



No More 'Use it or Lose it' Vacation Rules for Colorado Employers

News

9.24.15

Susan Schaecher was quoted in the *Denver Business Journal* on September 24, 2015. The article “No More 'Use it or Lose it' Vacation Rules for Colorado Employers” discussed why Colorado employers can no longer impose a “use it or lose it” vacation policy.

Susan sent a memo to her clients about the new interpretation of the law.

“I think it may catch a number of employers unaware,” she said. “What could happen is an employer could have employee who accumulated a great deal of vacation and did not use it. Then, on separation, the employer would have to pay.”

Part of the difficulty comes in crafting a policy that defines when vacation is earned, Susan said. For example, an employee may have to work one year before taking vacation; however, the vacation days would be accrued during that year. So what happens if the employee leaves the company before the year is up and never took those accrued days?

One way employers could decrease their liability is to set caps. For example, an employer might say an employee can only have 80 hours of vacation in the bank and will not accrue more until the 80 hours are used. Or, say vacation pay is “earned on the completion of one year served,” she said.

“If the policy isn’t clear, like ‘employees earn one week of vacation for each year of employment’ — that is vague and can be interpreted in several ways,” she said.

To read the full article, please visit the [*Denver Business Journal*](#).

Please reach out to our [Media team](#) for any news inquiries.

Related People





Susan M. Schaecher

Senior Counsel

303.218.3650

Email