

Paid Time Off (PTO) and Sick Days Policy

This policy applies to all full-time and part-time employees.

Paid Time Off (PTO) The Company recognizes the importance of time off for rest, relaxation, and other familial or personal obligations. Therefore, employees may use Paid Time Off (PTO) for any purpose including vacation, illness, and personal appointments.

The amount of PTO available is based upon an employee's continuous length of service with the Company.

The positions listed in the charts below are eligible for PTO and will begin to accrue PTO from the first day of employment (unless a probationary period applies).

PTO accrues over the course of the calendar year and is based on the calendar year from January 1st to December 31st. In the first calendar year of employment (until January 1 of the next calendar year), employees will accrue PTO on a prorated basis for each full month worked.

Eligible employees accrue PTO pay in accordance with the following schedule:

Exempt Employees

Length of Continuous Service	Entitlement
0-5 years	20 days (160 hours)
6-10 years	25 days (200 hours)
11 years and above	30 days (240 hours)

Full-time Non-exempt Employees

Length of Continuous Service	Entitlement
0-5 years	20 days (160 hours)
6-10 years	25 days (200 hours)
11 years and above	30 days (240 hours)

Part-time regular employees accrue PTO on a pro-rated basis based on the number of hours that they are regularly scheduled to work.

Sick Days The Company also provides additional sick days to be used for an employee's own illness. After 90 days of employment, and for all subsequent years, full-time and part-time regular employees accrue five paid sick days that are usable immediately. Paid sick leave is available to regular full-time employees to use when they must be absent from work due to illness, injury, or medical appointments that cannot be scheduled outside of the work day. It is to be used only when actually required for one of the purposes described in this policy; sick leave must not be used for miscellaneous "personal" absences or to increase vacation days.

PTO and Sick Days Requests and Conditions

- Except in cases of emergency or illness, employees must request PTO at least two weeks in advance (using a PTO request form, which may be obtained from the Human Resources Department) and approved by your Manager.
- To use sick leave for planned absences (e.g., scheduled medical appointments), you must request the absence at least five business days in advance. For unscheduled or unexpected absences, you must contact your supervisor to request the use of sick leave not later than your regular start time. The Company may request a note from your health care provider to confirm the need for leave.
- Approved leaves of absence are not considered a break in continuous service and are included in determining length of continuous employment for purpose of determining the PTO accrual rate.

- PTO will continue to accrue during any paid leaves of absence, or as otherwise required by law.
- Employees should strive to use all their PTO during the calendar year in which it accrues. Accrued but unused PTO will not carry over into the next calendar year unless applicable state law requires otherwise or the employee obtains advance approval by Human Resources. Please see your state addendum or speak with the Human Resources Department about your ability to carryover PTO.
- Unless otherwise required by applicable state law, sick days will not be paid out upon termination of employment. Accrued but unused PTO will be paid out upon termination of employment to employees.
- If a paid observed holiday falls or is observed during your PTO or sick days, you will be paid for the holiday and will not be required to use PTO or sick pay for that day.
- Employees must use any accrued PTO and sick days during all state and federal family medical leaves to the extent permitted by law.
- PTO and sick days pay will be paid at an employee's regular straight-time hourly rate of pay or regular base salary for the approved PTO period. PTO and sick days are not considered hours worked for purposes of calculating overtime.
- PTO and sick days must be taken in minimum four-hour increments and a maximum of two consecutive weeks.

