

## Paid Time Off / Extended Illness Bank Policy

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### KEY TERMS:

Paid Time Off, PTO, Extended Illness Bank, EIB, Vacation, Sick, Holiday, Employee Health, Leave of Absence, Cash-In, Attendance, Timekeeping, PTO Donation, Low Work Volume, Low Census, Low Census Unpaid)

### I. PURPOSE:

Carilion Clinic encourages work-life balance and grants eligible employees Paid Time Off (PTO) for rest, recreation, conducting personal business, holidays and as a protection against loss of earnings due to illness or injury.

### II. SCOPE:

This policy covers eligible employees on the Carilion payroll. Exclusions include, but are not limited to, medical faculty, physicians, medical residents and executives.

### III. DEFINITIONS:

**Paid Time Off (PTO)** is time that eligible employees accrue and may use for rest, recreation, conducting personal business, holidays and as a protection against loss of earnings due to illness or injury.

**Extended Illness Bank (EIB)** is a reserve of sick-time banked prior to the conversion to PTO in 1991 that can only be used in defined circumstances.

**Low work volume** is a temporary adjustment in non-exempt staffing levels based on fluctuations in patient census, work volumes or other business needs. Examples of other business needs include, but are not limited to, closing of buildings or operations due to emergency weather conditions, equipment failure or other emergency situations.

### IV. PROCEDURE:

- A. Eligibility: Full-time, regular part-time and part-time employees accrue and are eligible to take accrued PTO from date of hire.
- B. Accruing PTO:
  - 1. PTO is accrued on up to 80 paid hours in a pay period. Paid hours include regular hours, PTO hours and Extended Illness Bank (EIB) hours. PTO is not accrued for on-call hours, low census unpaid, leave without pay or while receiving short-term, long-term or Workers' Compensation disability income.

2. PTO is accrued on paid hours from the first day of employment through the final day of employment.
3. PTO is banked and carries forward without expiration. The maximum amount of time which can be accumulated under the PTO program is 480 hours. When an employee reaches 480 hours, no further hours are accumulated until the balance is reduced.
4. Rates of PTO accrual are determined by the employee's length of service according to the following schedule:

**PTO RATE  
 SCHEDULE\*\***

| Length of Service       | PTO Accrued Per Hour of Work | PTO Accrued Per 80 Hours Paid per Payperiod | PTO Days Accrued Per Year (2080 Hours Worked) |
|-------------------------|------------------------------|---|---|
| <b>1 - 4.99 Years</b>   | .0924 Hours                  | 7.39 Hours                                  | 24 Days                                       |
| <b>5 - 14.99 Years</b>  | .1115 Hours                  | 8.92 Hours                                  | 29 Days                                       |
| <b>15 Years or More</b> | .1308 Hours                  | 10.46 Hours                                 | 34 Days                                       |

\*\* Accrual criteria may differ for specific positions. Employees may confirm the rate of accrual with their manager.

**C. Use of PTO/EIB:**

1. PTO is to be used for vacation, holidays, sick days or personal reasons up to the employee's normally scheduled hours per work week as represented by the FTE documented in Lawson. (see Timekeeping Policy). Paid leave for bereavement and jury duty are provided under separate policies.
2. PTO must be accrued before it can be used.
3. Employees must use any PTO or EIB hours, if applicable, prior to unpaid time.
4. It is the responsibility of the employee to maintain a PTO balance that will cover their time off including Carilion designated holidays. When an employee does not have sufficient PTO to cover an absence the absence, including holidays, may be considered unexcused under the Attendance Policy.
5. Scheduled PTO must be approved by the manager. Employees should request PTO from their manager as early as possible. Managers will schedule time off in accordance with the needs of the department or unit and may deny PTO requests based on insufficient PTO balance or staffing needs.
6. Employees must notify their managers of absences prior to the beginning of their scheduled shifts, according to department specific guidelines or requirements.
7. The minimum amount of PTO/EIB to be used is 15 minutes. A maximum of eighty (80) PTO/EIB hours can be used per pay period.

