NEW YORK POWER AUTHORITY	EP:	3.2
	REVISION:	9
EMPLOYEE POLICY	DATE:	1/1/08

PLEASE REFER TO THE PORTION OF THE EMPLOYEE POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

VACATION

1.1 Because NYPA recognizes the importance of vacation time in providing the opportunity for rest, recreation, and personal activities, the Authority grants annual paid vacations to its full-time, part-time, and provisional salaried employees (see EP 3.1 Salaried Employees' Eligibility for Benefits Policy for employee category definitions).

Eligibility for Vacation

2.1 Full-time salaried employees are credited with vacation days as follows:

a) New employees are credited with 15 vacation days on January 1 of each year. After 5 years of employment, employees will be credited with 20 vacation days. The additional 5 days will be credited initially on January 1st of the year following that in which they attain 5 years of employment.

b) In an employee's first year of Authority employment, vacation days are credited on a pro-rated basis (rounded up to the nearest half day), based on the employee's date of employment (1/12th of 15 vacation days, or 1 1/4 days for each month of service). For example, if employment began in April, the employee receives 11 and a half vacation days for the year. If employment began in December, the employee receives one and a half vacation days. On the following January 1, the employee will be credited with 15 vacation days (see Section 3.1 c).

c) Employees who have 11 or more years of eligible NYPA service will be credited with an additional ½ vacation day on January 1 immediately after they attain 11 years of eligible service. (See EP 1.9 "Transfer or Re-Employment In Public Service" for transferred time eligibility criteria). For each succeeding year of service, another ½ day will be credited on the following January 1st of each year until a maximum of 25 days per year is credited upon the January 1st after reaching 20 years of service.

d) Employees who are on a medical leave and receiving full pay will receive full vacation credits on January 1. Employees on sick leave at half-pay or a leave of absence without pay or long term disability on January 1, will not receive vacation days until they return to work, at which point the days will be credited on a pro-rated basis for the full months worked during the year. Employees who go out on a medical leave or a leave of absence without pay after receiving their vacation days on January 1, and remain employees, will keep the vacation days that were granted on January 1.

3.2 Vacation days for part-time salaried Authority employees are credited on a pro-rated basis based on the assigned number of hours worked per week. If part-time employees become full-time during the year, their vacation days for the year will be adjusted on a pro-rated basis.

3.3 Provisional salaried employees, employed on January 1, are credited with 10 vacation days per year for their first two full years of employment, and 15 vacation days in their third year. (Provisional salaried employees who were previously granted 20 vacation days are "grandfathered" with that amount.) In the first calendar year of provisional employment, vacation will be pro-rated for each month of service.

Vacation Usage

4.1 New employees may use vacation time immediately with the approval of their supervisor (see Section 6.1 d).*

4.2 Employees may use vacation days in full or half-day increments. However, supervisors may allow employees to offset partial vacation days with flexible scheduling, allowing them to make up time by working extra hours on other days. Supervisors may also grant very limited time off without using vacation time if the absence is so brief that it does not affect getting assigned work completed.

4.3 Excessive requests for time off, or taking vacation time without prior approval, should be handled by supervisors as performance problems in accordance with EP: 4.2, Performance Improvement Policy.

4.4 Once employees have submitted their resignation, vacation usage is subject to their supervisor's approval. However, employees must physically be at work on their last day of employment.

*(Some Business Units, Sites or Departments may require the vacation request in writing.)

Vacation Carryover

5.1 Regardless of how many vacation days employees are credited with at the beginning of the year, no more than 40 vacation days may be carried over from year to year. For example, on December 31 an employee has the maximum vacation accumulation (40 days) and is credited with an additional 20 days on January 1, the employee's total balance would be 60 days on January 1. If by December 31 of that year the employee still has more than 40 days of accumulated vacation time, the vacation balance will be reduced to 40 days. However, due to extenuating circumstances, individual exceptions to this limitation on carryover of vacation days may be approved by the respective Business Group and Business Unit/Department Heads with concurrence from the Human Resources Department Head or their designee. Any such request must be forwarded to the Human Resources Department Head no later than January 10th of the year in which the vacation accumulation exceeds the 40-day maximum.

