

13 NCAC 12 .0306 VACATION PAY

(a) All vacation policies and practices shall address:

- (1) How and when vacation is earned so that the employees know the amount of vacation to which they are entitled;
- (2) Whether or not vacation time may be carried forward from one year to another, and if so, in what amount;
- (3) When vacation time must be taken;
- (4) When and if vacation pay may be paid in lieu of time off; and
- (5) Under what conditions vacation pay will be forfeited upon discontinuation of employment for any reason.

(b) Ambiguous policies and practices shall be construed against the employer and in favor of employees.

(c) Vacation benefits granted under a policy which does not establish an earning period cannot be reduced or eliminated as a result of a change in policy. An example of such a policy is: "Employees are entitled to one week of vacation per calendar year." If a policy which establishes an earning period or accrual rate is changed, employees are entitled to a pro rata share of the benefits earned under the original policy through the effective date of the change and of the benefits earned under the new policy from the effective date forward, so long as the earning criteria are met under both policies.

*History Note: Authority G.S. 95-25.2; 95-25.12; 95-25.13; 95-25.19;
Eff. November 1, 1980;
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Amended Eff. January 1, 2007; April 1, 2001; April 1, 1999; February 1, 1982;
Pursuant to G.S. 150B-21.3A rule is necessary without substantive public interest Eff. March 1, 2016.*