

Title: Paid Time Off		Policy Number: C-8370-304
Originating Department: Human Resources	Affected Department: All FHC Entities	
Original Date: 05-1993	Revised Date: 04-2020	Reviewed Date: 04-2020
Medical Director Approval (if applicable):	Vice President, Quality Approval:	
Vice President Approval:	CEO Approval:	

POLICY:

FirstHealth of the Carolinas will provide a Paid Time Off (PTO) benefit based on market practices.

I. PURPOSE:

To provide a competitive benefit that allows eligible employees to be away from work periodically without loss of income.

II. ACCRUAL RATES:

PTO accrues each pay period beginning with the employee’s first full week of employment in an eligible classification. An employee who changes employment classification during a pay period or who is on a leave of absence will accrue PTO based on hours paid for the pay period. For the purpose of this policy, years of service are based on hire date.

<u>Employment Classification and Tenure</u>	<u>Hours Per Pay Period</u>	<u>Hours Per Year</u>
Full-Time (Non-Exempt)		
< 2 years	6.77	176
2 - 4 years	7.23	188
5 - 14 years	8.77	228
15 + years	10.31	268
Full-Time (Exempt)		
< 2 years	7.69	200
2 - 4 years	8.15	212
5 - 14 years	9.69	252
15 + years	11.23	292
Three-Quarter Time and Half-Time		
< 2 years	3.38	88
2 - 4 years	3.61	94
5 - 14 years	4.38	114
15 + years	5.15	134

Full-Time (Leadership Council)

< 2 years	7.38	192
2 - 4 years	7.85	204
5 - 14 years	9.38	244
15 + years	10.92	284

III. MAXIMUM ACCUMULATION:

PTO may be accumulated to a maximum of 480 hours. Once the employee reaches 480 hours, the accrual will cease until the balance drops below 480 hours.

IV. PAID TIME OFF USE:

When a non-exempt employee's worked hours are fewer than his/her regular or adjusted scheduled hours by at least two hours, the supervisor will supplement the employee's hours with PTO up to the regular or adjusted scheduled hours for that week. The supervisor may also approve PTO for a period of fewer than two hours at the employee's request.

Beyond the two-hour level stated above, non-exempt employees may not elect to be off without using PTO except for the reasons stated in Section VI. In addition, when an absence from work is unscheduled and the employee fails to follow the department's policy for notification, the supervisor may deny an employee's request for PTO for that shift.

- A. Supervisor Responsibility - The supervisor will approve the use of PTO according to FirstHealth and departmental policy, ensuring that staffing is adequate at all times.
- B. New Employee Probationary Period - During an employee's initial ninety (90) day probationary period, the employee may be paid PTO only for a FirstHealth-recognized holiday or when time off is required by the supervisor due to reduced workload. Any other absence during a non-exempt employee's probationary period will not be eligible for PTO.
- C. PTO Associated with Out-of-Town Conference - When an employee attends an out-of-town conference, any normal working day not included as part of the proceedings or as an approved travel day will be considered PTO.
- D. Exempt Employees - Exempt employees may use PTO only in increments equal to their normal scheduled daily hours.

V. REASONS FOR PAID TIME OFF:

Payment of PTO may be made for, but not limited to the following:

- A. Illness - In the case of an absence due to illness, the supervisor may approve payment of PTO. See Attendance Policy #C-8370-207. If an absence due to illness is anticipated to extend beyond seven (7) calendar days, the supervisor and employee must contact Human Resources regarding a leave of absence. See Leave of Absence Policy #C-8370-305.

- B. Vacation and Personal Reasons - Employees are expected to request vacation or personal time off sufficiently in advance to allow the supervisor time to prepare for the absence. The amount of time granted for vacation may vary based on staffing requirements and notice period provided.
- C. Holidays – FirstHealth recognizes and authorizes reduced service or closing of certain departments for the following holidays: New Year’s Day, Good Friday (for Easter), Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Non-exempt employees with a PTO balance required to be off from work on a holiday have the option to use PTO or take the time off without pay.

VI. TIME OFF WITHOUT THE USE OF PAID TIME OFF:

A non-exempt employee with a PTO balance may be away from work and choose not to use PTO in the following situations: bereavement leave, jury duty, absences related to workers’ compensation, leave of absence, or when the employee is required to be off due to reduced work load. Employees are not required to use PTO beyond an amount required to have their paid hours equal their normal regular schedule. In addition, a non-exempt employee is not required to use PTO beyond the minimum amount required to qualify for his/her employment classification.

The supervisor will schedule employees according to service needs. If employee hours must be temporarily reduced due to reduced workload, under normal circumstances, it will be done in the following order:

- Employees whose worked hours or scheduled worked hours for the week place them in an overtime pay situation.
- Employees who volunteer to be off.
- Employees routinely working a schedule consistent with casual part-time hours.
- Other employees as needed, with consideration to skill level of the staff.

