

## Overview

Welcome to **carry over and cap on balance**! In this guide, you'll learn how to set limits on how much time off employees can accumulate, both across cycles and within a cycle. You'll explore the difference between carry-over limits (what gets brought into the new cycle) and balance caps (how much can be held at once), and see how they work in real scenarios. Example configurations will show you how these settings keep accruals under control, help manage liability, and ensure time off policies are both fair and compliant.

## Carry over balance

Carry over settings control how much **unused time off** from a *previous cycle* can be transferred into the **current cycle**.

- This is helpful for limiting year-to-year accumulation.
- You can set a **maximum carryover amount** (e.g., 5 days).
- If an employee has more than the limit, the excess will be discarded when the new cycle starts.

When configuring carry over rules, you can choose whether unused time off from the current cycle:

- Can be used **until a specific date**
- Or can be carried over **indefinitely into future cycles**

Carry over until a specific date scenario:

**Carry over balance \*** ⓘ

Yes ▼

Carry until ▼

May ▼

1 ▼

In this case:

- **Cycle start date:** January 1st, 2025



- Carry over is allowed **until May 1st, 2026**
- If an employee has unused balance from the **2025 cycle**, it can only be used for **time off that takes place before or on May 1st, 2026**.

Note that what matters in this case is the **date of the time off**, not the date it was **booked or approved**. Let's look at an example:

- On **December 20th, 2025**, an employee submits a request for **April 3–5, 2026**
- If they still have unused time off from 2025, that balance will be **used first**
- Even though the request was submitted in 2025, it's eligible because the **leave dates fall within the allowed carryover window**

Carry over forever scenario:

A screenshot of a settings interface for 'Carry over balance'. The title is 'Carry over balance \*' followed by an information icon. Below the title are two dropdown menus. The first dropdown is set to 'Yes' and the second is set to 'Carry forever'. Both dropdowns have a downward arrow icon.

If carry over is set to **Carry forever**, unused time off from 2025 can be used **in any future cycle** until consumed; there's no expiration date. This setting is ideal for policies where time off accumulates without reset or employees have long-term flexibility.

## Cap on balance

A **balance cap** is used to limit how much unused time off an employee can accumulate at any given time. If the employee's total balance (accrued + carried over) reaches the cap, **no additional time off will be accrued** until they use some of it.

This helps avoid large leave buildups and encourages employees to take time off regularly.

In the example below:

- The **cap on balance** is set to **10 days**
- The **cap on carryover** is set to **5 days**, and carryover is allowed **forever**



Carry over balance \* ⓘ

Yes



Carry forever



Cap on carry over balance \* ⓘ

Yes



Maximum carry over balance

5

Days



Cap on balance \* ⓘ

Yes



Stop accruing when employee reaches

10

Days



Let's say an employee:

- Has already accrued **6 unused days** from the current cycle
- Has carried over **4 unused days** from the previous cycle

They now hold a **total balance of 10 days**, and the cap has been reached.

- Their balance is **within policy**
- They will **not accrue** any additional time off from this milestone

If, however, the employee takes 6 days off, their balance will drop to 4 days. On the next fire event, they'll accrue 2 more days, bringing their balance to 6. This will continue until they reach the cap again.



Let's now look at another scenario:

**Schedule**

**Employee accrues \***

2 Days ▼ Monthly ▼ on the First ▼ day

**Start date \***

Hire date ▼

**End date \***

No end date ▼

**Carry over balance \* ⓘ**

Yes ▼ Carry forever ▼

**Cap on carry over balance \* ⓘ**

Yes ▼ Maximum carry over balance 5 Days ▼

**Cap on balance \* ⓘ**

Yes ▼ Stop accruing when employee reaches 10 Days ▼

The employee ends 2024 with **10 days of unused leave**

- On **Jan 1, 2025**, due to the **5-day carry-over cap**, only **5 days** carry into 2025
- The policy starts accruing **2 days monthly**

Here's what happens next:

Fire event date	Carried over	Accrued	Total balance	Notes
Jan 1, 2025	5	2	7	Accrued allowed
Feb 1, 2025	5	2	9	Accrued allowed
Mar 1, 2025	5	1	10	1 day allowed (hit cap)
Apr 1, 2025	5	0	10	No accrual (at cap)

If the employee doesn't use their balance, no further accruals will happen in this cycle.



If you **update the balance cap**, the change is applied **instantly**. Employees will accrue or stop accruing based on the new limit during the **next fire event**.

Let's look into this too:

### Scenario A

Let's say:

- The employee's total balance is 10 days
- Of those, 5 days come from the previous cycle as carryover, and
- 5 days were accrued in the current cycle

You then update the policy by lowering the carry-over cap (e.g., from 5 days → 3 days) and lowering the balance cap (e.g., from 10 days → 7 days).

Cap on carry over balance * ⓘ			
Yes ▼	Maximum carry over balance	3	Days ▼
Cap on balance * ⓘ			
Yes ▼	Stop accruing when employee reaches	7	Days ▼

What changes immediately:

- The **carried-over balance** is reduced from **5 to 3 days**
- The **accrued balance** for the current cycle is reduced from **5 to 4 days**
- The **new total balance** becomes **7 days**
  - **3 days** from carry over
  - **4 days** accrued this cycle

These updates are **applied instantly** upon saving the policy change. The employee's balance is adjusted to match the new caps.

### Scenario B

Let's say:

- An employee has a total balance of 10 days
  - 5 days were carried over from the 2024 cycle
  - 5 days were accrued in the 2025 cycle



This was based on the policy's earlier cap settings:

- Cap on carry over balance: 5 days
- Cap on balance: 10 days

Cap on carry over balance * ⓘ			
Yes ▼	Maximum carry over balance	7	Days ▼
Cap on balance * ⓘ			
Yes ▼	Stop accruing when employee reaches	15	Days ▼

You update the milestone to:

- Cap on carry over balance: 7 days
- Cap on balance: 15 days

Here's what happens:

- The employee's **carry over balance** is updated from **5 to 7 days** → Because they were eligible to carry over more under the new limit
- Their **accrued balance in the current cycle (2025)** remains at **5 days**
- The **total balance** becomes **12 days**
  - 7 days carried over from 2024
  - 5 days accrued in 2025

This new balance is still **under the 15-day cap**, so **future accruals will continue** as normal.