8. PTO/EIB may not be scheduled or paid beyond the employee's normal scheduled hours per work week as represented by the FTE documented in Lawson except in the case of FMLA Leave. (see Timekeeping Policy).
9. PTO/EIB hours are paid at the regular base hourly rate. Shift differentials are not applied to PTO or EIB.
10. PTO/EIB cannot be used to receive pay in the case of disciplinary suspension. If an employee is suspended pending a prolonged investigation, PTO may be paid out.
11. PTO days cannot be used as required notice for resignation or transfer purposes.
12. PTO/EIB does not count toward hours worked for computing overtime.
13. Employees who separate from employment, apply for open positions and who are rehired within one year of separation will be reinstated with their original PTO accrual date. However, PTO balances will not be restored after payout has occurred.
14. Employees who change to a PTO-ineligible position or status and then change back to a PTO-eligible status within one year will have their original PTO accrual date reinstated. However, the PTO balance will not be restored after payout has occurred. The PTO accrual date will reset to the date the employee returned to the eligible status if they have been ineligible for more than one year.

D. Low Work Volume:

When a low work volume situation occurs, the leadership of the area will decide if nonexempt employees need to be shifted to other areas of need or if employees hours will be reduced. If a non-exempt employee's hours are being reduced due to low work volumes the employee has the choice of using PTO or unpaid hours for the time missed. Managers should use the following guidelines to determine staffing during low volume conditions:

1. Leave open positions vacant if feasible.
2. Reduce or eliminate overtime.
3. Should there be more staff scheduled and/or working than necessary, the following options are available with reasonable notice to the employee(s), in order of priority:
  - a. Temporarily reduce use of flex employees as appropriate for department / unit needs.
  - b. Encourage employees to:
    - i. Voluntarily accept temporary reassignment to another unit in which they are qualified and competent to work, or
    - ii. Voluntarily take time off with or without pay (in Kronos: use Low Census Unpaid which affects PTO accrual, or use Low Census PTO).
  - c. Implement temporary adjustments in staffing levels (which may include a reduction) using volunteers first then staff rotation while considering any required skill mix / job classifications:
    - i. Require reassignment to another unit in which employees are qualified and competent to work;
    - ii. Require employee to choose to take time off with or without pay (in Kronos: use Low Census Unpaid or use Low Census PTO).
4. Services/units should use a consistent process each time employee's hours are reduced due to low work volume.
5. Reduce scheduled work hours/week to 36 for full-time employees and prorated reduction for part-time or variable staffing options (affects PTO accruals).

E. PTO Donation:

1. The PTO donation:
  - a. May not reduce the donating employee's PTO bank below 80 available hours.
  - b. May only be donated in eight-hour increments, up to 80 hours per performance appraisal year.

2. The recipient:
  - a. Must be on an approved leave of absence:
    - Continuous FMLA Leave: or
    - Personal Leave for a serious health condition for himself or an immediate family member:  
or
    - Administrative Leave for a serious health condition for himself.
  - b. May receive a maximum of 240 hours per performance appraisal year.
  - c. Must have a combined PTO and EIB balance of less than 80 hours and must be a full-time, regular part-time or part-time employee.
3. The recipient's manager:
  - a. Must verify that both the donor and the recipient meet all of the criteria for the PTO Donation.
  - b. Will coordinate the transfer of PTO by completing the PTO Donation Form and forwarding it to Payroll.
  - c. Will notify the recipient of the donated PTO.
4. The Payroll Department will complete the PTO Transfer into the recipient's employee's PTO Bank.

