Paid time off policy

ABC Company provides its employees with paid time off (PTO) benefits in lieu of the traditional benefits of paid vacation, personal days, and sick days. PTO may be taken by employees, with prior supervisory approval, at such times and in such increments as best accommodates each employee’s own schedule. PTO is intended to allow employees paid time off from work for reasons such as vacation, personal illness, family illness, medical appointments, religious or ethnic holidays, or personal or family business. Employees who are absent from work for any reason are required to take any accrued but unused PTO before taking unpaid time off.

For full‑time ABC employees, PTO accrues according to the following schedule:

1. During the first year of service, one day (eight hours) of PTO per month.

2. During the second through fifth years of service, one and one‑fourth days (10 hours) of PTO per month.

3. During the sixth through 10th years of service, one and one‑half days (12 hours) PTO per month.

4. After completing the 10th full year of service, two days (16 hours) of PTO per month.

Regular part‑time employees accrue PTO benefits at a rate of one day (eight hours) of PTO per 175 hours worked.

PTO benefits are not earned until the final day of the month, and may not be taken until the month after the PTO is earned. Neither full‑time nor part‑time employees begin to accrue any PTO until they have completed one full month of employment with ABC Company. Part‑time employees do not earn the benefit until the 175th hour has been worked. No subsequent PTO benefits for part‑time employees are earned until the 175th hour has been worked during each interval.

PTO may be taken in four-hour increments only. Employee absences that occur after all available PTO has been used will be unpaid and may be subject to appropriate disciplinary action by the Company.

Only 10 days (80 hours) of earned PTO may be carried over from one calendar year to the next. All additional earned PTO will be paid out during the first payroll period of January each year.

**[Employers should expressly state in the policy what happens to unused, accrued PTO upon termination of the employee. Also, note that a PTO policy is typically used in place of other paid leave policies, such as vacation and sick leave policies]**

THIS ALTERNATIVE POLICY IS OPTIONAL