

PAID TIME OFF (PTO) POLICY TRANSITION DRAFT

Effective October 1, 2017, the Districts will convert its Vacation, Paid Sick Leave and Personal Day programs into a Paid Time Off (PTO) program. PTO is a comprehensive paid time off program that can be used for any type of time off from work that previously would have been covered under the Sick, Vacation/District Imported Sick (DIS) or Personal Day policies but does not include time taken under another Districts' paid time off policy (Jury Duty, Bereavement Pay, Time Off to Vote Pay, Report Pay, Worker's Comp Pay, Comp Time (for non-exempt employees), Conditional Flight/Night Time (Pilots only) and Holiday Pay).

Districts Paid Short Term Disability (STD) (currently discussing options for plan design, cost and implementation options with broker – verbiage below will likely change with final product)

- All full time employees will be automatically enrolled in a group STD plan effective October 1, 2017 (April 1, 2018?). This benefit will be 100% paid by the Districts. The STD plan provides 60% of income replacement if an employee is unable to work due to illness or disability after an 8 day waiting period for up to 6 months (when Long Term Disability (LTD) benefits, if elected by the employee, become effective).
- Employees who are currently enrolled in an AFLAC Supplemental STD Plan, will be allowed to cancel or make changes to the AFLAC STD policy effective 10/01/17 (?) if s/he chooses to do so.
- Because the Districts will be providing an additional benefit which provides employees with income replacement through the STD policy, the need to provide 12 days of Paid Sick Leave each year so employees could bank time to save for use during periods of incapacitation is eliminated. Subsequently, the new PTO accrual rates do not reflect the equivalent amount of time.

Existing Vacation Balances:

- Vacation time will be eliminated effective October 1, 2017
- Vacation Time can continue to be used until September 30, 2017, however, any time used should be used in accordance with the provisions of the existing Vacation Policy.
- All employees will have 100% of their Vacation Balances (up to 500 hours) as of the Pay Check Dated October 6, 2017 transferred to PTO time (PTO balances will be shown starting with the Pay Check dated October 20, 2017)
- The last accrual of Vacation Time will be through the pay period ending September 30, 2017 and will be included in the Vacation Balance transferred to PTO time
- No **UNPLANNED** Vacation Time or PTO/DIS time will be allowed to be used from October 1st – October 7th so that balance transfers can be calculated and credited. **Unplanned means not approved prior to September . If UNPLANNED time is missed from work for which Vacation/DIS time would normally be used during this time frame, it will be without pay. Any exceptions to this must be approved by the Executive Director.**

Personal Day:

- **All Personal Days that were awarded in 2017 that are not used by August 31, 2017, will be forfeited**
- Personal Days will no longer be awarded beginning January 1, 2018

Existing Paid Sick Leave Balances:

- The Paid Sick Leave Policy will be eliminated effective October 1, 2017
- The last accrual of Paid Sick Leave will be through the pay period ending September 30, 2017 and will be included in the Paid Sick Leave balances that will be converted and/or paid out as outlined below
- No **UNPLANNED** Paid Sick Leave time will be allowed to be used from October 1st – October 7th so that balances can be calculated and converted and/or paid out. **Unplanned means not approved prior to September . If UNPLANNED time is missed from work for which Paid Sick Leave time would normally be used during this time frame, it will be without pay. Any exceptions to this must be approved by the Executive Director.**
- All employees who have a Paid Sick Leave Balance regardless of years of service will have their existing Paid Sick Leave Balances paid out as follows:

Conversion: Half (50%) of all existing Paid Sick Leave balances will be converted at 100% to District Imported Sick Time (DIS) time to keep it separate from non-sick time converted PTO time for FRS purposes. DIS balances will be treated the same as PTO time for usage and pay out purposes as outlined in this policy, except that all DIS balances must be used first before any PTO time can be used.

The maximum allowed balance for PTO and DIS has been increased to 600 hours. If the converted hours will cause an employee’s combined PTO/DIS balance to exceed 600 hours, the amount in excess will be paid out at 100% in accordance with the procedures outlined below in the Pay Out section.

Pay Out: The remaining Paid Sick Leave balances will be paid out at 25% as follows in Pay Check Dated October 20, 2017 (possibly a special pay date?):

Employees who have balances that are equal to or below \$5,000.00 can choose any combination of the following:

- 1) Have the balance paid out on Pay Check dated October 20, 2017 (possibly a special pay date?)
- 2) Make a one-time lump sum contribution to their Health Savings Account in Pay Check dated October 20, 2017 (possibly a special pay date?)
- 3) Make a one-time lump sum contribution to their 457 account in Pay Check dated October 20, 2017 (possibly a special pay date?)

