



Manual: Human Resources

Section: Benefits

Number: HR225

Policy

Procedure

Title: Paid Time Off

<p>Current Content Expert: Kathleen Wilkinson</p> <p>Department Head: Mark Steiman, Executive Director Human Resources</p>	<table border="1"> <thead> <tr> <th>Committee Approval(s)</th> <th>Date(s)</th> </tr> </thead> <tbody> <tr> <td>P&P Coordinating Committee</td> <td>05/12/20</td> </tr> <tr> <td>HR Steering Committee</td> <td>05/12/20</td> </tr> </tbody> </table>	Committee Approval(s)	Date(s)	P&P Coordinating Committee	05/12/20	HR Steering Committee	05/12/20
Committee Approval(s)	Date(s)						
P&P Coordinating Committee	05/12/20						
HR Steering Committee	05/12/20						
<p>Executive Management Team Member: Thomas Capizzi, Vice President Human Resources</p> <p><input type="checkbox"/> New <input checked="" type="checkbox"/> Revised <input type="checkbox"/> Reviewed (no changes)</p> <p>Track: <input type="checkbox"/>A <input checked="" type="checkbox"/>C</p> <p>Replaces: 07/98, 01/2000, 07/02, 09/02, 07/03, 05/05, 04/07, 06/07, 02/09, 11/09, 01/13, 03/15, 02/16, 06/18</p>	<p>Medical Executive Committee Approval Date:</p> <p>Board of Directors Approval Date:</p> <p>Effective Date: 05/12/20</p>						

I. PURPOSE:

- A.** CHOC Children’s provides Paid Time Off (PTO) benefits to eligible associates for periodic rest and relaxation away from the job including vacations, company designated holidays, personal matters, and unscheduled absences. For time off relating to illness/injury and care of a sick family member, refer to Human Resources policy, HR226 - Paid Sick Leave and HR220 Leaves of Absence.
- B. Scope:** All Full Time and Regular Part Time Benefited associates are eligible to accrue PTO in any pay period in which they are paid. For Full Time associates, PTO is accrued based on regularly scheduled hours and the accrual is added to the PTO account at the beginning of the pay period. For Part Time associates, PTO is accrued based on hours worked up to a maximum of 80 hours per pay period and the accrual is added to the PTO account as of the paycheck date for that pay period.

II. POLICY:

A. PTO Accrual

1. “Length of Service” is defined as the associate’s date of hire or rehire. If an associate has been rehired with two (2) years or less break-in-service, then the associate’s prior years of service will be included in the length of service used for PTO accrual purposes.
2. An associate on a Leave of Absence stops accruing PTO on a the Leave, even when the associate uses PTO while on the Leave.
3. PTO is vested when accrued and may be used when approved in advance by the associate’s supervisor. Individual departments may establish specific procedures for requesting PTO according to the needs and workload of the department.

Manual: Human Resources	Number: HR225
Section: Benefits	Title: Paid Time Off

4. For Non-Exempt associates, PTO may not be used in increments of less than thirty (30) minutes. For Exempt associates, PTO must be used in full day increments only.
5. PTO Accrual Schedule:
 - a. Management PTO Plan
 - 1) Eligibility – Full Time and Regular Part Time management and supervisory associates. Associates are considered “management” or “supervisory” if they meet the following criteria:
 - a) Exempt status; and
 - b) Direct, manage, supervise or coordinate a department and/or program; and
 - c) Supervise one or more associates
 Note: Exceptions to the above criteria must have the approval of the CEO.
 - 2) The accrual rate for the management PTO plan is as follows:

Management Full-Time Accrual Schedule (1.0 FTE)

Service	Plan Type	PTO Accrual (per pay period)
0-12 Weeks	8 Hour	5.5385
0-12 Weeks	10 Hour	5.3078
0-12 Weeks	12 Hour	5.0770
4 months to the end of the 4th year	8 Hour	8.6154
4 months to the end of the 4th year	10 Hour	8.3847
4 months to the end of the 4th year	12 Hour	8.1539
5 years and over	8 Hour	10.1539
5 years and over	10 Hour	9.9232
5 years and over	12 Hour	9.6924

Manual: Human Resources	Number: HR225
Section: Benefits	Title: Paid Time Off

Management Regular Part-Time Accrual Schedule (.5-.9 FTE)

