

SF-00006-03

EMPLOYEE RELATIONS - 3RD FLOOR  
DEPARTMENT 520 LAFAYETTE ROAD

**PERSL 1272**  
**State of Minnesota**

## Office Memorandum

TO: All Personnel Directors & Officers

DATE: 05/15/87

FROM: Nina Rothchild  
Commissioner

PHONE: 296-8366

SUBJECT: Vacation Leave on Separation

Existing collective bargaining agreements and plans provide that employees separated from state service shall be paid in cash for all their accrued annual leave at the time of separation. It is also the state's policy to prohibit employees from "running out" their vacation time on the state payroll after their last actual day of work.

This policy ensures that the state will be fiscally responsible in managing its expenditures. Should any state agency allow its employees to run out their vacation on the payroll after their separation, the state would incur additional costs in areas such as the employer's contribution towards health, dental and life insurance, as well as increased liabilities for holiday, vacation and sick leave, and severance pay. The state also runs the risk of paying off vacation hours in excess of the accumulation limits authorized by various contracts and plans.

If you have any further questions regarding this policy, please call Jeannie Li, Compensation Division, at 296-2705.



DATE: June 25, 2009

TO: Human Resource Directors  
Labor Relations Managers/Designees

FROM: Paul Larson, Assistant Commissioner  
Labor Relations Division

A handwritten signature in cursive script that reads "Paul A. Larson".

PHONE: (651) 259-3770

RE: Vacation Leave on Separation -- PERSL 1272

Over the years, there have been discussions regarding our policy as it relates to the use of vacation leave prior to separation.

Current state policy found in PERSL 1272 provides that agencies should not allow employees to run out their accrued vacation prior to separation. The purpose of the policy was to avoid additional costs in the form of additional holiday pay, vacation, sick leave and severance pay. Further, extending the vacation leave into the next month(s) requires additional employer monthly contributions for medical, dental and employer-paid life insurance.

Notwithstanding the policy, we have learned that several agencies have allowed employees, who have announced their separation date, to use their accrued vacation leave but required the employee to return one day, at the end of their vacation leave. This practice has created confusion and cannot be supported by the intent of the existing PERSL.

We are rescinding PERSL 1272. We believe that a decision by an agency to allow an employee to use a reasonable amount of vacation prior to their separation date without requiring that they return on their last day of work, is a more appropriate response when an employee makes such a request.

The responsibility for responding to such vacation requests is with the agency making this financial decision. In the future, agencies should respond to these vacation requests in accordance with their usual vacation leave policies and work rules, keeping in mind the potential for increased agency costs associated with any extended vacation leave requests.