

## **Recommendations and Instructions on Sick, Vacation, Other Paid Time Off During PPP Eight-Week Period and Beyond**

1. **Review your parish/school vacation and sick time policies.** If the policies grant employees specified amounts of time as of July 1, consider whether this grant in July 2020 is economically feasible. Some considerations:
  - **Vacation time** is considered wages under MA law and must be paid out upon termination of employment. If an employee is laid off on or after July 1, and the written policy (or contract) states that the annual grant of vacation time is made on July 1, the parish/school will be required to pay out this additional vacation time. The parish/school may wish to amend its written policy and communicate the amendment in the near future to eliminate the one-time grant and/or to delay the grant to a date later in the year. Note that neither MA nor federal law requires that paid vacation time be offered to any employee; however, once offered/incorporated into a policy or contract, it must be followed to comply with the MA wage payment law.
  - Per MA law, **sick time** is earned by employees at a rate of at least one hour for every 30 hours worked. Sick time is not paid out upon termination of employment.
    - Sick accrual codes set up in Prime Pay that have a 2 in them (F2, A2 and C2) will follow the one hour of sick time per 30 hours worked calculation and will only grant employees sick time as they are paid for hours worked.
    - Conversely, the sick accrual codes with a 1 in them (F1, A1, C1) will automatically grant employees 40 hours of sick time on the first pay date on or after July 1 (*e.g.*, July 10, 2020). You may wish to consider moving all employees to 2 codes to avoid grants of paid sick time to employees who have not worked full hours (or at all) over the 8-week period and/or those who will continue to work reduced hours after that period.
    - Sick accrual codes with a 3 in them (F3, A3, C3) are intended for policies that are more generous than the 1 or 2 codes, above. The 3 codes require the location to re-set accrual balances each year on the appropriate anniversary date to add the one-time allotment stated in the written policy or contract. If the parish/school wishes to reduce the allotment to align with the 1 or 2 codes, the written policy should be changed and re-issued to employees, and the sick accrual codes in Prime Pay should be changed.
  - **Other paid time off** (personal days, bereavement, holidays, etc.) are granted at the discretion of the employer, are not required by law, and are not required to be paid out at termination. The parish/school may wish to reduce or eliminate these days to take into account reduced revenue and/or the amount of paid time off already provided over the last 2-4 months.

## 2. Tracking paid time off during PPP 8-week period

- Continue to use PPP codes (PPPR for those working – which includes working from home; PPPN for those not working at all). If an employee needs to use paid time off for which there is an annual allotment (per parish/school policy or contract) and the time is tracked in Prime Pay (typically only Vacation and Sick, since these are the only ones tied to Earnings Codes), after processing and closing payroll, manually adjust the Vacation and/or Sick accruals in the Available fields as shown below.

**Employee Benefit Accrual B**

Accrual Code	
C1	
Available	
VACATION	80.000
SICK	40.000
Misc. 1	
Misc. 2	