| **Purpose** | |
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| At [company name], we encourage employees to take the time off they need to perform their best work. Our PTO policy combines traditional vacation, sick, personal, and bereavement plans into one flexible leave plan. Employees are responsible for managing their PTO hours, ensuring they have enough reserved for emergencies, and working with their managers to cover all work responsibilities while away. | |

| Please fill in the blue highlighted sections with the information that applies to your company. | |
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| **Eligibility** | |
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| All [eligible employee types] that work at least [hours per week] regularly are eligible for PTO. [Ineligible employee types] do not qualify for PTO. | |

| Most PTO policies outline eligibility based on employee classifications like full-time, part-time, temporary, or seasonal, but you may also consider criteria like role (manager vs. individual contributor), department, and location. | |
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| ***Availability*** | |
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| **Lump-sum** | |
| Eligible employees can begin using PTO upon completing a [30, 60, 90-day] waiting period. If the employee is hired in the middle of a benefit year, a prorated number of PTO days will be computed for use. During the waiting period, eligible employees can request to use up to [number of hours or days], not including holidays. These days are for emergencies only, such as unforeseen illness or injury, at management's discretion. These days are not added to employees' PTO banks upon completing their waiting periods. | |

| This template includes sample language for using lump-sum or accrual PTO systems. Going forward, please choose the language that applies to you.  Also, please remove any language in the availability section that doesn't apply to your company, such as waiting periods or the use of emergency leave. You may also want to customize this further, such as indicating that any time off during a new hire's waiting period is unpaid. | |
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| **Accrual** | |
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| Eligible employees begin accruing PTO upon their first day of work but can only use their accumulated leave once a [30, 60, 90-day] waiting period is completed. During the waiting period, eligible employees can request to use up to a maximum of [number of hours or days], not including holidays. These days are for emergencies only, such as unforeseen illness or injury, at management's discretion. These days are not added to employees' PTO banks upon completing their waiting periods. | |

| ***Accrual rates*** | |
| --- | --- |
| **Lump-sum** | |
| PTO amounts are calculated based on a benefit year that runs between [indicate dates, such as January 1 to December 31]. The amount of PTO that eligible employees receive each benefit year increases with their length of service, as shown below: | |

| **Years of service** | **PTO**  **amount** | **Maximum carryover amount** | **Maximum banked PTO** |
| --- | --- | --- | --- |
| 0–1 | 10 days  (80 hours) | 10 days  (80 hours) | 20 days  (160 hours) |
| 2-4 | 13 days  (104 hours) | 13 days  (104 hours) | 26 days  (208 hours) |
| 5-10 | 15 days  (120 hours) | 15 days  (120 hours) | 30 days  (240 hours) |
| More than 10 years | 20 days  (160 hours) | 20 days  (160 hours) | 40 days  (320 hours) |
| *Note: The total number of hours is based on an employee working 2,080 hours a year, which is 40 hours per week or 8 hours per day. Total PTO amounts will be prorated based on the number of hours eligible employees are typically scheduled to work each week.* | | | |

| Please adjust the PTO schedules in either the lump-sum or accrual systems to fit your company needs. | |
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| **Accrual** | |
| --- | --- |
| PTO amounts are calculated based on a benefit year that runs between [indicate dates, such as January 1 to December 31]. Eligible employees accrue PTO for every hour worked (unpaid leaves of absence do not count), and their accrual rate increases with their length of service, as shown below: | |

| **Years of service** | **Accrual rate per hour worked** | **Annual PTO accrual** | **Maximum accrual** |
| --- | --- | --- | --- |
| 0–1 | 0.0384 hours | 10 days  (80 hours) | 20 days  (160 hours) |
| 2-4 | 0.05 hours | 13 days  (104 hours) | 26 days  (208 hours) |
| 5-10 | 0.0577 hours | 15 days  (120 hours) | 30 days  (240 hours) |
| More than 10 years | 0.0769 hours | 20 days  (160 hours) | 40 days  (320 hours) |
| *Note: The total number of hours is based on an employee working 2,080 hours a year, which is 40 hours per week or 8 hours per day. Eligible employees working more than [minimum number of hours per week] but less than 40 hours per week will have their accrual rates prorated.* | | | |

| You may want to add language regarding "negative PTO" procedures or whether you allow employees to borrow against their PTO banks before they accrue it. | |
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| Please be sure to follow your collective bargaining agreement and state and local laws when it comes to carryover policies.  You may also decide to use this area to discuss whether you allow PTO cashouts at the end of a benefit year by indicating how much employees can cash out and when. | |
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| ***Carryover*** | |
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| **Lump-sum** | |
| At the end of a benefit year, eligible employees may carry unused PTO hours to the following benefit year according to the maximum carryover amount in the chart above. However, any remaining unused PTO hours exceeding this maximum amount will be forfeited. | |



| **Accrual** | |
| --- | --- |
| At the end of a benefit year, eligible employees will carry unused PTO hours to the following benefit year. They will continue accruing at their appropriate accrual rate until they have reached the maximum accrual amount for their years of service. No PTO hours will accrue beyond this maximum amount. Once employees reach this maximum amount, they will stop accruing PTO until they have used some of their banked time. | |

| **Request and payout procedure** | |
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| ***Requesting PTO*** | |
| Eligible employees can request PTO in minimum increments of [number of hours or days]. For planned vacations or other personal time, eligible employees should submit a PTO request to [PTO approver] at least [amount of time in hours, days, or weeks] in advance. [PTO approver] will consider workloads and other staffing needs when approving the request.  In the event of an unplanned need for PTO, eligible employees should provide notice to [PTO approver] [as soon as possible, # of hours before start of shift, etc.]. They must also contact [PTO approver] on each additional day of unplanned absence. PTO hours may be used to cover scheduled and unscheduled time off for as long as there is remaining PTO. The employee may also be required to provide evidence to substantiate their reason for unplanned leave, such as doctor's notes, affidavits, testimonials, or funeral programs.  **To submit a request for PTO, eligible employees should follow the instructions below:**   1. [Insert step] 2. [Insert step] | |

| You will want to modify this to fit your specific circumstances. Consider things like PTO blackout periods or the maximum number of PTO days employees can request at one time.  You should also include instructions for how employees can submit a request for PTO. For example, you may require employees to submit requests in writing using a physical form or email. Alternatively, if you use HR software, you will need to explain how employees can request PTO in the program. | |
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| **Payment** | |
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| PTO is paid out at an eligible employee's base pay rate; this does not include other forms of compensation such as incentives, commissions, bonuses, or shift differentials. PTO is also not counted as hours worked for calculating overtime.  PTO will appear on the paycheck covering the pay period during which the PTO was taken. | |



| **Payment upon termination** | |
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| Eligible employees who resign or retire and provide at least [number of hours, days, or weeks'] notice are entitled to receive a payment of all unused PTO hours, as long as they have completed their waiting period. Employees who do not provide the minimum advanced notice or are terminated for cause are not entitled to payment of their unused PTO hours.  Unless agreed otherwise, PTO payments are issued on the resigning or retiring employee's final paycheck. | |

| Be sure to check any collective bargaining agreements and state or local laws; some require PTO payments upon termination, regardless of advance notice or separation reason. Others allow you to have "use-it-or-lose-it" policies, where employees forfeit all unused PTO upon termination. | |
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| **Disciplinary action** | |
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| Employees who violate this policy by taking excessive unplanned PTO or failing to provide documentation for unplanned PTO upon request may face disciplinary action, up to and including termination. | |

| You may have more specific disciplinary actions that you want to highlight here, such as what happens if an employee continues to miss time after exhausting all of their PTO. | |
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