Drafting Notes & Alternate Clauses

Paid Time Off (PTO) and Sick Days Policy

Drafting Notes

Drafting Note to First Paragraph

When preparing a PTO and Sick Days Policy, you must inquire into which classifications of employees (e.g., full-time, part-time, temporary) will be eligible for the benefit. You should detail eligibility requirements in the policy. For a policy that only addresses vacation days, rather than PTO, see Vacation Policy. For a policy that only addresses sick days, rather than PTO, see Sick Leave Policy. For a personal days policy, see Personal Days Policy. For a personal leave policy that does not limit the employee to a pre-determined number of personal days, see Personal Leave of Absence Policy. For information on state laws concerning paid vacation and PTO, see Paid Vacation and PTO State Law Survey and the Pay Timing, Frequency, Methods, and Deductions column of Wage and Hour State Practice Notes Chart. For information on state and local laws concerning paid sick leave, see Paid Sick Leave State and Local Law Survey (Private Employers) and Family, Medical, Sick, Pregnancy, and Military Leave column of Attendance, Leaves, and Disabilities State Practice Notes Chart.

Drafting Note to Alternate Second Paragraph

Many employers limit the use of sick leave to those instances where an employee is ill or needs time off for medical appointments. Some allow employees to use sick leave for a spouse, child, or other family member.

Drafting Note to Fifth Paragraph

You should detail in the policy how and when employees will accrue PTO. Some companies base annual PTO allotments on the twelve-month calendar year and others on the twelve-month period beginning with an employee's anniversary. Some companies credit the PTO allotment at the beginning of the one-year period and, in others, employees will accrue PTO on a prorated basis based on hours/days worked each month. For information on state laws concerning paid vacation and PTO, see Paid Vacation and PTO State Law Survey and the Pay Timing, Frequency, Methods, and Deductions column of Wage and Hour State Practice Notes Chart.

Drafting Note to Seventh Paragraph

Some employers allow their employees to take unlimited PTO. The main advantage of this system is that the employer never has to keep track of the number of PTO days/hours each employee takes. The main disadvantage is that employees may abuse such a liberal PTO policy and take more days off than they would normally take under a limited PTO policy.

Drafting Note to Eighth Paragraph

Many employers limit the use of sick leave to those instances where an employee is ill or needs time off for medical appointments. Some allow employees to use sick leave for a spouse, child, or other family member.

Drafting Note to First Bullet Point

You should outline in the policy any procedure for requesting PTO. Because an employee can use PTO days for a range of reasons, including illness, a well-written policy will provide a procedure for requesting time off both under foreseeable circumstances and in emergency situations.

Drafting Note to Second Bullet Point

Employers should not include a blanket requirement that all use of sick leave will require a note from a health care provider. Instead, such requests should be limited to those situations wherein an employer has a reasonable belief that an employee is misusing sick leave.

Drafting Note to Sixth Bullet Point

Some state laws treat PTO and sick days as wages, like vacation time, and require that an employer pay out any accrued but unused PTO and sick days at the termination of employment. Other state laws do not consider PTO as wages per se but require that an employer pay out any unused accrued PTO and sick days at the termination of employment if the employer's policy provides for payout or is silent with respect to payout. Therefore, when drafting a PTO and sick days policy, you should check your state law for any such requirements. For further information, see the For information on state laws concerning paid vacation and PTO and termination pay, see the Pay Timing, Frequency, Methods, and Deductions column of Wage and Hour State Practice Notes Chart.

Alternate & Optional Clauses

Alternate Second Paragraph:

The Company recognizes the importance of time off for rest, relaxation, and other familial or personal obligations. Therefore, employees may use Paid Time Off (PTO) for any purpose including vacation, illness, and personal appointments. The Company also provides additional paid sick days to be used solely for an employee's own illness or to care for a sick spouse, child, or other family member.

Many employers limit the use of sick leave to those instances where an employee is ill or needs time off for medical appointments. Some allow employees to use sick leave for a spouse, child, or other family member.

Alternate Fourth Paragraph:

The positions listed in the charts below are eligible for PTO and will begin to accrue PTO from the first day of employment. However, non-exempt employees are not eligible to use accrued PTO until they have completed their introductory period; exempt employees can use accrued PTO immediately.

First Alternate Sixth Bullet Point:

- Accrued but unused PTO will not be paid out upon termination of employment.

Second Alternate Sixth Bullet Point:

- Accrued but unused PTO and sick days will be paid out upon termination of employment.