



Title: Paid Time Off (PTO)	
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Includes: Carson Tahoe Health System; Carson Tahoe Regional Medical Center; Carson Tahoe Medical Group	

POLICY:

Paid Time Off (PTO) is accrued and used by benefit-eligible employees. The rate accrued varies with the employee’s continuous service date, length of service, job category, job status and hours actually paid during each pay period.

PURPOSE:

PTO is provided to eligible employees for vacation, illness, holidays, and personal needs. PTO is provided to employees for periodic rest and relaxation away from the job with flexibility in scheduling their time off.

DEFINITIONS:

- Paid Time Off (PTO): Personal time that employees take to spend time away from work and work activities/tasks while still being paid their regular wage. Please see below for instances when PTO can be used.
- Seniority: Please refer to the current version of the CTHEA Agreement for the definition and rules governing seniority.
- Benefit Service Date: to all service from the most recent date of entering a benefitted position.
- Paid Hours: Includes hours for all straight time pay, flex hours (scheduled work hours not worked due to an “early home” or “hospital request” (see 1.1.2 for procedure on recording flex hours)), holiday paid hours, overtime, and callback hours.

PROCEDURE:

1. Earning PTO

- 1.1. PTO is earned by eligible employees beginning with the first pay period of employment or change to benefitted status. The amount of PTO earned is based upon exempt or non-exempt status, benefit service date, employment status, and the actual number of eligible hours worked during the pay period..
 - 1.1.1. See definition of Paid Hours above for pay types that accrue PTO.
 - 1.1.2. Procedure for flex hours: Employees sent home early at hospital request will accrue PTO for the shift as scheduled when they enter the flex pay type code into their timecard. Employees sent home early in a standby status will also accrue PTO for the shift as

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scheduled, regardless of any callback pay, when they enter the flex pay type code.

- 1.1.3. Standby and registry hours are excluded from accruing PTO.
- 1.2. PTO continues to be earned in every pay period in which the employee is eligible until the maximum accrual is reached.
- 1.3. PTO is earned while the employee is off work but still receiving PTO payment. PTO is not earned during any unpaid Leave of Absence.
- 1.4. Rates of Accrual:
 - 1.4.1. Non-exempt rates of accrual:

Length of Service	Earnings Per Pay Period	Maximum Accrual allowed in an Employee's PTO Bank
0 through 3 years	0.1077 for every eligible hour up to 124/PP	336
4 through 9 years	0.1269 for every eligible hour up to 124/PP	396
10 or more years	0.1462 for every eligible hour up to 124/PP	456

1.4.2 Exempt and management rates of accrual, effective the first pay date of February 2023.

Length of Service	Earnings Per Pay Period	Maximum Accrual allowed in an Employee's PTO Bank	Maximum year end carryover
0 through 2 years	0.1165 for every eligible hour up to 124/PP*	363	200
3 through 9 years	0.1352 for every eligible hour up to 124/PP*	421	200
10 or more years	0.1539 for every eligible hour up to 124/PP*	480	200

1.4.3 Employees in an exempt status are limited to carrying over a maximum of 200 hours into the new calendar year. Accruals are reviewed during the first full pay period in January; any hours balance greater than 200 hours are forfeited.

1.4.4. Rates of accrual for physicians is determined based on their offer letter.

*Employees in exempt or management roles are only eligible to accrue PTO on hours greater than 80 per Pay Period when a pay correction is needed.

2. Use of PTO

- 2.1. Accrued PTO is available for use from date of hire to the 3-month anniversary, but only for official healthcare system holidays (see Section 3 of this policy) or for mandated flex time due to low census. If the employee has no available accrued PTO when the department is closed for

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an official holiday during this 3-month period, the employee may be offered the opportunity to work another extra day within that pay period, if feasible.

- 2.2. After the 3-month anniversary, PTO is available to use when it is accrued, with advance supervisory approval.
- 2.3. At no time may any employee’s PTO bank go into the negative. If no PTO hours are available, the employee may request time off according to supervisory approval but will take the time off without pay. Refer to Personal Leave of Absence Policy.
- 2.4. PTO hours, if available, must be used when the employee requests time off or calls off for a scheduled shift up to their standard/regularly scheduled hours per pay period. If the employee calls off a scheduled shift and works, substitutes, or trades with another employee during the same pay period, the use of PTO is not required. It is to the employee’s advantage to use available PTO whenever off work.
- 2.5. Use of Scheduled PTO:
 - 2.5.1. PTO (other than for illness) should when possible be scheduled through the Department Manager as follows:

Less than one (1) Day Requested Off	One (1) to Four (4) Days Requested Off	Five (5) to Ten (10) Days Requested Off	Eleven (11) or more Days Requested Off
Employee will, when possible, provide at least 48 hours advance notice to Manager	Employee will, when possible, provide at least two (2) days advance notice to Manager	Employee will, when possible, provide at least one (1) month advance notice to Manager	Employee will, when possible, provide at least two (2) months advance notice to Manager
Manager will approve or deny within one (1) business day	Manager will approve or deny within two (2) business days	Manager will approve or deny within ten (10) business days	Manager will approve or deny within fifteen (15) business days

