

Sample Paid Time Off Policy

John Smith

Employee Benefits Policy

Effective: July 1, 2018

The primary purpose of this Employee Benefits Policy is to allow for reimbursement to John Smith's regular employees at their regularly scheduled hours when John is unavailable. All family members are ineligible to participate in this Employee Benefits Policy. PTO is only available when John is unavailable. Employees may not use PTO for personal leave or for personal vacations. John's non-family employees will be eligible for one hour of Paid Time Off (PTO) for every 15 hours they work. Each employee is eligible for a maximum of 105 hours of PTO throughout the FY at their usual hourly rate or a maximum hourly rate of \$20/hr. All employees who have worked for John for at least three calendar months are eligible to receive PTO. Employees will begin accruing credits for PTO on their first day of employment but will not be eligible to receive PTO until they have worked for John for three calendar months. Should an employee leave voluntarily or be terminated prior to the conclusion of three calendar months, any accrued leave will be forfeited.

PTO is earned throughout the fiscal year which runs across calendar years from July 1 through June 30. When John is unavailable, employees will be paid PTO according to their usual/average hourly schedules. PTO must be accrued to be paid with the following exception: if John is unavailable early in the fiscal year—that is before employees have earned enough credits to account for the PTO--qualified employees may receive advanced PTO. However, any advanced PTO will be deducted from credits for hours that will be worked throughout the remainder of the fiscal year. However, if an employee leaves John's employment before accruing enough credits to offset any advanced PTO, he or she will not be liable to repay those credits and the amount of advanced leave will not be deducted from his or her final paycheck.

Since this benefit cannot be carried over between fiscal years due to state budgeting issues, any earned leave not taken by June 30 may be paid in full on the last pay check of the fiscal year in which it was earned. This benefit amount will be calculated based on the total amount of hours worked throughout the fiscal year with deductions for PTO that has already been utilized. A new

leave accrual period will start each year on July 1. In the event that an employee leaves John's employment with unused accrued leave, reimbursing said employee for any unused credits will be at John's discretion and that reimbursement may be included in his or her final paycheck.

This policy is effective July 1, 2018.