

## Take the Day, But Not the Pay

New vacation hours show up on pay stubs in January. Employees who work 26 pay periods in 2009 will be eligible to receive (and keep) 200 hours of vacation pay. That's right, it's on your check stub to use, but you don't own it until you come into the plant and become eligible. Working in 13 pay periods is the minimum qualifying amount for eligibility and entitles you to 100 hours.\* Qualifying with fewer weeks counts if you retire in that same calendar year.

So, what about the idea of saving vacation pay and deferring payment until next year? Reasons to do so are many:

- Credited Service (toward retirement) is based on hours paid in a calendar year, not seniority. Vacation hours paid in the next year count toward that year's Credited Service, which could make pension eligibility come sooner.
- Some defer the pay so that they can use the lump sum to pay property taxes that are due shortly after the January payout.
- Others like to use the money to go on an annual warm weather Spring Break trip.
- Or how about because of contract wage increases, the deferred payout could be worth more money the next year?

All good reasons, but here is one that you may not have thought of. The contract says that in the event of a lay off or sick leave, an employee must be paid by the corporation for at least 170 hours in a calendar year to generate a bank of hours to use toward retirement. Deferring at least 170 hours of vacation payout will qualify for that bank of hours.\*\* You never know if this could make a difference in your personal situation or not, but why not give yourself a little extra insurance? Take the vacation day, but ask your supervisor to defer the pay.

Notes:

\*Vacation entitlement questions should be directed to your Committeeperson.

\*\*Credited Service, Pension and Lay Off questions are handled by your Benefit Representative.