- 2.1.1. Subject to the required skill mix of staff, seniority (see Definitions) will be controlling when two or more employees are seeking to utilize PTO on the same available day(s). An “available day” is one which has not been previously requested by and approved for another employee, regardless of seniority.
 - 2.1.1.1. An exception to using seniority occurs when a competing employee has not been able to take PTO for reasons beyond their control (e.g., not able to take PTO due to a competing employee, another employee being on a leave of absence, FMLA, injury).
 - 2.1.1.2. This is not applicable to holidays. In the case of holidays, each department will establish an equitable method to ensure that all employees in the department have roughly equal access to PTO for holidays.
- 2.1.2. Should the employee’s request be denied, the employee should be given an acceptable reason for denial and a reasonable alternative may be proposed by the employee and approved by the employee’s Department Head or designee subject to operational requirements of the Hospital.
- 2.1.3. The Manager has primary responsibility for arranging coverage for an employee utilizing PTO. The Hospital and Managers will make every effort to staff departments at sufficient levels to accommodate reasonable PTO requests from department employees.
- 2.2. The PTO benefit is designed to provide income for eligible employees while off work for any

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reason such as vacation, personal needs, holidays, illness, or bereavement once bereavement pay has been exhausted (see Bereavement Leave Policy).

- 2.3. PTO is not to be used to compensate for tardiness.
- 2.4. Employees should use PTO for rest and relaxation, to return refreshed and ready for work. It is recommended, therefore, that at least one consecutive week per year is taken, in addition to other individual days off, up to the amount available in the employee's PTO bank.
- 2.5. Full Time and Part Time non-exempt employees may use PTO hours, with advance supervisory approval, to supplement pay for time away from work on regularly scheduled work days.
- 2.6. Exempt staff work flexible schedules which may result in more than 40 hours worked per workweek, but they receive a salaried pay rate equaling 40 hours. PTO is used when the exempt employee is off work for a full day. It is not necessary to utilize PTO to complete partial days at work, since the exempt employee is often expected to remain at work for longer days without additional pay. PTO will be used for partial days in instances when there is an approved intermittent leave of absence or disciplinary action. However, at all times, staff must receive approval in advance for these flexible work schedules.
- 2.7. PTO is paid at the employee's base rate in effect at the time the PTO hours are used.

3. Holidays

- 3.1. Eleven (11) official holidays are observed when offices are normally closed for business. They are:

New Year's Day	January 1
Martin Luther King Jr. Day	Third Monday in January
President's' Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Nevada Day	Last Friday in October
Veterans' Day	November 11
Thanksgiving Day	Fourth Thursday in November
Family Day	Friday after Thanksgiving
Christmas Day	December 25

- 3.2. Offices and departments may be closed during a week day to observe a holiday that falls on the weekend. Holidays falling on Saturday may be observed on the preceding Friday, and holidays falling on Sunday may be observed on the following Monday. In these instances, an employee may use their PTO.
- 3.3. Non-exempt employees who are required to work on the actual calendar holiday will be paid a premium of their overtime rate for those hours worked. Exempt staff receive regular pay if they are required to work the holiday. In both cases, PTO hours may be used for other days off in lieu of the actual holiday, with advance supervisory approval
- 3.4. Non-exempt employees who are placed on standby and called into work on the actual calendar holiday for Thanksgiving and/or Christmas will be paid double time for hours worked in the call back status.

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3.5. Employees are encouraged to celebrate holidays in addition to the official holidays that may be meaningful to them, such as Chanukah or Good Friday. The hours available to be paid for these and other personal days off are included in the PTO accrual, providing maximum flexibility for each employee's personal needs.

3.5.1. Employees taking time off to recognize religious holidays must request the time off in advance, according to the department's normal requesting process.

3.5.2. Management should approve all such requests unless the time away from the job would create an undue hardship for the department. If questions arise, management should consult with Human Resources to assure consistency and fairness throughout the organization.

4. Use of PTO as a Donation to Co-workers in Need: "Friends Helping Friends"

4.1. In time of hardship, employees may need to take time off from work, over and above the amount available in their accrued time off banks. Such needs could include major illness or the illness of a family member requiring the employee to be away from work for an extended time.

4.2. Co-workers who wish to help their friend in need may donate PTO hours directly to the PTO bank of the needy employee, allowing the recipient to remain on paid status and continue to receive the normal employee benefit programs. Major Sick can also be donated (see Major Sick Policy).

4.3. PTO Donated hours will be converted to dollars at the donors pay rate. The dollars will be placed in the recipient's PTO bank and converted back to hours at the recipient's rate. The recipient will be notified of an anonymous donation to their PTO bank to protect the identity and pay rate of the donor.

4.4. The value of the donated PTO hours equals the hourly rate of the donor times the hours donated translated to the hourly rate of the recipient and back to hours for the recipient.

