

Policy # CW HR 202	Policy Name Paid Time Off
Policy Location *Company-Wide Policies	Responsible Department COE Org Effectiveness
Policy Owner or Executive Owner Carla DeFrank (CP-Sr Mgr Policy&Acquisitions)	Original Creation Date 05/12/1992
Policy Effective Date 08/27/2023	Policy Review Date 05/15/2023

I. SCOPE: This policy applies to all AdventHealth team members, as defined in policy CW HR 001, who are benefits eligible as defined in policy CW HR 244 – Team Member Job and Benefit Classifications.

This policy excludes those who work for AdventHealth University and Centra Care who participate in a program for time off outside of the AdventHealth PTO benefit and employed physicians and providers under employment agreements who are provided time off benefits through Paid Leave Days.

II. PURPOSE: To provide a Paid Time Off (PTO) benefit to team members. This policy addresses eligibility, accrual, utilization and cash out of the AdventHealth PTO plan, in addition to providing parameters around the use of Legacy PDO Banks.

III. POLICY: Time away from work enables team members to achieve a balance between working life and personal life. The AdventHealth PTO program provides team members with paid time off that can be used for a variety of needs, including but not limited to vacations, holidays, sickness, appointments and other personal time. Use of accrued PTO must be approved by the leader and scheduled in advance whenever practical.

The PTO program is effective August 27, 2023, and replaces the previous time off program known as Paid Days Off (PDO). Team members who accrued time off under the PDO program had their PDO balance, if any, transition into a Legacy PDO Bank that can be used if the team member’s current PTO bank is depleted.

Legacy PDO Banks may also include paid time off that team members may carry over as part of an AdventHealth acquisition process, previously referred to as “Grandfathered PDO”. Frozen Sick Banks are exempt from this policy and are addressed under policy CW HR 262.

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IV. PROCEDURE/GUIDELINES:

PTO Program Eligibility

Eligible team member classifications include:

- Full-time benefit-eligible team members
- Part-time benefit-eligible team members

Team members who work in a full-time or part-time benefits eligible position and who also hold a secondary part-time position that is not benefits eligible will still accrue PTO on that secondary job. In these situations, PTO will be accrued on and applied to both jobs to meet combined Standard Hours. Otherwise, all other non-benefits eligible jobs do not accrue PTO, unless required by state regulations.

Accrual

Eligible team members accrue PTO each pay period as hours in their bank. PTO hours are accrued:

- Based on the team member's worked hours.
- On any eligible paid time that supplements work hours when team members fall short of their Standard Hours during a pay period, such as PTO, Bereavement, Jury Duty or Zero Time.

PTO does not accrue on:

- Unpaid time, such as time off not covered by PTO or on supplemental pay not processed by AdventHealth payroll, (e.g., Short Term Disability, and Workers' Compensation).
- Premium pay plans, such as differentials, on-call pay, and other forms of specialty pay
- Hours worked over 80 hours in a pay period.

The accrual rate is based on a team member's job classification, as defined by policy CW HR 244, and the length of service which is defined in policy CW HR 249. Service credit will be used to determine the appropriate rate of PTO accrual.

PTO is credited to a team member's PTO bank at the end of each pay period. PTO earned during the pay period will be available for use in the following pay period and is therefore not available for use during the pay period in which it is accrued.

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Accrual Schedules

Each AdventHealth business unit has adopted one of the PTO accrual schedules below. CW HR 202A provides a list of all AdventHealth business units and the schedule(s) they follow.

Months of Service Completed	Schedule A	Schedule B
0 - 12	8%	6%
12 +1 day through 24	9%	7%
24 + 1 day through 60	10%	8%
60 + 1 day through 96	11%	9%
96 + 1 day through 132	12%	10%
132 + 1 day through 180	13%	11%
Greater than 180	14%	12%

- * *All Business Units follow Schedule A except for the following whose part-time team members accrue according to Schedule B:*
 - *AdventHealth Ventures*
 - *AdventHealth Central Florida Medical Group*
 - *AdventHealth Central Florida (Orlando area hospital locations)*
 - *AdventHealth Heart of Florida & Lake Wales*

- * *New hires will accrue at a rate less than the percentage reflected in the schedule during the first 12 months of employment to adjust for the 24 hours of PTO that is provided and available for use on their start date.*

A team member will not accrue, under any circumstance, at a rate higher than 14%.

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Leader Accrual Schedule

Additionally, each business unit may choose to adopt the following schedule for team members who are leaders working in a director-level role and above, excluding executive level positions.

