

PERSONAL TIME OFF POLICY

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Personal Time Off (PTO) is an **all purpose time-off policy**¹ for eligible employees to use for vacation, illness, and personal business. PTO combines traditional vacation and sick leave plans into **one flexible, paid time-off policy**². PTO may be used **during emergency closings and in place of paid holidays**³ and **must be used before filing for unemployment**.⁴

Employees in the following employment classification are eligible to earn and use PTO:

- * Regular full-time employees
- * Regular part-time employees

The amount of PTO employees receive increases with the length of their employment based on 12-month periods called a "benefit years." An employee's benefit year may be extended for any significant leave of absence except military leave of absence. Employees may carry unused PTO forward to the next benefit year subject to maximums.

* **During the first year the employee accrues .03278 PTO hour per hour paid**⁵. Employees may carry up to a maximum of 80 unused PTO hours into the next benefit year.

* During the second benefit year the employee accrues .03846 PTO (2/52) per hour up to a maximum of 100 hours;

3rd year accrues .04808 PTO (2.50/52) up to a maximum of 120 hours,

4th: .05769 (3.00/52) up to a maximum of 140 hours.

5th: .06731 (3.50/52) up to a maximum of 160 hours

6th: .07692 (4.00/52) up to a maximum of 180 hours,

7th: .08653 (4.50/52) up to a maximum of 200 hours and

8th: .09615 (5.00/52) up to a maximum of 220 hours.

PTO can be used in minimum increments of one hour. Employees are to request **advance approval**⁶ from their supervisors to schedule planned PTO. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

Employees who have an **unexpected need to be absent** should notify their direct supervisor before the scheduled start of their workday, if possible. Employees should also contact their direct supervisor on each subsequent day of unexpected absence.

PTO is paid at the employee's base pay rate at the time of absence. Upon termination of employment, employees will be paid for unused PTO that has been earned through the last day of work. However, if <company>, in its sole discretion, terminates employment for cause, forfeiture of unused PTO may result.

¹ ADVANTAGE – covers just about any reason for time off.

² SIMPLIFY – one paid time off category

³ EMPLOYEE FLEXIBILITY – employees may 'cash in' for storm days and for holidays.

⁴ SCHEDULING VARIANCES – require employees use accrued PTO before filing for unemployment, avoid unemployment rate increases which stay with your company for four years

⁵ First year rate is the equivalent of 1.7 weeks. While this is higher than has been traditionally offered it corresponds with THE MINIMUM SICK LEAVE STANDARDS mentioned in The Healthy Workplaces Act (SF0461/HF0612) which was discussed in the 2009 Minnesota Legislature.

Also fits with QuickBooks payroll calculations.

⁶ FOCUS becomes whether absences are PLANNED or UNEXPECTED.