Pay in Lieu of Vacation

6.1 Payment in lieu of accumulated vacation, not exceeding a maximum of 40 days, may be made for employees who have completed at least six months of service under the following conditions:

a) When employees resign, provided they give the Authority at least two weeks' written notice.

b) When employees' services are terminated by the Authority.

c) When employees retire, payment for unused vacation at retirement may be included in the employee's New York State Retirement System benefit calculation, depending on the employee's tier and certain conditions. Please contact a Human Resources representative or the New York State Retirement System for specific details.

d) When employees resign, are terminated or retire, they will receive payment for the current year's accumulated vacation on a pro-rated basis ($1/12^{th}$ of yearly vacation days for each month of service). This will be added to any days that were carried over from the prior year, up to a maximum vacation payment of 40 days. If employees have already used more than the equivalent of $1/12^{th}$ of their yearly vacation days for each month of service, payments for those days must be repaid to the Authority (to the extent possible, payment will be withheld from the employee's final paycheck).

e) When employees resign or are terminated prior to six months of service, they are not eligible for payment of vacation days, and payment for any vacation time taken within the first six months of employment must be repaid to the Authority (to the extent possible, payment will be withheld from the employee's final paycheck).

f) In the event of death, payment for unused vacation will be made to the beneficiary as named in the employee's group life insurance policy.

Vacation Buy-Back Program

7.1 Salaried employees who have accumulated five weeks of vacation time on November 1 may "buy-back" one week (5 days) of vacation time, once per year.

7.2 Vacation buy-back request forms must be sent to Payroll between November 1 and November 15 of each year. The vacation buy-back check will be issued in December of each year. Requests received after November 15 will not be honored or processed.

7.3 The vacation "buy-back" check will be issued separately from the regular bi-weekly paychecks. In addition to taxes, Employees' Savings Plan (401(k) plan) and Deferred Compensation Plan (457 plan) deductions, if applicable, will be withheld from the check. Employees' Savings Plan or Retirement System loan repayments will not be deducted from the check.

The vacation "buy-back" payment does not constitute salary as defined by the Retirement and Social Security Law. Therefore, Tier 3 or Tier 4 contributions, if applicable, will not be deducted from the vacation buy-back check, nor will the buy-back be reported to the Retirement System as wages. Therefore, the value of the "buy-back" will not be included in the calculation of an employee's Final Average Salary.

Executive Vice President
Corporate Services & Administration

NEW YORK POWER AUTHORITY
PAYROLL DEPARTMENT
VACATION CASH OUT REQUEST
SALARIED

EMPLOYEES WITH ONE (1) OR MORE YEARS OF CONTINUOUS SERVICE AND A VACATION ACCRUAL OF TWENTY-FIVE (25) DAYS OR MORE ON NOVEMBER 1ST MAY CHOOSE TO CASH IN ONE (1) WEEK, i.e. FIVE (5) DAYS. REQUEST FOR SUCH MUST BE RECEIVED IN THE HQ PAYROLL DEPARTMENT BY NOVEMBER 15TH.

PLEASE NOTE: THE DEADLINE IS THE 15TH OF NOVEMBER.
NO REQUEST WILL BE HONORED BEYOND THIS DATE.

EMPLOYEE NAME: _____ **FILE #:** _____

LOCATION: _____ **HIRE DATE:** _____

I REQUEST TO CASH OUT FIVE (5) VACATION DAYS FROM MY VACATION BALANCE BASED ON THE GUIDELINES STATED ABOVE.

_____ _____
EMPLOYEE SIGNATURE **DATE**

_____ _____
RECEIVED BY (Site Personnel) **DATE**

FOR HQ PAYROLL USE:

Hire Date: _____ Yrs of Service: _____

Vacation Balance: _____ Master Used: _____

EARNCODE 30: _____

PAY DATE: _____
***Subject to supplemental tax rate**
***Subject to 457 deductions**