

**POLICY**

Paid Time Off (PTO)

EFFECTIVE

January 31, 2021

PURPOSE

The purpose of this policy is to establish rules for the administration of Paid Time Off (“PTO”). PTO may be used for any reason an employee may need time away from work. Reasons include, but are not limited to vacation, holiday, illnesses, personal reasons, family care and other needs, which may require time off from work.

Other Medical System HR policies may also cover PTO taken for one’s medical condition or the medical condition of a family member, or for reasons related to domestic violence. These policies may include, but are not limited to: Sick and Safe Leave (SSL), Family and Medical Leave, Equal Employment Opportunity - Accommodation of Disabilities, and Leave of Absence. Other employer-sponsored benefits, such as short and long-term disability, may also apply. Employees must utilize available SSL hours prior to utilizing PTO hours for absences covered for these reasons.

SCOPE

PTO benefits are available to exempt (salaried) and non-exempt (hourly) employees who are actively employed and are assigned a full-time equivalent (FTE) of 0.5 or higher. This policy does not apply to executives, residents, physicians, and employees covered by a Collective Bargaining Agreement (CBA). Those employees should refer to the applicable policies and CBA related to their job category. Collective Bargaining Agreements may contain leave provisions that either supersede or are supplemental to the provisions of this policy. Supervisors and employees covered by a CBA should refer to the provisions of the applicable agreement.

RESPONSIBILITY

It is the employee’s responsibility to request approval for PTO from their supervisor based upon departmental guidelines and report PTO hours used to their timekeeper.

It is the responsibility of supervisors to approve/manage the use of PTO for direct reports who are subject to this policy. The supervisor is responsible for scheduling employees to ensure appropriate staffing levels to maintain sufficient business operations.

PROCEDURE**A. Eligibility**

Eligibility is determined by years of service, FTE, and job classification. All regular full-time and part-time employees who are assigned an FTE of 0.5 or above are eligible to accrue PTO. Employees who are assigned to work an FTE less than 0.5 are not eligible to accrue PTO.



B. PTO Accrual

- ⦿ Employees begin to accrue PTO on their first day of work; however, they are not eligible to use PTO until the start of the pay period following 90 days of employment.
- ⦿ Employees accrue PTO based upon hours paid, up to the maximum of a 1.0 FTE.
- ⦿ Balance limits are based upon assigned FTE.
- ⦿ Employees do not accrue PTO during periods of an unpaid absence or for hours paid under eligible company-sponsored short and long-term disability plans.

Table 1: PTO Accrual Rates*

Accrual of PTO for full-time employees is based on the following schedule of a 1.0 FTE.

Job Category	Years of Service	Biweekly Accrual (Hours)	Annualized Accrual (Days)	Balance Limit (Hours)
Non-Exempt (excludes RN Professional Advancement Model "PAM" designated roles)	Before 5th anniversary	6.76	22	264
	5th anniversary	8.30	27	324
	10th anniversary	9.84	32	384
	20th anniversary	11.38	37	444
Exempt and RN Professional Advancement Model "PAM" designated roles	Before 5th anniversary	8.30	27	324
	5th anniversary	9.84	32	384
	10th anniversary	9.84	32	384
	20th anniversary	11.38	37	444

Employees proceed to the next tier at the start of the pay period following completion of the applicable year.

UMMS encourages employees to use their PTO regularly. An employee may not accrue more than one and a half times their annual PTO accrual (the "balance limit"). Once this limit is reached, the employee will stop accruing and will not start accruing again until their balance is below the limit. The balance limit in the chart above is based on the employee's assigned FTE.

*Part-time employees scheduled to work at least 40 hours per pay period (0.5 FTE) and are scheduled to work less than 80 hours per pay period (1.0 FTE) accrue PTO on a pro-rated basis.

C. Observed Holidays

Paid Time Off (PTO) accruals include hours to cover holidays. Holidays are included in, not in addition to, the annual PTO Accrual.

Due to business and operational needs, not all eligible employees will be able to have a holiday off. The responsible manager may require employees to work on an observed UMMS holiday to meet business needs. Please refer to HR Policy, Observed Holidays for additional information.



D. Utilization

PTO should be requested and approved in advance, when foreseeable. Employees are able to review and request PTO hours through the electronic timekeeping system and Kronos application. The amount of advance notice required may vary by department, depending on operational and staffing needs. Approved PTO hours taken will be authorized by the employee's supervisor and charged against the employee's PTO account at the conclusion of the biweekly pay period during which it was taken. Hours worked and PTO usage must equal the employees budgeted FTE.

When any PTO is used, the hours will be paid at the employee's base rate of pay. This does not include any shift differentials or other premiums.

Only the available hours are able to be used. Negative balances are not allowed except as outlined in the HR Policy, Observed Holidays. Please note that if an employee has a negative PTO balance upon termination, UMMS may deduct the owed amount from the employee's final paycheck, as authorized by the employee at the time the employee borrows against future PTO.

Employees may not elect unpaid leave prior to exhausting all PTO balance unless being sent home for low census or placed in on-call status for low census. It is at the discretion of the manager to approve unpaid time off for employees with insufficient PTO balances to cover requested periods off.

Exempt employees use PTO in full-day increments except when absences are covered by the Maryland Sick and Safe Leave Policy, for which PTO may be used to supplement SSL hours. Refer to HR Policy, Maryland Sick and Safe Leave for additional information. Exempt employees do not utilize PTO for partial-day absences. Exempt staff who voluntarily elect to work while using PTO do so with the understanding that they are being paid with PTO and will not receive additional reimbursement or credit back for PTO that was already approved.

Employees are not eligible for PTO advancement or to cash-in PTO in place of taking time off from work.

E. Transfers between UMMS Facilities

Employees transferring from one UMMS facility to another will carry their PTO balance to the new UMMS facility up to the balance limit corresponding to the new position. Any remaining PTO balance will be paid out by the former UMMS facility. Employees will also retain their years of service for purposes outlined in this policy.

F. Donation of PTO

Employees may donate available PTO hours to other eligible employees for covered reasons. Please refer to the HR Policy, Donation of Paid Time Off, for additional information.



G. Payment of PTO Upon Status Change Resulting in Ineligibility

Accrued but unused PTO will be paid out upon an employee's assigned FTE change to below 0.5, or when a change to the assigned FTE renders the employee eligible to accrue PTO but the employee is above the new balance limit, or termination from employment.

Employees who terminate within the 90 day waiting period are not eligible for a payout.

Upon termination from employment, UMMS may deduct from an employee's accrued but unused PTO any outstanding monies owed to UMMS or an affiliate according to a written agreement between the employee and UMMS or the affiliate. Examples include, but are not limited to, tuition assistance or relocation expenses.