.
 2. For employees in positions classified as Executives/Senior Administrators, the value of unused accrued vacation leave more than the maximum carryover at the end of the calendar year will be contributed to a 401(a) plan to the maximum extent permitted by Federal tax laws. The value of this leave shall be calculated by multiplying the unused accrued vacation leave more than the maximum carry over by the employee's daily rate (in accordance with these procedures) effective January 1 of the calendar year the

contribution is made.

- B. Eligible full-time employees will receive the daily rate of pay for each of the number of days of accrued unused vacation leave as documented in Organizational Development and Human Resources (ODHR) systems.
- C. In accordance with 60S-6.001, F.A.C., if a single lump sum payment for terminal vacation leave exceeds 500 hours, a statutory maximum of only 500 hours shall be reported to the FRS or CCORP ,as applicable, as covered wages with the required contributions.

III. Terminal Sick Leave Pay Provisions for Eligible Full-Time Employees

- A. In accordance with Procedure I.C., after completion of the Checkout Process and/or leave audit (as applicable), eligible full-time employees who separate from College employment or transition to a position at the College that is not eligible for sick leave, may elect to receive terminal pay for all accrued and unused sick leave hours as of the date of separation or transfer in accordance with procedures in this policy.
- B. In lieu of receiving terminal pay for all accrued and unused sick leave hours, eligible employees who separate from College employment and are subsequently hired by another Florida public institution of higher education, may elect not to be paid terminal sick leave and instead have their sick leave hours transferred to their new employer, providing that it is an eligible institution. If electing to do so, 100% of all eligible earned sick leave (including unused sick leave accrued during grant-funded employment) will remain on record until the transfer to the new higher education institution. For more information on this process, contact ODHR at 407-582-4748 (HR4U) or HR4U@valenciacollege.edu.
- C. Eligible employees who separate from College employment without receiving terminal pay for all accrued and unused sick leave hour(s) due to years of service requirements shall have 100% of the hours of such leave remain documented in ODHR systems. Should such separated employees be reemployed in the future into an eligible full-time position at the College, those accrued and unused sick leave hour(s) will be available for use in accordance with College policies.

IV. Terminal Sick Leave Pay Provisions for Instructional and Educational Support Employees

Terminal pay for accrued and unused sick leave for instructional and educational support employees shall be calculated as follows:

- A. Instructional and Educational Support Employees hired on or before June 30, 1988:

Years of Service	Calculation
Less than four (4) years of service	Daily rate of pay multiplied by 35% times the number of days of accrued and unused sick leave

Four (4) to six (6) years of service	Daily rate of pay multiplied by 40% times the number of days of accrued and unused sick leave
Seven (7) to (9) years of service	Daily rate of pay multiplied by 45% times the number of days of accrued and unused sick leave
Ten (10) or more years of service	Daily rate of pay multiplied by 50% times the number of days of accrued and unused sick leave

B. Instructional and Educational Support Employees hired after July 1, 1988:

Years of Service	Calculation
Less than five (5) years of service	Not eligible for terminal sick leave payment
Five (5) to nine (9) years of service	Daily rate of pay multiplied by 25% times the number of days of accrued and unused sick leave
Ten (10) or more years of service	Daily rate of pay multiplied by 50% times the number of days of accrued and unused sick leave

V. Terminal Pay Provisions for Employees Other than Educational Support Employees

Terminal pay for accrued and unused sick leave for employees other than educational support employees shall be calculated as follows:

A. Employees Other than Educational Support hired on or before June 30, 1988, excluding sick leave days accrued after June 30, 2001

Years of Service	Calculation
Less than four (4) years of service	Daily rate of pay multiplied by 35% times the number of days of accrued and unused sick leave
Four (4) to six (6) years of service	Daily rate of pay multiplied by 40% times the number of days of accrued and unused sick leave
Seven (7) to (9) years of service	Daily rate of pay multiplied by 45% times the number of days of accrued and unused sick leave
Ten (10) or more years of service	Daily rate of pay multiplied by 50% times the number of days of accrued and unused sick leave

B. Employees Other than Educational Support hired between July 1, 1988 and June 30, 1995, excluding sick leave days accrued after June 30, 2001

Years of Service	Calculation
Less than five (5) years of service	Not eligible for terminal sick leave pay
Five (5) to nine (9) years of service	Daily rate of pay multiplied by 25% times the number of days of accrued and unused sick leave
Ten (10) or more years of service	Daily rate of pay multiplied by 50% times the number of days of accrued and unused sick leave

C. Employees Other than Educational Support hired on or after July 1, 1995

Years of Service	Calculation
Less than five (5) years of service	Not eligible for terminal sick leave pay
Five (5) or more years of service	Daily rate of pay multiplied by 25% times the number of days of accrued and unused sick leave, which shall not exceed a maximum of 60 days
Note: Accrued and unused sick leave prior to July 1, 1995, and subsequently reinstated or transferred to the College, will be paid in accordance with the appropriate provisions listed within this policy and procedures.	

1. For unused sick leave accrued before July 1, 2001, terminal pay shall be made pursuant to rules or policies of the District Board of Trustees, which were in effect on June 30, 2001 [3F-02-terminal-leave-full-time-employees-policy-in-effect-prior-to-2001](#).
2. For unused sick leave accrued on or after July 1, 2001, terminal pay may not exceed an amount equal to one-fourth (1/4) of the eligible employee's accrued and unused sick leave or 60 days of the eligible employee's pay, whichever amount is less.
3. If the eligible employee had an accrued and unused sick leave balance of 60 days or more on June 30, 2001, sick leave earned after that date may not be accrued for terminal pay purposes until the accrued and unused sick leave balance as of June 30, 2001, is less than 60 days.

