

Paid Time Off Policy

Paid Time Off (PTO) is a policy for eligible employees to use for vacation, illness or injury, and personal use. Regular full-time and part-time employees are eligible to earn and use PTO as described in this policy. Occasional and Seasonal employees are not eligible for PTO unless directed by law.

PTO is measured over a benefit year. [COMPANY] benefit year runs from January 1-December 31. Accrued and unused PTO is not eligible to be cashed out at the end of the benefit year. A portion of accrued, unused PTO may be carried over to the next benefit year strictly in accordance with this policy, with no exceptions.

Eligible employees accrue PTO immediately according to the schedule below. *The annual hours totals are rounded to the nearest hour.

Full-Time (40 hours / 100% accrual)

<u>Years of Service</u>	<u>Hours Accrued per Pay Cycle</u>	<u>Total Annual Hours*</u>
1-2 Years	3.08	80
3-6 Years	4.62	120
7 years & beyond	6.16	160

Full-Time (30 hours / 75% accrual)

<u>Years of Service</u>	<u>Hours Accrued per Pay Cycle</u>	<u>Total Annual Hours*</u>
1-2 Years	2.31	60
3-6 Years	3.46	90
7 years & beyond	4.62	120

Part-Time (25 hours / 62.5% accrual)

<u>Years of Service</u>	<u>Hours Accrued per Pay Cycle</u>	<u>Total Annual Hours*</u>
1-2 Years	1.925	50
3-6 Years	2.887	75
7 years & beyond	3.85	100

Executive Team

<u>Years of Service</u>	<u>Hours Accrued per Pay Cycle</u>	<u>Total Annual Hours*</u>
1-2 Years	6.16	160
After 3 Years	7.7	200

PTO can be used in minimum increments of two hours. To schedule planned PTO, employees should request advance approval through designated channels. In the event of an emergency that requires the employee to request PTO, that request should be made at the earliest reasonable time.

PTO Requests will be reviewed based on a number of factors, including:

- Departmental staffing needs.
- Seniority.
- Length of desired vacation.
- Elapsed time since employee's last 5-day (or longer) vacation.
- Annual Black-out periods.

If a holiday occurs during your scheduled vacation, employees will be paid for the holiday and that day will not be counted as a PTO day.

PTO is paid at the employee's base pay rate plus shift differential, if applicable, at the time of the absence. It does not include overtime or any special forms of compensation such as incentives, commissions or bonuses.

For purposes of calculating overtime, PTO does not qualify as "time worked". For example, an employee that takes 16 hours of PTO in a week (two days), and then works 30 hours during the remaining days of the week, the employee is not eligible for six hours of overtime. The 16 hours of PTO is not considered "time worked" and

therefore, the employee worked 30 hours that week, which does not meet the overtime threshold of more than 40 hours worked.

As an additional condition of eligibility for PTO, an employee on an extended absence for illness or injury must apply for any other available compensation and benefits, such as workers' compensation or disability if eligible. PTO may be used to supplement any payments that an employee is eligible to receive from disability insurance, workers' compensation, or state disability insurance.

If accrued PTO is not used by the end of the benefit year (12/31), employees may carry over no more than the equivalent of one work week (25 hours for part-time or 30/40 hours for full-time based on the employee's schedule) unused time into the next benefit year. Any remaining accrued, unused PTO is forfeited.

Employees may borrow up to the equivalent of one work week (25 hours for part-time or 30/40 hours for full-time) within a calendar year provided they will accrue that amount by the end of the calendar year (12/31). If an employee resigns with an unearned balance accrual for the borrowed PTO, the remaining balance will be deducted from the employee's final pay.

During the year, there are peak times during the business where it makes it impossible to grant paid time off to employees which we call a "blackout period". Employees are not permitted to take PTO nor unpaid time during the blackout period. Extenuating circumstances will be considered. Holiday weeks may be considered black-out periods based on business needs.

Upon termination of employment, employees will be paid for unused PTO that has been accrued through the last week worked. If the last week does not correspond with the end of a pay cycle, the employee will be paid for the proportionate share of PTO corresponding with the proportion of the pay cycle worked.

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