

## Paid Time Off Benefit

This Paid Time Off (PTO) plan is a benefit provided to all regular and eligible full-time employees. The purpose of this plan is to provide salary continuation through paid leave to employees when time off is taken during regularly scheduled work hours.

The PTO benefit may be applied to absences of any nature, including illness, vacation, appointments, or attending to personal affairs. In the situation of a qualified medical leave of absence, Short Term Disability may apply instead of PTO. For more information, see the Short Term Disability Policy in the Employee Handbook.

The PTO benefit is designed to encourage pre-planned absences to allow leaders advanced consideration for staffing and workflow requirements. Use of PTO is limited by the amount of the employee's available PTO at the time of the absence, and the staffing requirements of the position or department.

### Eligibility

All regular employees working a standard schedule of thirty (30) hours or more per week are eligible to earn PTO.

### PTO Accrual

All newly eligible employees will receive an equivalent of 3 months' PTO accrual after one day of employment.

PTO Plan	3 Months' PTO Accrual Amount
Individual, Manager, Director: <i>Standard PTO Plan</i>	40.00 hours
AVP: <i>Executive 1 Plan</i>	52.00 hours
VP and Above: <i>Executive 2 Plan</i>	60.00 hours

The regular pay period accrual will begin on the first available check following the front load based on years of service with the Company. The 3-month accrual credit and pay period accrual rate will equal the annualized values displayed below.

PTO will accrue at the following rates for eligible employees (in hours) working a forty-hour workweek:

## Employee PTO Standard Accrual

Years of Service	Accrual Rate (in hours) Per Pay Period	Annualized Value (in hours)
0 up to 5 Year	6.67	160.00
5 up to 10 Year	8.00	192.00
10 up to 15 Year	8.67	208.00
15 Years and above	10.00	240.00

## Executive 1 Benefit Accrual – AVP and 2nd VP

Years of Service	Accrual Rate (in hours) Per Pay Period	Annualized Value (in hours)
0 up to 15 Years	8.67	208.00
15 Years and above	10.00	240.00

## Executive 2 Benefit Accrual – VP and Above

Years of Service	Accrual Rate (in hours) Per Pay Period	Annualized Value (in hours)
0 Years and Above	10.00	240.00

An eligible employee working less than 40 hours, will accrue at a prorated accrual value corresponding to their length of service and based upon the hours worked as a percentage of a forty-hour (40) workweek.

*Example: A forty-hour employee earns 6.67 hours of PTO per pay period. An employee working 30 hours (25% less than their forty-hour counterpart) would earn 75% of the benefit accrual. Therefore, an employee working 30 hours would earn 5 hours per pay period.*

PTO, when taken, will reduce the amount of time in an employee's available balance on a first earned, first used basis. Consideration should be given to ensure the available balance is sufficient to cover the duration of the time off at the time of the absence.

## Anniversary Accrual Change

The amount of PTO is based upon the employee's years of service. The accrual value will increase with continuous employment after 5, 10, and 15 years of service. Changes in the accrual rate due to length of service will occur on January 1, preceding the employee's anniversary date.

*Example: If an employee's 5th anniversary is on March 1 they will begin to earn the new accrual rate effective January 1 of that year.*

*Note: If an employee is rehired, service credit will be granted for the prior period of*

*employment. As such, an adjusted seniority date will be used to determine the accrual value and the subsequent five year periods for which increased accrual values will occur.*

## **Maximum Balance**

An employee can hold no more than 320 hours in their PTO balance. Once an employee reaches this balance, any future accrual will cease until PTO is taken, and the available balance falls below 320 hours. An eligible employee, working less than 40 hours will obtain a prorated maximum value based upon the scheduled hours as a percentage of the 320 maximum.

*Example: A forty-hour employee can accrue a PTO maximum of 320 hours. An employee working 30 hours (25% less than their forty-hour counterpart) would earn 75% of the benefit maximum. Therefore, an employee working 30 hours would have a PTO maximum of 240 hours.*

## **Leader Approval**

All requests for time off require leader approval. When the absence is foreseeable, the PTO requests should be made in advance of the absence.

On rare exceptions and at the sole discretion of leaders, employees may be allowed to use PTO hours for which they will become eligible during the current year before actually earning the paid time off. Additionally, available PTO must be used before unpaid time can be granted.

## **PTO Sell**

The PTO sell provision is an optional benefit for employees to sell 40 hours of PTO. The PTO sell election must be made annually during the benefit open enrollment period, which typically occurs in November of each year. PTO will be paid out at 50% of the employee's compensation rate at the time it is paid. Payment for the PTO hours will be included with the January 15th payroll in the following year and treated as regular taxable income to the employee.

To be eligible for the PTO sell election, an employee must have a minimum PTO available balance of 120 hours at the time the PTO election is to be paid out. If an employee makes a PTO sell election but falls below the required 120 hours at any time before the payout, the election will be canceled.

## **Termination of Employment**

In the event employment is terminated for any reason, any unused PTO that has accrued as of the employee's last day worked will be paid out at 100% of the employee's

compensation rate after termination. If the employee has taken unearned PTO as of the date of termination, the employee must reimburse the Company following applicable laws. The reimbursement of unearned advanced PTO will be deducted from the employee's final paycheck.

Any PTO requested or approved that falls within the resignation notice period may still be taken; however, management reserves the right to deny the PTO based on business need during an employee's transition time. PTO cannot extend the termination date and cannot be applied to the last day of employment.

The Company reserves the right to end or amend this policy/procedure at any time and retains the exclusive right to interpret and administer the provisions contained herein. The decisions of the Company are final, and violation of policies/procedures may be subject to corrective action, up to and including termination of employment.