4.5. Any employee may donate PTO hours to any other employee, but the recipient must have a hardship as defined in Section 4.1, above. The Manager or Supervisor over the recipient must approve all donations.

4.6. A minimum of 80 hours must remain in the employee's PTO bank after the donation.

4.7. See Section 9 of this Policy for location of Friends Helping Friends Form.

4.8. For information about donating Major Sick, please refer to the Major Sick Leave Policy.

5. Buy Out of PTO

5.1. Carson Tahoe Health System will provide employees the opportunity to buy out a portion of the hours in their PTO bank each year.

5.2. Eligibility:

5.2.1. The employee must be employed continuously in a full or part time benefited position for a minimum of one (1) year.

5.2.2. The employee must have a minimum of one hundred (100) hours of accrued PTO.

5.3. Access:

5.3.1. The minimum amount of PTO that can be requested to buyout out is twenty (20) hours.

5.3.2. The employee must have a minimum balance of 80 hours of accrued PTO after the buyout.

5.3.3. The maximum amount of PTO that may be used for a buyout in a given calendar year is

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eighty (80) hours.

5.3.4. An employee can request a buyout of PTO a maximum of two (2) times per calendar year.

5.3.5. An exception to the eighty (80) hour limit above can be requested, but is limited to a demonstrated medical or financial hardship(s) as determined by the Hospital.

5.4. Process:

5.4.1. A request to buy out PTO within the eighty (80) hour limit may be submitted directly to CTH Payroll at payroll@carsontahoe.org. A request to buyout PTO in excess of the eighty (80) hour limit must be submitted to CTH Human Resources at hrinfo@carsontahoe.org. CTH Payroll will disburse PTO buy-out checks on the regular pay date that occurs after fourteen (14) days from the date of buy-out request or approval of the hardship exception.

5.4.2. A buy-out of PTO will be treated as regular income for tax purposes.

5.4.3. In order to comply with the regulations of the United States Treasury Department and the Internal Revenue Service surrounding constructive receipt, the buy-out of PTO will be valued at \$0.90 on the dollar.

5.4.4. See Section 9 of this Policy for location of PTO Buyout Form.

6. PTO Conversion of Hours Accrued in the Future (PTO Trade)

6.1. Employees may also elect to convert PTO hours to be earned in the future for Benefit PTO Trade Dollar Credits to be added to the employee's bi-weekly paycheck to help pay for other benefits or to use as additional taxable take-home pay, under the following procedure:

6.1.1. The PTO Trade request must be made during the annual benefits Open Enrollment period for implementation during the following calendar year. The conversion request is made through the process identified by the hospital.

6.1.2. The employee may trade up to forty (40) hours of PTO which would be earned during the following benefit year for Benefit PTO Trade Dollar Credits.

6.1.3. The value of PTO hours trade is calculated using the scheduled wage increase in Article 26(5)(A) and the employee's base hourly wage rate on October 1 each year immediately preceding the annual Open Enrollment period for the year following. The calculated value will not change throughout the following calendar year. PTO Trade will be valued at \$1.00 on the dollar.

6.1.4. The total value of the PTO hours converted will be divided by twenty-six (26) and that number will be added to each paycheck as taxable Benefit PTO Trade Dollar Credits in the following calendar year. PTO earned during the year will be reduced by the proportionate number of hours converted by the employee. The conversion election is only valid for one (1) year.

6.1.5. Benefit PTO Trade Dollar Credits not spent on welfare, retirement or voluntary benefits will revert to taxable income on the employee's paycheck each pay period.

7. Payment of PTO upon Status Change or Separation from Employment

7.1. An employee who transfers from a PTO-eligible status to a non-benefit status will be paid at the time of transfer for all hours of earned PTO at the rate of pay in effect just prior to the transfer. Future PTO is not earned while in non-benefit status.

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- 7.2. All accrued but unused PTO benefits after the 3-month anniversary are paid upon separation from employment at the rate of pay in effect on the date of separation.
- 7.3. For Employees who have elected the annual PTO "Trade", when transferring from a benefit to a non-benefit status or separating from employment, they will be paid for all traded but unused trade dollars at the time of transfer or at the date of separation at the rate of pay in effect on the date of the "Trade".
- 7.4. Accrued but unused PTO cannot be substituted for the designated notice period when separating from the job. The last official day of employment is the last day at work.

8. Additional Guidelines

- 8.1. PTO hours are not used in the calculation of overtime pay.
- 8.2. Available PTO must be used by the employee prior to an unpaid leave of absence.
- 8.3. A twelve-hour shift employee may not be required to use more than thirty-six (36) hours of PTO for each work week missed.
- 8.4. When an employee's accrual rate changes by virtue of the anniversary of their benefit service date, the new accrual rate will commence in the first full pay period following that anniversary.

9. Forms

- 9.1. All referenced forms can be located on the CTH Intranet at the following url:
<http://ctnet/Departments/HumanResc/EmployeeForms/Default.aspx>