



Private Sector Vacation Credit FAQs

04/10/2018

Private Sector Vacation Credit FAQs:

Changes to the MAPE, MMA and MGEC collective bargaining agreements include the addition of vacation accrual credit for previous private sector experience in a vacation eligible position directly related to the employee/supervisor's current state position.

An Appointing Authority may adjust length of service to reflect credit for the employee/supervisor's previous private sector experience in a position directly related to the employee/supervisor's current State position. Length of service credit shall be subject to the following conditions:

1. The employee/supervisor must have been appointed to State service within 4 years of separation from the other employer.
2. The employee/supervisor must have been in a vacation eligible position with the other employer.
3. The employee/supervisor must provide the necessary documentation demonstrating his/her vacation eligibility status with the previous employer.
4. The amount of the length of service credit granted is at the discretion of the Appointing Authority.

Changes in the accrual rate will become effective the beginning of the next payroll period following the Appointing Authority's approval of the adjusted rate and are not retroactive.

1. *What is the difference between public and private sector vacation credit?*

For vacation accrual purposes, length of service credit for prior service in the public sector could include employment at the local, state or federal levels of government, including service in the United States Armed Forces, as well as employment at a Sovereign Indian Nation. Length of service credit for prior service in the private sector could include employment in the for-profit and non-profit sectors. (For information about self-employment, see Question 16).

*Note that the MGEC contract distinguishes between the United States Armed Forces and other public sector employment. In MGEC only, granting of length of service credit for prior service in the United States Armed Forces is discretionary whereas for all other public sector prior employment granting of length of service credit is not discretionary.

2. *Will there be a "window" period in which employees/supervisors can request private sector vacation credit?*

No, there is not a window period. Current employees as well as new hires may submit documentation for approval of length of service credit at any time. If and when the request is approved, the changes will become effective at the beginning of the next payroll period following the Appointing Authority's approval of the adjusted rate, and will not be retroactive.

3. *How should Appointing Authorities determine if a position is directly related to the employee or supervisor's current State position?*

Appointing Authorities have the subject matter expertise to evaluate whether the duties of a previous position are directly related to the employee/supervisor's current job. Human Resources may request additional information to make this determination.

4. *What type of necessary documentation should the Appointing Authority seek from the employee/supervisor to demonstrate their vacation eligibility status with the prior employer?*

Appointing Authorities may accept any documentation from the employee/supervisor that shows the employee/supervisor was eligible for vacation leave at their prior employer. Such documentation could include a signed letter from the prior employer verifying the prior vacation eligibility status. Ultimately, the Appointing Authority will be the judge of the sufficiency and appropriateness of the documentation received from the prior employer regarding previous vacation eligibility status.

5. *In evaluating whether a supervisor's previous private sector position is directly related to the supervisor's current State position, should agencies consider whether the previous private sector position was supervisory or whether the previous position is directly related to the current supervisory position's underlying field or subject area?*

Appointing Authorities should analyze whether the previous position is directly related to the field or subject area of the current supervisory position in determining if a previous private sector position is directly related to the current State position. Lack of supervisory job duties in the previous private sector position should not bar that position from being determined to be "directly related" to the current State position.

6. *What if an employee/supervisor worked in a vacation eligible position directly related to the current State job but it was not the most recent position before State employment?*

As long as the employee/supervisor was appointed to State service within four (4) years of separation from the private sector employer and meets all the criteria, the previous position is eligible for credit, at the Appointing Authority's discretion.

7. *What position should Appointing Authorities base their decision on for long time employees who may have started at the State in a position that was directly related to their private sector position but have moved into a new position that is no longer directly related to the private sector position?*

The contract language in MGEC, MAPE and MMA states that the previous position must be directly related to the current State position. Therefore, Appointing Authorities should analyze whether the previous private sector position is directly related to the current position, not any previous State position held by the employee/supervisor.

For example, the employee left their job as a computer programmer at a private technology company in 2010, after ten (10) years of service there, to accept a position as an ITS-4 at Minnesota IT Services. In 2013, the ITS-4 accepted a position as a Hydrologist 1 at the Minnesota Pollution Control Agency. If the employee now requests to have their prior service as a computer programmer in the private sector counted toward their vacation accrual status, it is highly unlikely the prior computer programmer experience would be directly related to the employee's current role as a Hydrologist. Therefore, the prior private sector service should not count towards the employee's vacation accrual length of service credit.

8. *Are all Appointing Authorities required to grant the same amount of vacation accrual credit?*

No, each agency or Appointing Authority has discretion when making determinations about whether to grant or not grant private sector vacation accrual credit, and how much. The Appointing Authority may

grant credit for all, none, or a portion of the employee's/supervisor's service, at its discretion. However, each Appointing Authority is encouraged to have consistent internal application of the credit.

9. *Can Appointing Authorities decide to not grant private sector vacation accrual credit or to limit the number of years it grants?*

Yes, Appointing Authorities have the discretion to not grant this credit or to limit the amount of credit to a certain number of years. The Appointing Authority may grant credit for all, none, or a portion of the employee's/supervisor's service, at its discretion.

10. *If an employee/supervisor is denied private sector credit or is only granted a limited number of years of credit at one Appointing Authority, and moves to a new Appointing Authority, can the employee/supervisor request again?*

Yes, the employee/supervisor can request again, and the Appointing Authority has the discretion to grant credit for prior applicable service not previously credited to the employee's/supervisor's length of service accrual.

