

## **POLICY FOR FLEXIBLE BENEFIT VACATION PLAN**

Effective the pay period commencing January 1st, of each year, regular full-time employees may elect to purchase one or two additional weeks of vacation credits over and above their regular entitlement with pre-tax dollars. An eligible employee shall complete an enrollment form and submit it to his department head for approval and signature. Vacation credits may be purchased in one or two week increments.

The enrollment form shall include the following information:

1. The amount of vacation credits the employee is purchasing.
2. The amount of money the purchase is costing the employee.
3. The signature of the employee's department head.
4. The employee shall initial that it is understood that all accrued vacation time must be exhausted prior to using the purchased vacation credits.
5. The employee shall initial that it is understood that the election can not be changed during the plan year unless there is a qualifying change in family or employee status.
6. The employee shall initial that it is understood that any funds not claimed for the plan year must be forfeited and can not be refunded or carried forward to the next year.
7. The employee shall initial that it is understood that Social Security benefits may be reduced by this election due to the pre-taxed treatment of these expenses.

Upon receipt of the enrollment form, Human Resources shall establish a payroll deduction for the employee for the enrollment year. The payroll deduction shall be on a pre-tax basis. Funds that are deducted from the employee's pay shall be placed in a secure account for future use during the calendar year.

Employees shall be able to use the full amount of the purchased vacation credits subject to department head approval and provided the employee has exhausted all accrued vacation time.

**ENROLLMENT FORM**  
**FLEXIBLE BENEFIT VACATION PLAN**

**Name:** \_\_\_\_\_ **Date of Hire:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_ **Work Phone Number:** \_\_\_\_\_

**Department:** \_\_\_\_\_ **Calendar Year:** \_\_\_\_\_

I want to purchase:

One week of Vacation Credits

Two Weeks of Vacation Credits

\_\_\_\_\_ I authorize \$ \_\_\_\_\_ to be deducted from my weekly paycheck for  
Initial \_\_\_\_\_ weeks.

\_\_\_\_\_ I understand and agree that I cannot use my purchased vacation credits until such  
Initial time as my regularly accrued vacation time is exhausted.

\_\_\_\_\_ I understand that any funds that are in my vacation credit account that I do not get  
Initial to use by the end of the calendar year will be forfeited.

\_\_\_\_\_ I understand that my Social Security benefits may be reduced by electing to  
Initial purchase vacation credits.

\_\_\_\_\_ I understand that if I terminate my employment and have received vacation credit  
Initial pay but have not paid for it, the amount overpaid shall be deducted from my final  
pay check.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Head Signature

\_\_\_\_\_  
Date