1. Purpose

This regulation establishes standards for paid annual, school and community participation, and personal leave.

2. CSC Rule References

5-10  Paid Holidays and Leave

5-10.2  Paid Leave

(a) Leave accrual and accumulation.

(1) Annual and personal leave.

(A) Initial annual leave grant. Upon entry into the classified service, an eligible employee is credited with an initial annual leave grant of 16 hours, which is immediately available for use, upon approval of the appointing authority. The 16 hours of annual leave cannot be credited to an employee more than once in a calendar year.

(B) Annual leave accrual and accumulation. An eligible employee has annual leave credited in accordance with the following leave table:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Hours of Annual Leave Accrued (for 80 hours of service)</th>
<th>Maximum Accumulation (total hours of annual and personal leave)</th>
<th>Maximum Accumulation that may be paid off</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1</td>
<td>4.0</td>
<td>296</td>
<td>256</td>
</tr>
<tr>
<td>1 – 5</td>
<td>4.7</td>
<td>296</td>
<td>256</td>
</tr>
<tr>
<td>5 – 10</td>
<td>5.3</td>
<td>311</td>
<td>271</td>
</tr>
<tr>
<td>10 – 15</td>
<td>5.9</td>
<td>326</td>
<td>286</td>
</tr>
</tbody>
</table>
**C** Prorated annual leave. An employee paid for less than 80 hours in a biweekly pay period is entitled to a prorated amount of annual leave. Paid service in excess of 80 hours in a biweekly pay period is not counted.

**D** Personal leave. In addition to annual leave, an eligible employee with at least 6 months of continuous satisfactory service on October 1 of each year is credited with 16 hours of personal leave.

**E** Maximum accrual. An employee may accumulate credited annual and personal leave hours up to the combined maximum authorized in column 3 of the leave table in subsection (a)(1)(B). Any annual or personal leave hours earned above the maximum accrual cannot be credited and the hours are lost.

**F** Maximum payoff. If any employee receives a payoff of all accumulated annual and personal leave hours, the maximum amount that may be paid off is the amount authorized in column 4 of the leave table in subsection (a)(1)(B). Any annual or personal leave hours accumulated above the maximum amount authorized in column 4 are lost if not used before payoff.

**2** School and community participation leave. An eligible employee who has completed 1,040 hours of satisfactory service is credited with 8 hours of school and community participation leave each October 1. School and community participation leave credits not used by the last pay period of the fiscal year are lost.

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**b** Leave use and limitations.

(1) Credits and use of annual, personal, and school and community participation leave credits. An employee is credited with annual, personal, and school and community participation leave in accordance with the compensation plan. An employee may use annual, personal, and school and community participation leave when approved by the appointing authority in accordance with the compensation plan.

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(3) **Other limitations.** Annual, personal, school and community participation, and sick leave cannot be authorized, accumulated, or credited in excess of limits established in the compensation plan.

(4) **Special credit for annual leave and longevity.** Solely for the purpose of annual leave and longevity credit, a career employee is allowed state service credit for the following:

(A) Service in a nonelective excepted or exempted position in a principal department, the legislature, or the supreme court, that immediately precedes entry or return to the classified service.

(B) Up to five years of honorable service in the armed forces of the United States completed before entry into the classified service. When an employee who has received additional annual leave and longevity separates from the classified service and subsequently returns, military service previously credited is recognized as prior service, subject to requalification for the benefits of this rule.

3. **Standards**

   A. **Annual Leave.**

   1. **Initial Grant.** Upon entering the classified service, a career employee is credited 16 hours of annual leave. An employee can only be credited an initial leave grant once per calendar year.

   2. **Crediting and Accumulation.** A career employee accrues annual leave for each 80 hours in full pay status in accordance with the annual-leave table in rule 5-10.2(a)(1)(B).

   a. An employee accrues paid annual leave in accordance with both prior and currently continuous classified service upon completing 10,400 hours of currently continuous service.

   b. Paid service over 80 hours in a biweekly pay period is not counted.

   c. When paid service does not total 80 hours in a biweekly pay period, leave credits are prorated based on hours in pay status for that pay period.

   d. Temporary layoff time is included in computing service hours for annual-leave credits.

   e. Annual leave is credited at the end of each biweekly pay period.

   f. Career employees eligible for special credit for unclassified or military service for annual leave under rule 5-10.2 must satisfy the standards and documentation requirements used for longevity under regulation 5.05.

   g. An employee cannot accumulate annual-leave above the maximum accumulation in the annual-leave table, except for:
(1) An assaulted employee covered by PA 293 of 1975; PA 414 of 1976; PA 131 of 1978; or PA 452 of 1978.

(2) An employee suspended or dismissed who is subsequently returned to employment with full service benefits.

