



<b>Title: Paid Time Off</b>	
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<b>Policy Committee Review Date:</b>	

**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:**

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

**PROCEDURE:**

1. Earning PTO

- 1.1. "Continuous Service Date" refers to all service from the most recent date of entering a benefitted position. When an employee transfers from one entity to another entity with no break in service or change to per diem status, the more senior continuous service date is utilized.
- 1.2. Paid Time Off 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 the entity, exempt or non-exempt status, continuous service date, employment status, and the actual number of hours paid during the pay period.
  - 1.2.1. The specific type of "paid hours" determines eligibility for earning PTO. Regular hours, callback hours, actual use of Paid Time Off and Major Sick Leave all earn PTO accruals. "Paid Hours" includes hours for all straight time pay, flex hours (scheduled work hours not worked due to an "early home" or "hospital request", and holiday paid hours. PTO is accrued on the overtime and callback pay types. 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 scheduled, regardless of any callback pay, when they enter the flex pay type code.
  - 1.2.2. Excluded from the accrual of Paid Time Off are Standby and Registry hours.
- 1.3. Paid Time Off continues to be earned in every pay period in which the employee is eligible until the maximum accrual is reached.

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

1.5. Paid Time Off is earned while the employee is off work but still receiving PTO payment. Paid Time Off is not earned during any unpaid Leave of Absence.

1.6.

1.6.1. Hourly employees Accruals:

Length of Service	Earnings Per Pay Period	Maximum Accrual allowed in an Employee's PTO Bank
0 through 2 years	0.0923 for every eligible hour up to 84/PP	288
3 through 9 years	0.1077 for every eligible hour up to 84/PP	336
10 through 19 years	0.1269 for every eligible hour up to 84/PP	396
20 or more years	0.1462 for every eligible hour up to 84/PP	456

Exempt and management employees Accruals:

Length of Service	Earnings Per Pay Period	Maximum Accrual allowed in an Employee's PTO Bank
0 through 2 years	0.1088 for every eligible hour up to 80/PP	339
3 through 9 years	0.1275 for every eligible hour up to 80/PP	397
10 or more years	0.1462 for every eligible hour up to 80/PP	456

1.6.2. Leadership Employees – Directors Accruals:

Length of Service	Earnings Per Pay Period	Maximum Accrual allowed in an Employee's PTO Bank
0 through 2 years	0.1275 for every eligible hour up to 80/PP	397
3 through 9 years	0.1462 for every eligible hour up to 80/PP	456
10 or more years	0.1662 for every eligible hour up to 80/PP	519

1.6.3. Leadership Employees – Vice Presidents Accruals:

Length of Service	Earnings Per Pay Period	Maximum Accrual allowed in an Employee's PTO Bank
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0 through 2 years	0.1462 for every eligible hour up to 80/PP	456
3 or more years	0.1662 for every eligible hour up to 80/PP	519

1.8 Employees covered under contract between Carson Tahoe Regional Healthcare and Carson Tahoe Healthcare Association (CTHEA) accrue based on the terms of the contract.

2. Use of Paid Time Off

- 2.1 Accrued Paid Time Off is available for use from date of hire to the 3-month anniversary, but only for official healthcare system holidays (see section III of this policy) or for mandated time off due to low census. If the employee has no available accrued PTO when the department is closed for an official holiday during this 3-month period, the employee may be offered the opportunity to work another extra day that pay period, if feasible.
- 2.2 After the 3-month anniversary, Paid Time Off is available when it is accrued, with advance supervisory approval.
- 2.3 At no time may any employee's Paid Time Off 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 Paid Time Off 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. Since Employee Status is determined by actual hours paid, it is to the employee's advantage to use available PTO whenever off work.
- 2.5 Available and accrued Paid Time Off may be used when approved in advance by the employee's supervisor. Individual departments may establish specific procedures for requesting Paid Time Off according to the needs and workload of the department.
- 2.6 The Paid Time Off benefit is designed to provide income for eligible employees while off work for any reason such as vacation, personal needs, holidays, bereavement or illness.
- 2.7 PTO is not to be used to compensate for tardiness.
- 2.8 Employees should use Paid Time Off 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 employees PTO banks.
- 2.9 Full Time and Part Time non-exempt employees may use Paid Time Off hours, with advance supervisory approval, to supplement pay for time away from work on regularly scheduled work days.
- 2.10 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. Eight hours of 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

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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.