VI. Terminal Pay for Accrued Administrative Incentive Credit Days for Executive and Senior Administrator Employees

- A. In accordance with College Policy 6Hx28: 3C-01 Total Rewards: Compensation & Hours of Work for Employees of the College, Executive/Senior Administrator Employees are eligible to receive administrative incentive credit days. These incentive credit days accumulate each fiscal year, are prorated for each month, and have a maximum accrual. Terminal pay for accrued administrative incentive credit days shall be calculated as follows:

<u>Position Career Band</u>	<u>Terminal Pay Calculation</u>
<u>Executives/Senior Administrators</u> <u>I, II, III</u>	<u>Daily rate of pay multiplied by the number</u> <u>of accrued incentive credit days, not to</u> <u>exceed the maximum 15 days</u>

<u>Executives/Senior Administrators IV and V</u>	<u>Daily rate of pay multiplied by the number of accrued incentive credit days, not to exceed the maximum 35 days</u>
<u>Executives/Senior Administrators who accrued incentive credit days and transferred to a different, eligible Executive/Senior Administrator position</u>	<u>Daily rate of pay of position at time of separation from employment, multiplied by the number of accrued incentive credit days, not to exceed the maximum 35 days</u>
<u>Executives/Senior Administrators who accrued incentive credit days and transferred to a different position that is ineligible to receive administrative incentive credit days</u>	<u>Daily rate of pay of executive or senior administrator position multiplied by the number of accrued incentive credit days, not to exceed the maximum 35 days</u>

B. Terminal pay for administrative incentive credit days will be made in accordance with Procedures Section I.C. and as follows:

1. An executive or senior administrator employee who transfers to a different position that is ineligible for administrative incentive credit accruals will be paid (as of the date of transfer into the ineligible position) for any accrued incentive credit day(s) as applicable and in accordance with these procedures.
2. The following shall apply when an executive or senior administrator employee separates employment:
 - a. If separation from employment is voluntary and the eligible executive/senior administrator provides at least nine (9) months' notice, payments for any accrued incentive credit day(s), less any withholdings and deductions as required by law, will be distributed over the remaining number of regularly scheduled pay periods in the current period of employment.
 - b. If separation from employment is voluntary and the eligible executive/senior administrator provides less than nine (9) months' notice, payment for any accrued incentive credit day(s) will be made to the eligible executive/senior administrator upon separation from employment.
 - c. If separation from employment is involuntary but not for cause, payment for any accrued incentive credit day(s) to the eligible executive/senior administrator will occur upon separation from employment.

- d. If an executive/senior administrator's contract is involuntarily terminated for cause by the College prior to the expiration of the contract, the eligible executive/senior administrator will not be entitled for terminal pay of any accrued incentive credit day(s).

VII. Terminal Pay Provisions for Employees entering or in the FRS DROP

- A. Terminal vacation and sick leave payments made to eligible participants as defined in College Policies 6Hx28:3C-14, 401(a) Qualified Retirement Plan and 6Hx28:3C-15 403(b) Qualified Retirement Plan, are required to be contributed to the 401(a) and 403(b) plans to the maximum extent permitted by Federal tax laws and College policy.
- B. Terminal pay calculations are based on the eligible employee's leave balances and salary in effect on the date of the mandatory payments. These mandatory payments include:
 - 1. Sick Leave Terminal Pay for DROP participants
 - a. Payments made to all eligible participants each June 30. A minimum balance of 45 days of personal sick leave shall be retained in the eligible employee's account until the employee separates from the College or ends DROP, whichever occurs first, at which time all remaining terminal pay payments will be paid.
 - 2. Vacation Leave Terminal Pay for DROP participants
 - a. Payments made to DROP participants the day prior to the DROP begin date, if the employee elects to do so, and/or on the date of separation for any remaining terminal pay payments.
 - b. Payments to DROP participants who did not elect vacation leave payment prior to entering DROP will be paid on the date of separation.
 - 3. Remaining terminal pay payments will be made to DROP participants on the date of separation.
- C. After the maximum contributions have been paid into the 401(a) and/or 403(b) plan(s) for the plan year, remaining sick leave and vacation leave balances will be carried over for payment in a subsequent plan year, unless the employee separates from the College. If the employee does separate from the College, payments for remaining sick and vacation leave balances will be made directly to the employee subject to FICA and federal income taxes.

VIII. Terminal Pay Provisions for Employees Retiring from the FRS or State Community College System Optional Retirement Program (CCORP)

- A. Terminal vacation and sick leave payments made to eligible participants as defined in College Policies 6Hx28:3C-14, 401(a) Qualified Retirement Plan and 6Hx28:3C-15 403(b) Qualified Retirement Plan, are required to be contributed to the 401(a) and 403(b) plans to the maximum extent permitted by Federal tax laws and College policy.
- B. Terminal pay calculations are based on the eligible employee's leave balances and salary in effect on the date of the mandatory payments. These mandatory payments include sick leave terminal pay and vacation leave terminal pay.
- C. After the maximum contributions have been paid into the 401(a) and/or 403(b) plan(s) for the plan year, payments for remaining sick leave and vacation leave balances will be made directly to the employee subject to FICA and federal income taxes.

Procedure History:

Adopted 7-11-73; Amended 1-19-83; Amended 2-17-82; Amended 7-11-84; Amended 6-15-88; Amended 11-18-92; Amended 5-20-98; Amended 3-17-99; Amended 11-2-16; Amended 10-19-17; Amended 12-12-18; Amended 6-29-23; Amended 7-30-24; Amended 6-19-25; Formerly 6Hx28:7-11; Formerly 6Hx28:07-32

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