3. Use.
   a. An employee may use the initial grant of 16 hours immediately upon hire, with the appointing authority’s prior approval.
   b. Annual leave is only available in biweekly pay periods after the period when it is earned. Annual leave cannot be credited or used in anticipation of future accruals. Absent applicable accrued leave, compensation reductions for lost time are made for the pay period when the absence occurred.
   c. An employee can only use annual leave with the appointing authority’s prior approval, except that an employee can use accrued annual leave if insufficient sick leave exists to cover an absence for which sick leave is normally used. In this circumstance, the standards of regulation 5.10 on sick-leave use apply.
   d. Annual leave cannot be used to extend employment.
   e. An employee allowed annual-leave accumulation above the maximums under § 3.A.2.g has one year after returning to employment to reduce the balance below the maximum. After one year, any excess accrual is lost.
   f. Consistent with operational needs, an appointing authority shall honor a seniority-based vacation for 2019 using annual leave approved under contractual provisions in 2018.

4. Transfer of Leave. An employee who moves from one state agency to another may transfer up to 80 hours of accrued annual leave. Annual leave above 80 hours may be transferred with the new appointing authority’s approval. An employee is paid at the current pay rate for unused annual leave that is not transferred. This section does not apply to transfers from executive reorganizations.

5. Layoff. An employee separated by layoff, other than a temporary layoff, may freeze annual leave up to the accrued balance at layoff or be paid off up to the appropriate maximum payoff in the annual-leave table.
   a. If the employee freezes annual leave, the balance is retained until the employee elects to be paid off or until the employee’s recall rights expire, whichever occurs first. The payoff amount is calculated at the employee’s last pay rate.
   b. An employee who elects payoff for annual leave when separated by layoff may buy back annual leave upon recall, subject to the following conditions:
(1) An employee recalled to the agency from which laid off may buy back any portion of annual leave up to the amount paid off.

(2) An employee appointed to a permanent position in a different agency while on a recall list may buy back up to 80 hours of any portion of annual leave that had been paid off.

(3) An employee buys back the annual leave at the returning pay rate.

(4) Any payment is made to the agency that made the original payoff.

(5) This option may be exercised only once per recall and must be exercised during the first 13 pay periods of the recall.

6. **Payoff on Retirement, Death, or Separation.**
   a. When employment is terminated for any reason, the employee or beneficiary is paid the balance of unused annual leave at the employee’s last pay rate.
   b. Payment for unused annual leave is limited to the applicable maximum in the annual-leave table. This includes employees permitted to accrue above the maximum under § 3.A.2.g.

7. **Deferred Hours.** Deferred-hour credits are administered in the same manner as annual leave.

8. **Annual-Leave Transfer.** A direct leave-transfer process and central leave bank are available for nonexclusively represented employees (NEREs) facing financial hardship due to serious injury or prolonged illness of the employee or the employee’s dependent spouse, child, or parent.

   a. **General Provisions.**
      (1) An employee may receive a direct transfer of annual leave from employees in the same agency or through the central leave bank administered by DTMB Financial Services, if the receiving employee has (a) successfully completed the initial probationary period, (b) exhausted all leave credits, and (c) had the absence approved.
      (2) An employee may receive a combined maximum donation of 240 hours per calendar year.
      (3) Donations of annual leave by direct transfer or to the central leave bank are irrevocable and limited to a combined maximum of 40 hours per calendar year. Donations must be in increments of one hour.
      (4) Donation to and receipt from direct leave transfer or the central leave bank require the appointing authority’s approval on an OSE form.
      (5) Unused donated annual leave is forwarded to the central leave bank.
b. **Direct Leave Transfer.**

   (1) Direct leave transfers must be made before or while the employee is absent.

   (2) The right to donate and receive hours through direct transfer is not limited to NEREs if a collective bargaining agreement allows similar donation.

B. **Personal Leave.** Each October 1, full-time career employees with at least six months’ continuous satisfactory service are credited with 16 annual-leave hours. A less than full-time employee receives proportionate credit based on the average hours in pay status during the six full biweekly pay periods preceding October 1.

   1. A full-time employee on a leave of absence on October 1 receives the full grant upon return to active employment status. A less than full-time employee on a leave of absence on October 1 who has completed less than six biweekly pay periods receives a partial grant based on the average hours in pay status since return from leave.

   2. An employee recalled from layoff receives a personal-leave credit prorated for the balance of the fiscal year after recall.

C. **School and Community Participation Leave.** A career NERE who has completed 1,040 hours of satisfactory service annually receives eight hours of school and community participation leave.

   1. An employee may use the leave to participate in any school-sponsored activity including tutoring, field trips, classroom programs, school committees, assisting athletic or arts programs, and school clubs. The leave may also be used to actively participate in any structured secular community activity sponsored by a governmental or non-profit community agency, but not for mere attendance at school or community events.

   2. The leave may only be used in increments of one hour and only for qualifying events occurring during an employee’s scheduled worktime.

   3. An employee must obtain the appointing authority’s prior written approval.

   4. The leave is credited to employees each October 1 and does not carry forward beyond the fiscal year.

**CONTACT**

Questions on this regulation may be directed to Compensation, Civil Service Commission, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909; 517-241-0837 or 517-284-0102; or MCSC-Compensation@mi.gov.