

Incentive Leave Policy

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§ 1. Policy

Incentive leave may be used as a recruitment tool to assist in the employment of candidates employed outside of State government and who are interested in accepting employment within North Carolina State government.

An agency may award incentive leave to applicants who are newly appointed to a position that the agency has identified as critical to the agency mission and for which the agency has documented recruitment difficulty attracting qualified applicants, or who are newly appointed to an executive position.

§ 2. Definitions

Executive Management Position: A senior management position that reports directly to an appointed/elected agency head and is delegated authority to make decisions that impact the overall direction of the agency and whose duties typically involve planning, strategy, policymaking and line-management. Typical job titles include chief executive officer, chief operating officer, chief financial officer and deputy secretary.

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Recruitment Difficulty: Positions that are highly competitive in the labor market due to specialized competencies and/or license/certifications and/or geographic location, and/or those positions in which there is a high turnover which significantly impacts the agency's efforts to recruit and provide services. Recruitment typically involves active specialized recruitment efforts utilizing multiple recruitment resources that require an extended period of recruitment and results in a limited qualified applicant pool.

Incentive Leave Policy (cont.)

Newly Appointed: The initial appointment as an employee of the State of North Carolina, or an appointment following a break in service of at least 12 months from a previous appointment as an employee of the State of North Carolina.

Employed Outside of State Government: not employed with an organization for which the State currently accepts transferred accrued vacation leave upon hire.

§ 3. Recruitment Documentation

If recruitment difficulties are the basis for the application of this policy, the agency shall maintain written documentation related to difficulties in recruiting to fill positions of applicants offered incentive leave. The agency will be expected to provide this documentation to the Office of State of State Human Resources upon request. Documentation should include high turnover rates, special required competencies, types of specialized recruitment resources used during the recruitment period, beginning and ending dates of active recruitment, number of qualified applicants in the applicant pool, and any additional documentation such as number of applicants that may have rejected offers including a reason why applicants that may have withdrawn their application from consideration, etc.

§ 4. Eligibility Requirements

The newly appointed employee must meet the minimum qualifications of the position and have a full-time or part-time (half-time or more) permanent, probationary, or time-limited appointment.

§ 5.

Amount of Leave and Relationship to Other Leave

An agency may award a one-time accrual, up to 20 days (160 hours) of incentive leave to an eligible new employee upon hire. The one-time leave award shall be prorated for part-time employees. For example, a half-time employee would be eligible for up to 80 hours of leave upon hire. Management may negotiate the amount of leave to award to the selected applicant taking into consideration the applicant's current annual vacation leave accrual.

Upon hire, the employee will also be eligible to earn other accrued leave such as vacation/bonus leave, sick leave, etc. as allowed by policy.

Incentive Leave Policy (cont.)

Incentive leave shall be maintained and accounted for in a separate account from other accrued leave such as vacation/bonus leave, sick leave, etc.

§ 6. Carry-over and Payment of Leave

Unused incentive leave carries over from year to year and can only be used as paid leave. Under no circumstance can it be:

- transferred to sick leave,
 - paid out upon separation,
 - credited toward retirement, or
 - donated as voluntary shared leave.
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§ 7. Transfer

Unused incentive leave may be transferred subject to the receiving agency's approval. If incentive leave is not transferred, it shall not be paid out in a lump sum.

Incentive leave cannot be transferred to any non-State government employer including public school, community college, local mental health, local public health, local social services, or local emergency management employer.

§ 8. Use of Leave

Subject to supervisory approval, the incentive leave is available for use for the same reasons as allowed by the vacation leave policy.

§ 9. Sources of Authority

This policy is issued under any and all of the following sources of law:

- [N.C.G.S. § 126-4\(5\)](#)

It is compliant with the Administrative Code rules at:

- [25 NCAC 01E .1801-.1809](#)
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Incentive Leave Policy (cont.)

§ 10. History of This Policy

Date	Version
January 1, 2011	<ul style="list-style-type: none"> • New Policy- Allows agency management the flexibility to award a one-time accrual up to 20 days (160 hours) of incentive leave to an eligible new employee upon hire. Incentive leave shall be maintained in a separate account from other accrued leave and can only be used as paid leave; therefore, the leave cannot be cashed out and will not be paid out upon separation if not used.
March 5, 2026	<ul style="list-style-type: none"> • The policy was updated to conform with the revisions to the administrative code rules on incentive leave, including: • Updated the policy to remove the language “middle or late career” to candidate in Section 1. Also removed the definition of middle management and added the definition for Executive Management Position in Section 2. Updated verbiage in Section 4, Eligibility Requirement.