11. *If an employee/supervisor is granted private sector credit at one Appointing Authority and moves to a new Appointing Authority, can the new Appointing Authority deduct from the employee's/supervisor's previously granted length of service credit based on internal Appointing Authority practice?*

No, an employee/supervisor who moves from one Appointing Authority to another shall accrue vacation leave with the same credit for length of service that existed at the time of their transfer.

12. *If an employee/supervisor is denied private sector credit or is only granted a limited number of years of credit at their current Appointing Authority, can the employee/supervisor request again?*

Yes, the employee/supervisor can request again from their current Appointing Authority, and the Appointing Authority has the discretion to reevaluate and grant credit for prior applicable service not previously credited to the employee's/supervisor's length of service accrual.

13. *May an employee receive length of service vacation accrual credit for their prior public sector employment experience and their prior private sector employment experience?*

Yes, at the Appointing Authority's discretion, an employee may have their vacation accrual credit adjusted for eligible prior service in both the public and private sectors, so long as the prior service credit meets all other outlined eligibility criteria.

*Note that the MGEC contract provides that granting of length of service credit for previous public sector employment, with the exception of service in the United States Armed Services, is not discretionary.

14. *How will Appointing Authorities/agencies know if an employee/supervisor previously requested private sector vacation credit at another State agency?*

When making a change to the leave accrual date in SEMA4, we strongly recommend that a row be added to the job record that makes a reference to this change. Please do the following:

- Enter an effective dated row that coincides with the change to the leave accrual date
- Action = Data Change
- Reason Code = OTH (Other)

Add a comment that reads, “Leave Accrual Date changed **from** XX/XX/XXXX **to** XX/XX/XXXX and the reason for the change. This way there will be a record of what the date was and what it was changed to.

For additional information, see Attachment A, Leave Accrual Date.

15. What if the employee/supervisor is unable to provide necessary documentation because the private sector employer is out of business or was acquired by another company?

Employees/supervisors should provide as much documentation as possible for the Appointing Authority’s consideration when reviewing the request for private sector credit, even if the prior private sector employer is no longer in existence (e.g. pay stubs, information regarding previous leave accrual, offer letter, etc.). The Appointing Authority will assess the documentation and make a determination based on the information provided.

16. What if the employee/supervisor was previously self-employed?

In order to be eligible for vacation accrual credit, employees/supervisors must provide adequate proof that their prior position was vacation eligible. An employee/supervisor requesting vacation accrual credit for prior self-employment experience will be required to submit evidence of vacation eligibility in their self-employed position. The Appointing Authority will assess the documentation and make a determination based on the information provided.

17. How should Appointing Authorities handle the volume of requests from current employees?

Appointing Authorities should devote the necessary resources to review and respond to private sector vacation accrual credit requests as quickly and efficiently as possible.

18. Can an employee/supervisor appeal the Appointing Authority’s decision not to grant private sector vacation accrual credit?

No, there is no appeal process because the decision to grant the credit is ultimately within the Appointing Authority’s discretion. However, if an employee/supervisor obtains additional information to support their previously denied request, the employee/supervisor may share such documentation with the Appointing Authority for consideration.

Attachment A

Leave Accrual Date

The leave accrual date is located in Personal Information, under Modify a Person and on the Biographical Details page. The leave accrual date is NOT a historical date field. What this means is that there will be no historical record when changes are made to this date. Each and every employee has a leave accrual date. This is minimum record criteria.

The leave accrual date is normally the original hire date, and indicates the date when an employee can start accruing leave, if eligible. For eligible employees, the leave accrual date goes hand and hand with the Salary Authority and Leave Authority codes, which are located on the Job Record, on the Leave / WOC page. Payroll uses the Leave Accrual Date, along with Salary Authority and Leave Authority to determine the employee's leave accrual rate.

The leave accrual date can be changed when necessary. Some common reasons to adjust the leave accrual date are:

- If a **return from leave** is processed, and the leave type necessitates a change in the leave accrual date
- If a **rehire** is processed
- If there is a change to the **Salary and / or Leave Authority** and it is changed from eligible to ineligible, or vice versa
- Being credited with prior service

When making a change to the leave accrual date, we strongly recommend that a row be added to the job record that makes a reference to this change. Please do the following:

- Enter an effective dated row that coincides with the change to the leave accrual date
- Action = Data Change
- Reason Code = OTH (Other)

Add a comment that reads, "Leave Accrual Date changed **from** XX/XX/XXXX **to** XX/XX/XXXX and the reason for the change. This way there will be a record of what the date was and what it was changed to.

This is helpful information to have when an employee changes agencies or when trying to piece together an employee's leave eligible history. Also, some agencies have devised their own form for when an employee requests to have their leave accrual date changed, or when it is necessary to change the leave accrual date for reasons outlined above. This is good documentation to have.

When the leave accrual date is changed and the change will have an effect on the accrual amount the employee will receive, the accrual change will happen the following pay period.

If the date went backwards, and the accruals need to be rerun (which means gaining leave accrual hours), contact Statewide Payroll Services requesting that the accruals get rerun back to the appropriate pay period. For example, if you are correcting a leave accrual date back to 05/03/2012, use pay period ending 05/08/2012 for the pay period the accruals need to be rerun back to.