TechnologyAdvice Sample PTO Policy

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Purpose

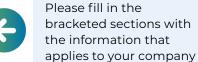Please fill in the bracketed sections with the information that applies to your company

Eligibility

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.

Availability

Lump-sum

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

Accrual rates

Lump-sum

Years of service	PTO amount	Maximum carryover amount	Maximum banked PTO

Please adjust the PTO schedules in either the lump-sum or accrual systems to fit your company needs.

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Accrual

Years of service	Accrual rate per hour worked	Annual PTO accrual	Maximum accrual

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.

Carryover

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.

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.

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

Requesting PTO

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

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

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.

Disciplinary action

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.