- 2.11 Paid Time Off is paid at the employee's base rate in effect at the time the Paid Time Off hours are used.

### 3. Holidays

- 3.1 Nine (9) official holidays are observed when offices are normally closed to official business. They are:

New Years Day	January 1
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
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 receives 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.
- 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. Cash Out of Paid Time Off

- 4.1 Carson Tahoe Health System will provide employees the opportunity to cash out a portion of the hours in their PTO bank each year. To provide employees with added flexibility in managing their employee benefits and the paid time they receive to be away from work.

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## 4.2 Eligibility

- 4.2.1 Employees in regular full or part time hourly positions with at least one year of continuous service are eligible to cash out PTO time. In order to cash out PTO time the employee must have a minimum of 100 accrued hours in their PTO bank.

## 4.3 Process

- 4.3.1 To request a PTO Cash out the employee must complete a PTO Cash Out Form and submit the completed form to Human Resources or via email to [HRINFO@carsontahoe.org](mailto:HRINFO@carsontahoe.org)
- 4.3.2 The minimum hours allowed to be cashed out at one time is 20 hours.
- 4.3.3 An employee may request a cash out twice each year.
- 4.3.4 The maximum number of hours permitted to be cashed out in one calendar year is 80 hours.
- 4.3.5 After any cash out a minimum of 80 hours must remain in the employee's PTO bank.
- 4.3.6 If approved, payment will be processed with the next available regular payroll.
- 4.3.7 In order to comply with the regulations of the United States Treasury Department and the Internal Revenue Service surrounding constructive receipt, PTO hours cashed out will be valued at \$ 0..90on the dollar.

## 5. Use of Paid Time Off As a Donation to Co-workers in Need: "Friends Helping Friends"

- 5.1 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.
- 5.2 Co-workers who wish to help their friend in need may donate Paid Time Off 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. Only PTO hours are available for this donation, not Major Sick Leave hours.
- 5.3 PTO 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.
- 5.4 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.
- 5.5 Any employee may donate PTO hours to any other employee, but the recipient must have a hardship as defined in paragraph A, above. The Manager over the recipient must approve all donations.
- 5.6 A minimum of 80 hours must remain in the employee's PTO bank after the donation.

## 6. Paid Time Off "Trade" for Cash During the Annual Benefits Open Enrollment

- 6.1 Eligible employees may elect to "Trade" some of their already accrued and available Paid Time

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Off hours for cash to help pay for other benefits or to use as additional taxable take-home pay.

- 6.2 Employees may use this additional cash to help pay for dependent benefits or for additional voluntary benefits, to increase their 401(k) contribution or to use as taxable take-home pay.
- 6.3 The value of the PTO at the time of the Trade is divided into the 26 pay periods for the following year and added to the paycheck throughout the year. The value will not increase over the year even though the employee may receive a salary increase at some time in the year.
- 6.4 Employees may trade any number of PTO hours in this manner but must have a minimum of 80 hours remaining in their PTO bank after the trade.

7. Payment of Paid Time Off upon Status Change and Separation from Employment

- 7.1 An employee who transfers from a Paid Time Off-eligible status to a non-benefit status will be paid at the time of transfer for all hours of earned Paid Time Off at the rate of pay in effect just prior to the transfer. Future PTO is not earned while in non-benefit status.
- 7.2 All accrued but unused Paid Time Off 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 PTO cannot be used as the notice period when separating from employment. The last official day of employment is the last day at work.

8. Additional Guidelines

- 8.1 Paid Time Off 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.