F. Cashing-In:

1. A cash-in is provided two times per calendar year for employees who have accrued the eligible minimum number of PTO hours to qualify.
2. A balance of 80 hours or greater is required to be eligible for a cash-in. Employees are encouraged to save at least 80 hours for emergencies. PTO hours in excess of the minimum 80 can be cashed-in at each designated time in eight (8) hour increments up to a maximum of 40 hours. Cash-in hours are paid at the employee's current regular base hourly rate and included on the regular paycheck.
3. Employees request a cash-in by completing the PTO cash-in form in My Total Access by the published annual deadline. Employees may not elect to cash-in PTO resulting in a negative balance.
4. In order to avoid adverse income tax consequences for employees, it may be necessary to limit the number of employees whose PTO hours are cashed in. The number of employees eligible to cash in PTO hours at any one time may be limited to 80 percent of the total employees participating in the PTO program. Depending upon financial circumstances, Carilion may further restrict the number of employees eligible to cash in below 80 percent. If the number of employees requesting a cash-in for any period exceeds the maximum number of employees permitted to cash-in hours, employees will be permitted to cash in hours on a first-come, first-served basis depending upon the date of their signed request.
5. EIB hours may not be cashed-in and do not count towards the 80 hour minimum required for a cash-in.

G. Separation from Employment and Change to PTO Ineligible Status:

1. Employees with less than six (6) months service in a PTO eligible status are not paid for accrued PTO at separation.
2. Employees with greater than six (6) months service in a PTO eligible status are paid for accrued PTO upon involuntary separation or change to a PTO-ineligible position or status.
3. Employees separating or changing status voluntarily are paid accrued PTO provided they meet required notice of two (2) weeks for pay range midpoints of \$14.33 or below, 30 days for pay range midpoints of \$14.34 or above, or 90 days for credentialed providers such as Nurse Practitioners, Physician Assistants, or CRNA's.
4. Employees who abandon their job and/or do not provide proper notice are not paid for accrued PTO.

5. If an employee is involuntarily separated from employment due to the misappropriation of Carilion funds, goods or property or the intentional damage of property, Carilion in its sole discretion will determine if the employee is eligible for payout of PTO.
6. If a separating employee owes repayment to Carilion for employment related salary overpayments, unpaid benefit premiums or purchases made through payroll deduction Carilion may, at its sole discretion, withhold the owed amount.
7. At retirement, employees will receive accrued PTO hours in a lump sum. PTO may not be used after the last working day in order to prolong active status on the payroll. A retiree who returns to work after retirement will accrue PTO under the schedule as a newly hired employee without prior service credit for PTO accrual purposes.
8. Payment for accrued PTO hours upon separation and retirement is processed the pay period following payment of any final worked hours.
9. Any PTO taken during the notice period may extend the notice period. PTO may not be used to extend the employment.
10. If an employee works for a Carilion affiliate whose corporate structure, ownership or services is transferred or outsourced to another company, Carilion at its sole discretion will either transfer the employee's accrued, but unused, PTO hours to the second company or treat the employee's hours as if he were separated.

H. Extended Illness Bank (EIB):

1. Effective with Carilion's implementation of the PTO program, accrued sick hours were placed into an Extended Illness Bank.
2. EIB is administered on an employee's performance appraisal year. Employees may use EIB hours for personal and family member's illnesses in excess of the equivalent of three (3) work days during the employee's performance appraisal year.
3. EIB hours may not be paid beyond the employee's normal scheduled hours per work week as represented by the FTE documented in Lawson except in the case of FMLA Leave. (see Timekeeping Policy)
4. Hours in the Extended Illness Bank will not be paid to employees upon separation of employment or retirement.
5. Upon change of status from a PTO-eligible status to flex-time, all EIB hours will be permanently deleted unless reinstated to a PTO-eligible status within 90 calendar days.

**V. OTHER ISSUES / CONCERNS:**

- A. Military service PTO issues will be processed according to the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).
- B. See PTO Donation Criteria and Guidelines and PTO Donation Form on Manager's Tools under Managing Employee Processes.
- C. See Attendance – Emergency Weather Conditions Policy.

**Approvals**

| Name              | Title                           | Dept./Committee | Date       |
|-------------------|---------------------------------|-----------------|------------|
| Paul Hudgins      | Senior Vice President & CHRO    | Human Resources | April 2021 |
| Heather Davenport | Vice President, Human Resources | Human Resources | April 2021 |
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