

Subject: **Paid Time Off (PTO)**

Applies to: Regular full-time and part-time staff in nonexempt positions (*Does not include hourly paid PAS staff*) whose primary appointment is in divisions 40 (School of Medicine and Dentistry), 50 (Strong Memorial Hospital), 60 (School of Nursing), 90 (Health Sciences), 91 (Medical Faculty Group) and 92 (Eastman Institute for Oral Health).

Individuals represented by collective bargaining agreements receive benefits in accordance with those agreements.

I. Policy: The intent of the PTO plan is to recognize an individual's need to have time away from work for reasons such as illness or injury, doctor or dental appointments and to attend to personal business. It is also intended to provide the staff member with flexibility and tangible reward for time unused at the end of each Plan Year.

II. Guidelines:

A. The Plan provides an eligible employee with one week of standard work hours during a Plan Year. The PTO Plan Year begins on the first day of the first full pay period in January for eligible employees.

New employees are eligible for PTO immediately upon hire in the PTO eligible position. PTO hours will be a pro-rated allocation based on the pay period of entry into the Plan.

B. PTO time can be used in full and partial day increments of not less than one-half hour. In some instances, such as scheduled visits to the doctor or dentist, advance approval from the supervisor is required.

C. Unused PTO Payout:

At the end of each Plan Year, PTO banks for eligible employees will be purged and reset for the new Plan Year. An employee may elect only one option for unused PTO time. The payment of PTO time is at the employee's current rate of pay. Any shift differential is included if the employee's standard shift qualifies for shift differential.

1. Payout: Employees electing a cash payout will receive pay for all unused PTO hours in the paycheck reflecting the first full pay period in January, subject to all applicable taxes. If an election is not made, this will be the default option.

2. Retirement Contribution: Employees making voluntary contributions to the Retirement Program may have the value of all unused PTO hours placed in an existing 403(b) Retirement Account(s). This allocation is subject to all current IRS regulations and limits and applicable taxes.

3. Transfer of Hours to Supplemental Bank: Employees electing a Supplemental Bank transfer will have all unused PTO hours placed into the Supplemental Bank. The Supplemental Bank can have unlimited hours.
 - a. Hours in the Supplemental Bank may be used only to supplement disability and workers' compensation benefits. Supplemental Bank hours are not subject to payout.
 - b. Upon change to a position that is not PTO-eligible, the Supplemental Bank will be purged.

D. Terminations/Status Changes/Transfers:

1. Eligible employees who terminate employment from the University, whether voluntarily or involuntarily, after at least six months of PTO-eligible service will be paid for unused PTO hours.
2. Individuals who terminate their employment and later are rehired to a PTO-eligible position within the same PTO Plan Year will not be eligible for PTO until the subsequent PTO Plan Year.
3. Employees remaining in a PTO eligible position who change their standard hours only (i.e. Part-time to Full-time), will not receive an adjustment to their PTO Bank until the subsequent PTO Plan Year.
4. Time As Reported (TAR) staff who change to part-time or full-time status will be eligible for PTO immediately. PTO hours will be a pro-rated allocation based on the pay period of entry into the Plan.
5. Employees changing status to Temporary Layoff will not be paid out the PTO Bank. Upon recall from Temporary Layoff, the PTO bank will be available.
6. Employees changing status to Time As Reported (TAR), Leave of Absence, or Indefinite Layoff during the Plan Year after at least six months of PTO-eligible service will be paid unused PTO hours upon change in status.
 - a. Employees who change to Time-As-Reported (TAR), Leave of Absence, or Indefinite Layoff status and later change back to a PTO-eligible status within the same PTO Plan Year will not be eligible for PTO until the subsequent PTO Plan Year.
7. Employees absent from work at the beginning of the Plan Year due to [Short-Term Disability](#) or [Workers' Compensation](#), will receive a pro-rated allocation of PTO hours based on the pay period of return to work.
8. Employees transferring into a PTO-eligible position from another non-exempt benefits-eligible position (divisions 10, 20, 21, 22, 23, 24, 30, or 70) will be

eligible for PTO immediately. At the time of PTO eligibility, the employee's current sick day balance will be converted to the Supplemental Bank, which can be used as described in Section II,C,3. PTO hours will be a pro-rated allocation based on the pay period of entry into the Plan.

9. Employees transferring into a PTO-eligible position from a regular Full-Time or Part-Time Professional, Administrative and Supervisory (PAS) position will be eligible for PTO immediately. PTO hours will be a pro-rated allocation based on the pay period of entry into the Plan.
10. PTO-eligible employees who transfer to a regular Full-Time or Part-Time non-exempt position that is not PTO-eligible (in division 10, 20, 21, 22, 23, 24, 30, or 70), will have the balance in the PTO bank (at the time of transfer) multiplied by two and converted to the [Sick Day bank](#). In these cases there will be no payout of the PTO bank and the Supplemental Bank will be purged.
11. PTO-eligible employees who transfer to a regular Full-Time or Part-Time Professional, Administrative and Supervisory (PAS) position (Including those paid hourly), which is not PTO-eligible, will be entitled to benefits in accordance with that position. In these cases there will be no payout of the PTO bank and the Supplemental Bank will be purged.

III. Procedures:

- A. All eligible employees must coordinate use of PTO time with their supervisor.
- B. PTO time should be recorded by the employee or timekeeper via Time and Labor as PTO time with the number of hours used. PTO can be taken in increments of one-half hour or greater.
- C. For PTO eligible staff, the online pay statement reflects available PTO and Supplemental balances as of the end of the pay period.

The University reserves the right to modify, amend, or terminate any or all of the benefit plans at any time, including actions that may affect coverage, cost-sharing, or covered benefits. A paper copy of this information is available for free from Leave Administration.