In instances where the non-exempt employee has no PTO hours available, the employee may be off without pay for illness. Absent days without pay for personal reasons will be granted only when there are extenuating circumstances and when approved by a supervisor. If the employee’s absence is anticipated to extend beyond seven (7) calendar days, the supervisor and employee must contact Human Resources regarding the leave of absence. If the employee is not eligible for leave, employment may be terminated.

VII. CHANGE IN EMPLOYMENT CLASSIFICATION:

- A. Classification eligible for PTO accrual to a classification not eligible for PTO accrual – Employees will be paid their accrued PTO at the time of the change, provided they have completed their new employee probationary period. The value of the PTO paid will be as outlined in Section XII.
- B. Change in classifications when both are eligible for PTO accrual – The employee shall maintain his/her PTO balance and begin accruing PTO at the appropriate rate.

VIII. PAID TIME OFF UPON TERMINATION:

- A. Resignations - Employees who have provided and worked a proper notice, and have satisfactorily completed the probationary period, shall be paid upon employment termination for any accrued, but unused PTO. The value of the PTO paid will be as outlined in Section XII.

PTO hours may not be used in lieu of working the appropriate notice. Accrued, but unused PTO will not be paid if the employee fails to work the proper notice, unless the notice period is waived by the director.

- B. Employment Terminations Due to Position Elimination – An employee who has employment terminated by FirstHealth due to a position elimination shall be paid for accrued but unused PTO. The value of the PTO will be equal to the employee’s base hourly rate as of the employee’s last day worked in the eliminated position.
- C. Employment Terminations for Misconduct or Gross Violations of Policy – An employee who has employment terminated by FirstHealth for misconduct or gross violations of FirstHealth policies (including but not limited to the Prohibited Behaviors outlined in the Employee Behavior and Appearance policy) will not receive pay for his/her accrued but unused PTO.

IX. PAID TIME OFF SELL-BACK:

Full-time employees with a PTO balance of more than 160 hours, and three-quarter time and half-time employees with a balance of more than 80 hours may choose to be paid for up to 80 hours of PTO twice a year. This payment shall not allow the full-time employee’s PTO balance to fall below 160 hours or the three-quarter time or half-time employee’s balance to fall below 80 hours.

PTO sell-back opportunities will normally occur in May and November. Human Resources will contact employees eligible for this benefit to confirm their election to participate. The value of the PTO paid will be as outlined in Section XII.

X. DONATION OF PAID TIME OFF:

An employee who has completed his/her probationary period may donate PTO hours to another employee, the United Way or one of FirstHealth’s charitable foundations. Donation of PTO may not reduce the donating employee’s available balance below forty (40) hours.

Human Resources will be responsible for calculating the value of donated PTO for payment. The value of the PTO donated will be as outlined in Section XII.

XI. PAYMENT OF PAID TIME OFF FOR PERSONAL HARDSHIP/CRISIS:

Any employee who has completed his/her probationary period may request payment of a portion of his/her PTO balance during a period of personal financial hardship. Payment of PTO for a financial hardship may not reduce the full-time employee’s available PTO balance below forty (40) hours and the three-quarter and half-time employee’s available PTO balance below twenty (20) hours. Payment of PTO for personal hardship/crisis is limited to one opportunity per three-month period. The value of the PTO will be as outlined in Section XII.

Circumstances justifying this request include, but are not limited to, the following:

- Birth, death, or severe illness of an immediate family member that results in extensive medical and/or personal expenses.
- Loss of family income due to illness or unemployment of an immediate family member.
- Bills that if not paid in a timely manner, could result in the potential loss of a residence, transportation or necessities of living, such as basic utilities and food.
- School tuition for self or dependent family member.
- Purchase of home or home repairs.

The request for payment of PTO should be presented in writing to Human Resources.

XII. VALUE OF PAID TIME OFF:

The value of Paid Time Off paid to an employee away from work for one of the reasons in Section V. above will be equal to 100 percent of the employee's base hourly rate at the time the PTO is used.

The value of Paid Time Off paid to an employee who has employment terminated by FirstHealth due to a position elimination will be equal to 100 percent of the employee's base hourly rate as of the employee's last day worked in the eliminated position.

The value of Paid Time Off donated to a Foundation of FirstHealth or a local/community charitable organization approved by Administration to solicit donations within FirstHealth, such as the United Way or Montgomery Crisis Fund, will be equal to 100 percent of the employee's base hourly rate as of the date FirstHealth transfers the value of the donated PTO to the approved organization.

The value of Paid Time Off paid to an employee for a change in employment classification (Section VII.), upon termination of employment (see Section VIII.), for one of the sell-backs in May and November (Section IX.), or for personal hardship or crisis (Section XI.) will be as follows:

<u>Employee Service</u>	<u>Percent of Base Hourly Rate</u>
< 2 years	50%
2 - 4 years	75%
5 + years	100%

The value of Paid Time Off donated by one eligible employee to another eligible employee will be based on the donating employee's service as outlined in the table above.