Months of Service Completed	Accrual Percentage
0 - 60	10%
60 +1 day through 96	11%
96 + 1 day through 132	12%
132 + 1 day through 180	13%
Greater than 180	14%

- * *All Business Units follow this leader schedule except for the following Business Units whose leaders accrue PTO using Schedule A as shown above:*
 - *AdventHealth Shawnee Mission*
 - *AdventHealth Ottawa*
 - *AdventHealth Central Texas*
 - *AdventHealth Central Texas Medical Group*
 - *AdventHealth Hospice of Central Florida*
 - *AdventHealth Waterman*
 - *AdventHealth Zephyrhills & Dade City*
 - *AdventHealth Home Care West Florida*

- * *New hires will accrue at a rate less than the percentage reflected in the schedule during the first 12 months of employment to adjust for the 24 hours of PTO that is provided and available for use as of their start date.*

Accrual Calculation

The following formulas can be applied to achieve a general calculation of annual PTO accrual:

- (A) *Standard Hours per pay period X Pay periods per year (generally 26) X Accrual rate = Annual PTO hours accrued*

- (B) *Annual PTO hours accrued / Hours worked per shift = Annual number of PTO days accrued*

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Accrual Progression

Team members progress to the next level of accrual at the start of the next full pay period after they achieve the required months of service. For example, those hired on September 15th, would move to the next accrual rate on the first full pay period after September 15th the year after they started.

New Team Members

Accrual of PTO begins on the first day of employment and new team members are advanced 24-hours of PTO which is credited to a team member's PTO bank at the end of the first pay period. The advanced PTO is available during a team member's first pay period by request. Starting on the second pay period, the advanced PTO will be automatically applied to compensate for any gap between the team member's worked hours and their Standard Hours.

The advance of accrued PTO hours is available to accommodate any immediate and/or unexpected need for paid time off that the team member may encounter at the beginning of their employment with AdventHealth, such as a holiday or to attend to a personal matter.

As a result of this advanced PTO availability, during the first year of employment, new team members will accrue a prorated PTO amount to offset the 24-hours. At the end of the first year of employment, the PTO accrued each pay period plus the 24-hours of advanced PTO will total to the appropriate percentage of PTO accrual over the course of that first year.

Transfers and Job Classification Changes

Team members who transfer from one AdventHealth business unit to another, or experience a job classification change, (e.g., a change from full-time to part time, or from full-time to leadership level) but remain eligible for PTO, will maintain their PTO balance; however, a new accrual rate may apply. Team members who experience such transitions will adopt the PTO accrual schedule that aligns with their business unit or job classification change.

Maximum Accrual

The maximum amount of accrued PTO is 320 hours. Once a team member's PTO bank reaches 320 hours, the team member will cease to accrue additional PTO until the balance is below the 320-hour maximum. Team members may reduce their PTO bank below the 320-hour maximum by electing to:

1. Take approved time off
2. Cash out existing PTO hours
3. Donate PTO hours, (Refer to CW HR 202.1 - PTO Donation Program).

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Requesting Paid Time Off

The use of accrued PTO is subject to the approval of the team member's leader and should be scheduled in advance when practical. Team members should submit requests for planned PTO according to department scheduling requirements. For non-exempt team members, PTO can be requested/used in any increment of time, including minutes, hours or days. For exempt team members, PTO must be taken in full day increments in alignment with their scheduled hours per day, (refer to policy CW HR 243 – Exempt Team Member Compensation).

Leaders will approve or deny time off requests in a timely manner based on department operating needs.

Utilization of Paid Time Off

The PTO program is designed to provide the most value for team members when they use PTO for time away from work. Team members therefore receive 100% of the value of the PTO when it is taken as time off. As team members take approved time off from their regular work schedule, hours will be drawn from their PTO bank. PTO is also applied during pay periods when team members do not meet their Standard Hours. In these situations, PTO is used to make up the difference between actual hours worked and Standard Hours for the pay period and will be automatically drawn from the PTO bank. PTO time shall not be applied when team members work their full Standard Hours for the pay period.

Team members who work less than their Standard Hours in a primary full-time/part-time position, but also works a PRN position elsewhere in the facility, the hours worked in their secondary position will offset the hours not worked in their primary function. Total hours worked in primary and secondary positions will count towards Standard Hours. PTO can only be used if the sum of hours worked between the primary and secondary positions do not equal Standard Hours.

PTO pay is calculated based on the base pay rate at the time of the absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, overtime, or shift differentials.