Service	Plan Type	PTO Accrual (per pay period)
0-12 Weeks	8 Hour	0.0692
0-12 Weeks	10 Hour	0.0663
0-12 Weeks	12 Hour	0.0635
4 months to the end of the 4th year	8 Hour	0.1077
4 months to the end of the 4th year	10 Hour	0.1048
4 months to the end of the 4th year	12 Hour	0.1019
5 years and over	8 Hour	0.1269
5 years and over	10 Hour	0.1240
5 years and over	12 Hour	0.1212

- b. Non-Management PTO Plan
- 1) Eligibility – Full Time and Regular Part Time associates that do not meet the criteria for the management PTO plan.
 - 2) The accrual rate for the non-management PTO plan is as follows:

Non-Management Full-Time Accrual Schedule (1.0 FTE)

Service	Plan Type	PTO Accrual (per pay period)
0-12 Weeks	8 Hour	4.0000
0-12 Weeks	10 Hour	3.7693
0-12 Weeks	12 Hour	3.5385
4 months to the end of the 4th year	8 Hour	7.0769
4 months to the end of the 4th year	10 Hour	6.8462
4 months to the end of the 4th year	12 Hour	6.6154
5 years to the end of the 9th year	8 Hour	8.6154

Manual: Human Resources	Number: HR225
Section: Benefits	Title: Paid Time Off

5 years to the end of the 9th year	10 Hour	8.3847
5 years to the end of the 9th year	12 Hour	8.1539
10 years and over	8 Hour	10.1539
10 years and over	10 Hour	9.9232
10 years and over	12 Hour	9.6924

Non-Management Regular Part-Time Accrual Schedule (.5-.9 FTE)

Service	Plan Type	PTO Accrual (per pay period)
0-12 Weeks	8 Hour	0.0500
0-12 Weeks	10 Hour	0.0471
0-12 Weeks	12 Hour	0.0442
4 months to the end of the 4th year	8 Hour	0.0885
4 months to the end of the 4th year	10 Hour	0.0856
4 months to the end of the 4th year	12 Hour	0.0827
5 years to the end of the 9th year	8 Hour	0.1077
5 years to the end of the 9th year	10 Hour	0.1048
5 years to the end of the 9th year	12 Hour	0.1019
10 years and over	8 Hour	0.1269
10 years and over	10 Hour	0.1240
10 years and over	12 Hour	0.1212

- c. **Maximum PTO Accrual**
The maximum number of PTO hours that can be accrued and unused at any time is 360. An associate who reaches the maximum level will stop accruing PTO. The PTO accrual will not resume until the associate's PTO balance is reduced below the maximum level, at which time the accruals will begin again.
Example: An associate reaches the maximum PTO accrual of 360 hours. Their PTO accrual will stop until the associate uses PTO and reduces their balance below the maximum at

Manual: Human Resources	Number: HR225
Section: Benefits	Title: Paid Time Off

which time, the PTO accrual will resume until the associate reaches the maximum again.

B. Use of Accrued PTO Hours

1. Accrued PTO hours are to be used to provide compensation for time off from work due to vacation, company observed holiday, personal matters, unscheduled absence or any other time off from work for which there is no compensation provided by CHOC Children's. It is recommended that at least one consecutive week per year is taken, in addition to other individual days off, for the purpose of rest and relaxation.
2. Scheduled PTO time must be requested in advance through Workday Absence and will be approved according to the department's staffing requirements. Supervisors must ensure that each associate has the opportunity to take PTO when the associate is reaching the maximum accrual level. Part Time non-benefitted and Per Diem associates may be required to schedule unpaid time off in Workday Absence for tracking purposes only.
3. Accrued PTO hours must be used when an associate requests time off from work or during a leave of absence. However, the use of PTO hours is optional for the following circumstances:
 - a. Pregnancy Disability Leave, Military Leave, or Worker's Compensation leave.
 - b. When an associate is called off from work (e.g., due to low census or low activity).
 - c. When an associate voluntarily flexes off from work due to low census or low activity.
4. PTO is not to be used to supplement an associate's regular pay.
 - a. The maximum number of combined PTO and regular hours paid in a pay period for a Full Time associate cannot exceed 80 hours for an 8 or 10 hour shift associate or 72 hours for a 12 hour shift associate.
 - b. The maximum number of combined PTO and regular hours paid in a pay period for a Regular Part Time associate cannot exceed the associate's regular scheduled hours. Regular scheduled hours can be determined based on the associate's FTE.
 - c. PTO is not to be used when an associate cancels or is called off an extra shift.
 - d. The maximum number of PTO hours paid per day for an associate on a leave of absence will not exceed 100% of the associate's gross income when combined with payments from State Disability Insurance, Worker's Compensation, or Paid Family Leave.
5. PTO is paid at the associate's regular rate of pay in effect at the time the PTO is taken. Shift differential is not included.

