



STANDARD OPERATING PROCEDURES

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| Policy Title: Paid Time Off (PTO) | Effective Date: 01/2010 |
| Departments: Human Resources | Revision Dates: 7/2012 |

POLICY

It is the policy of Daughters of Charity Health Centers (DCHC) to grant paid time off to employees through a Paid Time Off (PTO) program. The objective of the PTO program is to provide associates with periods of time away from work, for which compensation is provided, for rest and relief from job duties, to attend to family needs, and for activities relating to professional development.

The PTO program provides each eligible associate with a total number of hours each year for which he or she will be paid, even though not working, and consists of the following elements:

- Hours to be used for absences related to sickness or accident not covered by disability income plans; and for personal and family responsibilities.
- Hours for recognized holidays
- Hours for vacation days.
- Refer to applicable policies for FMLA, bereavement, military and jury duty

PRINCIPLES

The following principles apply to the PTO program:

1. The number of PTO hours allowed to each associate is determined by the associate's length of service and category of employment.
2. Associates are expected to utilize, in each year, most of the PTO hours that they have been allowed for such year for the purpose of meeting program objectives.
3. Earned but unused PTO hours at termination of employment are payable in cash providing proper notice is given. Termination notice of 2 weeks for non-exempt associates and 30 days for exempt associates is required for a cash payout of any unused PTO.
4. The maximum amount of PTO accrual is 288 hours, and each associate is expected to utilize at least 144 PTO hours in each calendar year.

PROCEDURE

Paid Time Off (PTO) hours combines vacation, sick time and personal time into a single bank of days for associate paid time off. Paid Time Off (PTO) creates a pool of days that an associate may use at their discretion.

Guidelines for PTO Use

All associates earn PTO hours based on job class and length of service as defined below. PTO hours are added to the associate's PTO "bank" at the end of each pay period (see *HR Pay Period and Pay Day*). Used PTO hours are subtracted from the associate PTO bank in one hour increments. ***Temporary employees, contract employees, and interns are not eligible to earn PTO.***

Eligibility to earn PTO hours is contingent on the associate either working or utilizing accrued PTO for the entire bi-weekly pay period. PTO is not earned in pay periods during which unpaid leave, short or long term disability leave or workers' compensation leave are taken.

Associates may request PTO hours in one-hour increments. Time that is not covered by this policy, and for which separate guidelines and policies exist, include company paid education, bereavement time off, required jury duty, and military service leave.

To request PTO, associates must complete a PAID TIME OFF (PTO) REQUEST form and submit to the department supervisor at least **2 weeks in advance** of requested time off unless the PTO is used for legitimate, unexpected illness or emergencies. In all instances, PTO must be approved by the department supervisor in advance.

Specific Eligibility for Paid Time Off (PTO)

Associates who work a regular full-time or part-time schedule per pay period are eligible for paid time off benefits. Associates begin accruing paid time off hours immediately upon employment. Associates are eligible to use accrued hours as follows:

- Executive/Administrative/Management immediate eligibility on date of hire.
- Exempt/Non-Exempt – 180 days waiting period (**Time off without pay may be granted in extreme emergencies**).
- DCHC Transfers (per DCHC policy, Bridging of Employment) –Immediate eligibility as long as 180 days wait, if applicable, has been met at the transferring organization.

Paid Time Off (PTO) is earned on the following schedule based on a hours worked each week. PTO is prorated based on the number of hours worked on an associate's regular schedule.

- a. Executive/Administrative/Management
.1385 per hour worked; up to 11.08 hours per pay period
FTE = 288 hours/36 days annually
- b. Exempt
0-4 years: .11925 per hour worked; up to 9.54 hours per pay period
FTE = 248 hours/31 days annually
5 years/over: .1385 per hour worked; up to 11.08 hours per pay period
FTE = 288 hours/36 days annually

- c. Non Exempt
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| 0-4 years: | .10000 per hour worked; up to 8.0 hours per pay period FTE = 208 hours/26 days annually |
| 5-9 years: | .11925 per hour worked; up to 9.54 hours per pay period FTE = 248 hours/31 days annually |
| 10 years/over | .1385 per hour worked; up to 11.08 hours per pay period FTE = 288 hours/36 days annually |

Associates may earn up to 288 hours of accrued PTO.

Associates are paid for all unused PTO at time of separation from employment provided proper notification is given (see *HR Separation From Employment*). If an associate has inadvertently used PTO time not yet earned, and employment terminates, the PTO is deducted from the final paycheck.

Associates who give two weeks or more notice of employment termination must work the two weeks without utilizing PTO.

Cash In

Associates are allowed to cash in PTO of more than 80 hours twice a year. If an associate cashes in PTO hours he/she will forfeit 10% of the hours cashed in. 80 hours of PTO must be left in the associates PTO bank or the equivalent of 1 pay period for part-time employees.