FAQs about Terminal Vacation

An employee who is being indefinitely laid off, or an employee who is retiring, may elect to run out his/her accrued vacation, PTO time, and available floating holiday, rather than receive the accrued time in a lump sum payment. Employees generally consider taking terminal vacation as a means to extend employee health benefits for up to an additional six weeks. For laid off employees, the period of terminal vacation is not included in the calculation of the severance amount.

The period of terminal vacation begins on the first workday following the employee’s last day of actual work and ends once the employee’s vacation balance has been exhausted by applying it in replacement of the employee’s normal work schedule.

Q. **How will the use of terminal vacation status affect my health and welfare benefits?**
   You will retain eligibility for health benefits, and contributions are paid in the same manner as they were prior to terminal vacation.

Q. **How does terminal vacation affect my retirement contributions?**
   Retirement contributions are the same regardless of whether you elect terminal vacation or opt for a lump sum vacation payout. You retain eligibility for retirement benefits, and may continue your contributions to your retirement accounts. The University’s contributions to your retirement plans will continue.

Q. **I’ve been laid off, and I am eligible for Severance pay. How will being in terminal vacation status affect my severance payment?**
   The use of terminal vacation will have no effect on your severance calculation.

Q. **I’ve been laid off. How does terminal vacation affect my layoff effective date, my bridging period, and my severance repayment period?**
   The effective date of the layoff will be changed to be the first workday following the terminal vacation period. Similarly, your bridging period and severance repayment period begin on the first work day following the terminal vacation (the new layoff effective date).

Q. **Since the use of terminal vacation affects my layoff effective date, will taking terminal vacation affect the timing of my layoff rights (e.g., preference for rehire, or access to outplacement)?**
   No. Your ability to invoke hiring preference under Administrative Guide 2.1.2. and the use of outplacement services begins when you receive the notice of layoff.

Q. **Since I am remaining on the payroll, will I continue to accrue sick and vacation time?**
   No. Sick leave and vacation time are not accrued after the last day of actual work. In addition, PTO and Floating Holidays are not credited after the last day of actual work.

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Q. If, while on terminal vacation, I choose to have the remaining accrued time paid in a lump sum rather than use it up until it is exhausted, can I do that?
Yes. You must advise your HRM of your decision to receive the accrued time in a lump sum. The University will make every effort to process the change within 3 working days.

Q. What happens to my STAP account during terminal vacation?
You may use remaining STAP funds during the period. However, if you are in a terminal vacation period when a fiscal year begins, you will not receive additional STAP funds.

Q. I have some sick leave in the bank. Can I use it during the terminal vacation period?
No. Sick leave accrued prior to the last day of actual work is not available for use.

Q. There are University designated holidays that occur during my terminal vacation period. Will I receive holiday pay for these days?
No. Employees on terminal vacation are no longer eligible for University holiday pay after the last day of actual work. Vacation, PTO or floating holiday will be used to cover any University designated holiday falling within an employee’s terminal vacation period.

Q. I'd like to find another Stanford job while I'm being paid terminal vacation. Can I do that?
If you had a dual appointment and are being laid off from one of them, you may continue your appointment in your other position. However, an employee receiving terminal vacation pay cannot be employed in any other Stanford University position if such employment would cause the total hours/amount paid to be more than the work commitment and pay level that existed prior to layoff or retirement.

Q. I've been using the University's sports facilities and libraries for years. Will I still have access during terminal vacation? What about e-mail?
Employees receive continued access privileges to University libraries, sports facilities, and other services during terminal vacation. However, continued access to the University e-mail account is at the University's discretion.