

## Chapter 1 : Division of Labor Standards Enforcement (DLSE)

*Work Hours, Wages, and Vacation Leave Joseph G. Altonji, Emiko Usui. NBER Working Paper No. Issued in October NBER Program(s): Labor Studies Using the Panel Study of Income Dynamics and the Health and Retirement Study, we provide a set of facts about vacation leave and its relationship to hours worked, hours constraints, wage rates, worker characteristics, spouse's vacation leave.*

However, if an employer does have an established policy, practice, or agreement to provide paid vacation, then certain restrictions are placed on the employer as to how it fulfills its obligation to provide vacation pay. Under California law, earned vacation time is considered wages, and vacation time is earned, or vests, as labor is performed. For example, if an employee is entitled to two weeks 10 work days of vacation per year, after six months of work he or she will have earned five days of vacation. Vacation pay accrues adds up as it is earned, and cannot be forfeited, even upon termination of employment, regardless of the reason for the termination. Plastic Dress Up 31 C3d An employer can place a reasonable cap on vacation benefits that prevents an employee from earning vacation over a certain amount of hours. Atlas Mechanical 6 Cal. Labor Code Section This could apply to a probationary or introductory period, and can even apply to the whole first year of employment. Such a provision in a vacation plan will only be recognized, however, if it is not a subterfuge phony reason and in fact, no vacation is implicitly earned or accrued during that first year or other period. For example, a plan with the following provisions would be an obvious subterfuge and not recognized as valid: No vacation Year 2: A valid vacation plan could look like the following: How is vacation earned? In California, because paid vacation is a form of wages, it is earned as labor is performed. Thus, for example, if an employee is entitled to two weeks 10 work days annual vacation, and works full-time, eight hours per day, 40 hours per week, in the above example for each week the employee works at least one full day, he or she will earn 1. Pro rata daily basis: Yes, it is legal. No, such a provision is not legal. In California, vacation pay is another form of wages which vests as it is earned in this context, "vests" means you are invested or endowed with rights in the wages. Accordingly, a policy that provides for the forfeiture of vacation pay that is not used by a specified date "use it or lose it" is an illegal policy under California law and will not be recognized by the Labor Commissioner. Yes, such a provision would be acceptable to the Labor Commissioner. Unlike "use it or lose it" policies, a vacation policy that places a "cap" or "ceiling" on vacation pay accruals is permissible. Whereas a "use it or lose it" policy results in a forfeiture of accrued vacation pay, a "cap" simply places a limit on the amount of vacation that can accrue; that is, once a certain level or amount of accrued vacation is earned but not taken, no further vacation or vacation pay accrues until the balance falls below the cap. The time periods involved for taking vacation must, of course, be reasonable. If implementation of a "cap" is a subterfuge to deny employees vacation or vacation benefits, the policy will not be recognized by the Labor Commissioner. DLSE has repeatedly found vacation policies which provide that all vacation must be taken in the year it is earned or in a very limited period following the accrual period are unfair and will not be enforced by the Division. Can my employer tell me when to take my vacation? Yes, your employer has the right to manage its vacation pay responsibilities, and one of the ways it can do this is by controlling when vacation can be taken and the amount of vacation that may be taken at any particular time. Yes, your employer has the right to manage its vacation pay responsibilities, and one of the ways it can do this is by paying you off each year for vacation that you earned and accrued that year, but did not take. My employer has combined its vacation and sick leave plans into one program that it calls "paid time off" PTO. Under this program I have a certain number of paid days each year that I can take off from work for any purpose. Does this allow my employer to circumvent the law as it relates to vacations? No, a "paid time off" PTO plan or policy does not allow your employer to circumvent the law with respect to vacations. Where an employer replaces its separate arrangements for vacation and sick leave with a program whereby employees are granted a certain number of "paid days off" each year that can be used for any purpose, including vacation and sick leave, the employees have an absolute right to take these days off. Consequently, again applying the principles of equity and fairness, DLSE takes the position that such a program is subject to the same rules as other vacation policies.

