

Paid Time Off Policy

1.0 Scope

This reference document provides employees with information regarding the U.S. Paid Time Off (PTO) Policy. This policy supersedes any former policies, handbooks or procedures.

2.0 General

ABC Company recognizes the importance of time away from work for rest, recreation, and personal activities as well as in the event of illness or injury. Therefore, will grant PTO to all Full-Time Regular Employees who have completed ninety (90) days of cumulative employment, unless otherwise required by applicable federal, state, or local law. All Full-Time Regular Employees will be granted PTO based on their length of service according to the most current Paid Time Off Policy.

2.1 Definitions

1. **PTO:** Paid Time Off; Including any vacation time, personal time off from work, and sick or illness leave paid at the regular pay rate and that is not subject to overtime pay.
2. **Full-Time Regular Employees:** **ABC Company** employees working a minimum of forty (40) hours per week and listed in the Worker Category of the timekeeping system(s) as a Full-Time Regular Employee.
3. **PTO Grants:** Paid Time Off amounts available at the time of hire following ninety (90) days of cumulative employment and granted to Full-Time Regular Employees each year in January in accordance with years of service.
4. **Calendar Year:** Consecutive twelve (12) month period beginning January 1st and ending on December 31st.
5. **Negative Balance:** PTO hours not granted, accumulated, or earned.
6. **Forfeiture:** To give up, end, or terminate PTO hours at the end of the calendar year or termination.
7. **Leave of Absence:** **ABC Company** approved leave.
8. **New Hires:** Newly hired Full-Time Regular Employees within their first ninety (90) days of cumulative employment.

3.0 Eligibility

Eligibility is based on criteria, certain Worker Category classification in the timekeeping system(s), and where required by applicable law. All Full-Time Regular Employees working at least forty (40) hours a week and who have completed ninety (90) days of cumulative employment, unless otherwise required by applicable federal, state, or local law are eligible for PTO. Employees working less than forty (40) hours a week, ACA Variable Employees, Part-Time Employees, Temporary Employees, Students, Interns, and Apprentices are not eligible for PTO unless otherwise required by local, state, and federal law.

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4.0 PTO Grants

All Full-Time Regular Employees will merge into a grant method starting on January 1st of 2021. As such, all Full-Time Regular Employees will have their full PTO grant balances available to them for use and scheduling on the first pay day in January of 2021. This policy will be an annual standard on the first pay day each calendar year in January. The grant method negates sick leave carry over for most states with a few exceptions where **ABC Company** operates, thus, the grant method will be actively managed by Supervisors and Managers at the state and local level. Full-Time Regular Employees who have completed ninety (90) days of cumulative employment are granted their full amount of PTO in accordance with their years of service each January as follows:

- *0-4 years of service: three (3) weeks per year*
- *5-9 years of service: four (4) weeks per year*
- *10-14 years of service: five (5) weeks per year*
- *15+ years of service: six (6) weeks per year*

5.0 PTO Carry Over

Employees will not be allowed to carry over any unused PTO from the previous calendar year unless otherwise required by federal, state, or local law. For the purposes of this policy, the calendar year is the consecutive twelve (12) month period beginning January 1st and ending on December 31st.

5.1 Paid Sick Leave Carry Over

Paid sick leave is part and parcel of the **ABC Company** PTO Policy. As such, any unused paid sick leave (being part of PTO) will not be carried over from the previous calendar year to the next unless required by federal, state, or local law and shall be managed at the state level by Supervisors and Managers.

6.0 Negative Balances and Forfeiture

Employees may not incur a negative PTO balance and cannot borrow against their future PTO grant(s); Therefore, advance leave is not allowed. Any unused PTO will be forfeited and will not be carried over into subsequent year(s) or paid out, unless otherwise required by federal, state, or local law. Employees will not be able to “sell” any unused PTO hours back to the company for any reason.

7.0 Leave of Absence

Employees on an approved leave of absence will not accrue PTO while on that leave of absence. When an employee returns from a leave of absence, an adjustment will be made to the employees PTO balance to reflect the hours lost during the leave. While on a leave of absence, employee must exhaust their PTO before any unpaid leave will be considered. Employees on Short-Term Disability (STD) must apply their PTO to cover the elimination period.

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8.0 New Hires

New hire Full-Time Regular Employees will be granted PTO in accordance with their specific years of service and start date(s). New hire employees are ineligible to take PTO during their first ninety (90) days of employment.

9.0 Planned Use of PTO

Managers and Supervisors are responsible for the scheduling of PTO within their departments to minimally disrupt workflow and business requirements. All PTO schedules are subject to the approval of the Manager or Supervisor. Employees must request PTO by submitting their request through the timekeeping system(s) at least twenty-four (24) hours in advance for planned time off. Consideration shall be given to all requests; however, PTO may be rejected if it significantly impacts business operations. **ABC Company** reserves the right to change the PTO schedules and makes rules for the application of PTO planning. Its decisions shall be final. Eligible employees are required to use and or schedule their PTO granted in one (1) hour increments.

10.0 Unplanned Use of PTO

Employees must notify their immediate Manager or Supervisor at least one (1) hour prior to the start of their regularly scheduled work shift if they will be using PTO for an occurrence, unless otherwise excused by applicable law. Subject to applicable law, management reserves the right to request a doctor's note indicating the reason for absence if an employee is absent from work because of non-work-related illness or injury. Employees who are absent for three (3) or more days are required to provide a doctor's note indicating the reason for absence and their ability to return to work.

11.0 Termination of Employment

When an employee terminates employment or is terminated by **ABC Company**, they will be paid for the prorated unused PTO as of the notification date unless otherwise required by applicable law. Payout at termination will be paid through the current work period only, not for the full grant, unless otherwise required by local, state, or federal laws. Employees who have used more than their prorated portion of their grant at the time of their termination will have the overage taken from their final paycheck. Employees are greatly encouraged to schedule and use their PTO. Final paychecks will include all legal deductions as applicable by federal, state, and local law.

12.0 Federal, State and Local Laws

As it pertains to current laws regarding paid time off, sick leave, vacation, etc. please reference the most current local, state, and federal laws pertaining to the area in question as laws may vary from state to state, and jurisdiction to jurisdiction. Supervisors and Managers shall manage the PTO policies at the individual state and local levels as needed and required.