Manual: Human Resources	Number: HR225
Section: Benefits	Title: Paid Time Off

6. Associates may not take PTO hours greater than what has been accrued at the time it is taken except for the following:
 - a. Associates will be allowed to borrow PTO hours during the first three (3) months of employment to provide compensation for holidays observed by CHOC Children's (department closure related to holidays only) when the associate has not yet accrued enough PTO hours. In this case, the associate will go into a negative balance and future PTO accrued hours will offset the negative balance.
 - b. If a non-exempt associate separates from employment with a negative PTO balance, the value of the advanced PTO will be deducted from the final paycheck to the extent allowed by law.
 - c. Exempt staff who are ready, willing and able to work will receive their full weekly pay when a holiday falls within their first three (3) months of employment. For example, if Thanksgiving falls on a Thursday and the business closes for that day and the balance of the week, exempt associates who worked on a day during that week are entitled to a full week of pay.

C. PTO Donation Program

1. In those cases where associates experience a medical emergency or a major disaster and have exhausted their PTO bank, they may request to receive PTO from the PTO Donation Bank..
 - a. Medical emergency is defined as a major illness or other serious medical condition (e.g., heart attack, cancer) experienced by the associate or the associate's spouse or child that requires a prolonged absence from work, including intermittent absences that are related to the same illness or condition.
 - b. Major disaster is defined as a Federally declared disaster which has caused severe hardship to the associate that requires the associate to be absent from work.
 - c. Any associate requesting donated PTO hours must have exhausted all of their own PTO balance before donated hours may be provided.
 - d. Donated hours will be taxable as wages to the recipient of the hours.
 - e. The associate must use the donated PTO hours for leave time and may not convert the PTO received into cash in lieu of receiving leave. However, the associate may use the donated PTO leave to eliminate a negative PTO balance.
 - f. The amount of donated PTO hours provided to an associate may not exceed the maximum amount of PTO accrued by that associate in a 12-month period.

Manual: Human Resources	Number: HR225
Section: Benefits	Title: Paid Time Off

- g. An associate may only receive donated PTO hours at his or her normal rate of compensation.
- 2. An associate may choose to donate PTO hours from their PTO bank to the PTO Donation Bank at any time.
 - a. An associate may not designate their donated PTO to be provided to a specific associate.
 - b. Donated PTO amounts will not be taxable wages to the donor.
 - c. An associate cannot claim an expense, charitable contribution, or loss deduction on account of donating his or her PTO or its use by the recipient.
- 3. Requests to donate PTO and applications to receive donated PTO should be sent to the Human Resources Department. The Request to Donate form and Application for Donated PTO form may be found at benefits.choc.org under the Resources tab. .

D. Holidays

- 1. Accrued PTO is to be used when taking time off for holidays. CHOC Children’s includes in the PTO accrual time to cover the following seven (7) hospital observed holidays:
 - New Year’s Day
 - President’s Day
 - Memorial Day
 - Independence Day
 - Labor Day
 - Thanksgiving Day
 - Christmas Day
- 2. Departments that are able should observe these holidays. Holidays falling on Saturday will be observed on the preceding Friday and holidays falling on Sunday will be observed on the following Monday.
- 3. When working on the following six (6) calendar holidays officially recognized by CHOC Children’s, all associates will be paid one and one-half times their regular rate of pay.

New Year's Day	7 p.m. December 31 through midnight, January 1
Memorial Day	7 p.m. the day before to midnight the day of the holiday
Independence Day	7 p.m. July 3 through midnight July 4
Labor Day	7 p.m. the day before to midnight the day of the holiday
Thanksgiving Day	7 p.m. the day before to midnight the day of the holiday
Christmas Day	7 p.m. December 24 through midnight December 25

E. Payment of PTO Upon Status Change or Separation

- 1. An associate who transfers from a PTO-eligible status to a non-eligible status will be paid out their accrued, unused PTO hours at

Manual: Human Resources	Number: HR225
Section: Benefits	Title: Paid Time Off

the rate of pay in effect before the transfer by the pay period following the transfer.

2. PTO is a vested benefit, so upon separation from employment all accrued, unused PTO benefits will be paid at the rate of pay in effect on the date of separation.