Thus, for example, the "paid time off" is earned on a day-by-day basis, vested paid time off days cannot be forfeited, the number of earned and accrued paid time off days can be capped, and if an employee has earned and accrued paid time off days that have not been used at the time the employment relationship ends, the employee must be paid for these days. My employer allows its employees to take their vacation before it is actually earned or accrued. Last month I took my three weeks vacation before I had actually earned all of it. I quit my job this month and my employer deducted all of the unearned vacation days that I had taken from my final paycheck. Can he do this? No, your employer cannot deduct "advanced" vacation. Because of work schedules and the wishes of employees, many employers allow employees to take their vacation before it is actually earned. Thus, if an employee takes an advance on vacation and then quits or is discharged before all of that advanced vacation is earned or accrued, the effect is that there has been an overpayment of wages which is a debt owed to the employer. The California courts have noted on a number of occasions that an advance on wages, as with any other debt owed either to the employer or a third party, is subject to the provisions of the attachment law. Thus, in California since the wage garnishment law provides the exclusive judicial procedure by which a judgment creditor can execute against the wages of a judgment debtor, an employer may not resort to self-help to recover debts owed to the employer by an employee from the wages then due to the employee. What happens to my earned and accrued but unused vacation if I am discharged or quit my job? Under California law, unless otherwise stipulated by a collective bargaining agreement, whenever the employment relationship ends, for any reason whatsoever, and the employee has not used all of his or her earned and accrued vacation, the employer must pay the employee at his or her final rate of pay for all of his or her earned and accrued and unused vacation days. My employer does not allow employees to carry-over any unused vacation days from year-to-year. When I was discharged last week none of these forfeited vacation days were included in my final paycheck? What can I do? Additionally, if you no longer work for this employer, you can make a claim for the waiting time penalty pursuant to Labor Code Section 203. What is the procedure that is followed after I file a wage claim? After your claim is completed and filed with a local office of the Division of Labor Standards Enforcement DLSE, it will be assigned to a Deputy Labor Commissioner who will determine, based upon the circumstances of the claim and information presented, how best to proceed. Initial action taken regarding the claim can be referral to a conference or hearing, or dismissal of the claim. If the decision is to hold a conference, the parties will be notified by mail of the date, time and place of the conference. The purpose of the conference is to determine the validity of the claim, and to see if the claim can be resolved without a hearing. If the claim is not resolved at the conference, the next step usually is to refer the matter to a hearing or dismiss it for lack of evidence. At the hearing the parties and witnesses testify under oath, and the proceeding is recorded. Either party may appeal the ODA to a civil court of competent jurisdiction. The court will set the matter for trial, with each party having the opportunity to present evidence and witnesses. In the case of an appeal by the employer, DLSE may represent an employee who is financially unable to afford counsel in the court proceeding. See the Policies and Procedures of Wage Claim Processing pamphlet for more detail on the wage claim procedure. This judgment has the same force and effect as any other money judgment entered by the court. Consequently, you may either try to collect the judgment yourself or you can assign it to DLSE. What can I do if my employer retaliates against me because I informed him that in California vacation is wages and cannot be forfeited? In the alternative, you can file a lawsuit in court against your employer.

### Chapter 2 : California Rules on Vacation and Paid Time Off | [www.nxgvision.com](http://www.nxgvision.com)

*Vacation leave seems to be determined by broad employer policy rather than by negotiation between the worker and the firm. In particular, it is strongly related to seniority but depends very little on labor market experience, and for job changers it is only weakly related to vacation on the previous job.*

### Chapter 3 : Florida Labor Laws - Wage, Hour - [www.nxgvision.com](http://www.nxgvision.com)

## DOWNLOAD PDF WORK HOURS, WAGES, AND VACATION LEAVE

*Using the Panel Study of Income Dynamics and the Health and Retirement Study, we provide a set of facts about vacation leave and its relationship to hours worked, hours constraints, wage rates, worker characteristics, spouse's vacation leave, labor market experience, job tenure, occupation, industry.*

### Chapter 4 : Vacation | Colorado Department of Labor and Employment

*Vacation Leave Weekend Work The Fair Labor Standards Act (FLSA) does not require payment for time not worked, such as vacations, sick leave or federal or other holidays.*

### Chapter 5 : EconPapers: Work Hours, Wages, and Vacation Leave

*"Using the Panel Study of Income Dynamics and the Health and Retirement Study, we provide a set of facts about vacation leave and its relationship to hours worked, hours constraints, wage rates, worker characteristics, spouse's vacation leave, labor market experience, job tenure, occupation, industry, and labor market conditions.*

### Chapter 6 : Work Hours, Wages, and Vacation Leave

*Abstract. Using the Panel Study of Income Dynamics and the Health and Retirement Study, we provide a set of facts about vacation leave and its relationship to hours worked, hours constraints, wage rates, worker characteristics, spouse's vacation leave, labor market experience, job tenure, occupation, industry, and labor market conditions.*

### Chapter 7 : "Work Hours, Wages, and Vacation Leave" by Joseph G. Altonji and Emiko Usui

*Using data from the Panel Study of Income Dynamics, the authors provide a set of facts about vacation leave. They show that on average, vacation time taken rose one-to-one with paid.*

### Chapter 8 : Wages and Hours - New York State Department of Labor

*Discussion of these acts appears in the Government Contracts subtopic under the Wages topic. The Wage and Hour Division has a variety of guidance materials available for both employees and employers on the subject of work hours.*

### Chapter 9 : Virginia Labor Laws - Wage, Hour - [www.nxgvision.com](http://www.nxgvision.com)

*Minimum Wage. Florida's current minimum wage rate is \$ For more information on Florida's minimum wage laws, visit our Florida Minimum Wage Laws page, which includes topics such as minimum wage, tip minimum wage, tip sharing and pooling, and subminimum wages.*