Facility administration may require that team members use accrued PTO under certain circumstances (e.g., holidays, changes in business needs, etc.). Team members must use PTO when not working their scheduled shift, unless they are called off for the organization's business needs as outlined in policy CW HR 273 - Zero Time.

Team members who have exhausted their PTO bank may still take time off in extenuating circumstances with prior leader approval. The payroll system will first auto-draw any remaining PTO the team member has accrued. Any surplus hours will be drawn from the Legacy PDO Bank if available. Time that cannot be covered by PTO or a Legacy PDO Bank will be unpaid. A team member's PTO bank cannot go into a negative balance, except as required under the FLSA for exempt team members.

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PTO Cash Out

Active Team Members

Team members receive 90% of the value of their PTO when it is taken in cash to comply with IRS Constructive Receipt regulations.

Guidelines for PTO Cash Out:

- Team members must have one year of continuous (uninterrupted) service in a benefit's eligible position within an AdventHealth facility or combination of AdventHealth entities.
- Team members must retain a minimum of 40 hours in their PTO bank after the cashed-out hours are deducted. For team members who have a Legacy Time Off Bank, the balance in that bank will be counted toward this 40-hour requirement. However, time off that resides in a Legacy Bank is not eligible for cash out.
- Team members may not cash out more than 80 hours in a calendar year.
- PTO cash out is calculated using the number of hours requested multiplied by the team member's current hourly base pay rate. Supplemental pay, such as differentials, will not be applied to PTO cash outs.

Retirement

PTO will be paid to retiring team members at 100% cash-out value. To qualify, team members must be age 60 or above, have a minimum of 5 years of service, and meet all the same requirements for retirement gift eligibility in accordance with policy CW HR 264.

Termination

PTO will be paid to a team member upon termination, as a cash-out, at 90% value where permitted by state law.

Team members who terminate employment prior to completing one year of continuous service in a benefits eligible position are ineligible for PTO cash-out at termination, where permitted by state law.

Team members who resign without providing the requested notice, fail to work out their notice period or who are terminated for violation of policies, rules or procedures may forfeit their PTO balance where permitted by state law. PTO may not be used in lieu of notice of resignation or in the final pay period of the resignation date provided to AdventHealth. Time off may be requested and taken with leader approval, however PTO cannot be applied in the final pay period of employment.

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Team members who terminate employment due to severance/reductions in force will receive a cash -out of their accrued PTO at 100% value, including those with service credit of less than one year.

PTO will payout within one to two payroll cycles after the last the day of employment, where permitted by state law.

Facility/Job Classification Changes

Team members may not cash out their PTO bank when transferring employment within AdventHealth business units unless the transition results in a change to a non-eligible status for benefits.

PTO will be paid to team members when they change from a PTO-eligible position to a PTO-ineligible position, provided they have completed at least one year of service. PTO paid out at the time of a status change shall be paid at 90% value where permitted by state law. Team members changing to a PTO-ineligible status in their first year of employment forfeit any balance in their PTO bank, where permitted by state law.

Legacy Banks

Any unused balance of the Legacy Time Off Bank will be paid out at 100% value in the event of retirement, termination of employment or a change in job classification from a benefits eligible position to an ineligible position.

V. DEFINITION(S):

1. **Standard Hours:** Regular number of scheduled hours associated with the role. For example, a full-time nursing role is typically recognized to have 36 Standard Hours weekly.
2. **Legacy PDO Bank:** Includes the following –
 - a. Paid Days Off (PDO) that was accrued prior to August 27, 2023, under the PDO time off program.
 - b. Paid time off that team members may carry over into the Legacy PDO Bank as part of an AdventHealth acquisition process and other balances previously referred to as “Grandfathered PDO”.
 - c. Sick Banks are not included under Legacy PDO Banks and are addressed in policy CW HR 262.
3. **Paid Days Off (PDO):** AdventHealth’s paid days off program that preceded the PTO program.

VI. EXCEPTION(S): Exceptions to this policy must be approved by Human Resources Council.

VII. REFERENCE(S): N/A

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VIII. RELATED DOCUMENT(S) / ATTACHMENT(S):

- CW HR 001 – [Workforce Definitions](#)
- CW HR 201 – [Bereavement](#)
- CW HR 202.1 – [Paid Time Off Donation Program](#)
- CW HR 205 – [Jury Duty](#)
- CW HR 243 – [Exempt Team Member Compensation](#)
- CW HR 244 – [Team Member Job and Benefit Classifications](#)
- CW HR 262 – [Frozen Sick Banks](#)
- CW HR 264 - [Retirement Gifts](#)
- CW HR 273 - [Zero Time](#)

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