Employees who have balances that are higher than \$5,000.01 can choose any combination of the following (Needs to be cleared with AXA):

- 1) Have the balance paid out on Pay Check dated October 20, 2017 (possibly a special pay date?)
- 2) Make a one-time lump sum contribution to their Health Savings Account in Pay Check dated October 20, 2017 (possibly a special pay date?)
- 3) Make a one-time lump sum contribution to their 457 account in Pay Check dated October 20, 2017 (possibly a special pay date?)
- 4) Make a one-time lump sum contribution to their 401(a) account in Pay Check dated October 20, 2017 (possibly a special pay date?)

EXAMPLE #1: Joe has a Vacation Balance of 120 hours and a Paid Sick Leave Balance of 320 hours. Joe also has a DIS balance of 20 hours.

On October 1st, the 120 Vacation hours will be converted to PTO hours. Half of Joe's Paid Sick Leave balance, (160 hours) will be converted to District Imported Sick (DIS) time. So Joe will have 180 DIS hours (the 160 converted Sick time plus his 20 hours of DIS time). 25% of the remaining 160 hours of Paid Sick Leave (40 hours) will be paid out at Joe's current rate of pay in the October 20th check.

Joe chooses to put \$350.00 into his Health Savings Account, \$100.00 into his 457 plan and have the remaining \$150.00 paid out as cash in his October 20th paycheck. Since Joe's pay out balance is below \$5,000.00 he does not have the option to make a contribution to his 401(a) account.

So, once the payout/conversion is completed, Joe will have:

120 PTO hours
180 DIS hours
\$350.00 additional in his Health Savings Account
\$100.00 additional in his 457 account
\$150.00 extra cash in his October 20, 2017 pay check

EXAMPLE #2: Sally has a Vacation Balance of 350 hours and a Paid Sick Leave Balance of 650 hours. Sally also has a DIS balance of 50 hours.

On October 1st, the 350 Vacation hours will be converted to PTO hours. Half of Sally's Paid Sick Leave balance is 325 hours. Since Sally already has a combined PTO/DIS balance of 400 hours, she will only be allowed to convert 200 hours of the 50% of her Paid Sick Leave Balance. The remaining 125 hours will be paid out in the same manner as Sally's remaining Paid Sick Leave Balance of 325 hours.

25% of 325 hours of Paid Sick Leave is 81.25 hours. The 125 hours will be added to the 81.25 to equal 206.25 hours. The 206.25 hours will be paid out at Sally's

regular rate of pay in the manner she chooses. Because this amount will be more than \$5,000.01, Sally chooses to put \$2,500 in her 401(a) account, \$1,000 in her Health Savings Account and have \$1,656.25 paid out in cash on her Pay Check dated October 20, 2017.

So, once the payout/conversion is completed, Sally will have:

350 PTO hours
250 DIS hours
\$1,000.00 additional in her Health Savings Account
\$2,500.00 additional in her 401(a) account
\$1,656.25 extra cash in her October 20, 2017 pay check

Sally will need to immediately use some of her DIS time, because it is required to be used prior to her PTO time, in order to continue to accrue PTO time as her combined PTO/DIS balance is at the 600 maximum.

PTO Implementation

PTO will begin to accrue on Pay Period beginning October 1, 2017, and the first accruals will be shown on Pay Check dated October 20, 2017.

District Approved Time (DAT)

District Approved Time (DAT) is being eliminated in conjunction with the implementation of the PTO policy. All time that was previously coded as District Approved Time (DAT) will now be coded as Holiday Pay.

District Imported Sick (DIS)

Once all employees have used all of their DIS balances, DIS time will be eliminated.

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PTO Accrual

All Full Time and Part Time employees are eligible to accrue Paid Time Off effective October 1st (Pay Check Dated October 20, 2017) as follows:

Years Of Service	Annual Equivalent	Per Pay Period Accrual Rate*	Maximum Allowed Balance
0 Years to 5 Years	130 hours or 16.25 days	5.00 hours	600 hours
More than 5 Years but less than 10 Years	169 hours or 21.125 days	6.50 hours	600 hours
More than 10 Years but less than 15 Years	208 hours or 26 days	8.00 hours	600 hours
15 Years and Above	247 hours or 30.875 days	9.50 hours	600 hours
Part Time Employees hired prior to 10/1/17 regardless of YOS	78 hours or 9.75 eight-hour days	3.00 hours	600 hours

*Accrual rate shown is assuming 80 hours is being paid per check for non-exempt employees and that a full 1/26th of annual salary is being paid per check for exempt employees; **if less than these amounts are paid, there will be no accrual regardless of the number of hours paid**; additionally if an employee is on approved voluntary furlough even if the employee chooses to use some paid time off (regardless of what the type of paid time off) there will be no accrual for the entire pay period(s) in which the approved voluntary furlough dates fall. **This means if an employee is paid for less than 80 hours for any reason in a pay period, they will receive no accrual for PTO at all.**

The PTO Accrual Rate will be changed in the pay period in which the employee’s 5th, 10th and 15th anniversary date occurs. The 5th, 10th, and 15th anniversary date means, the calendar date on which the employee completes 5, 10 and 15 years of service. (For example, if an employee is hired on January 1, 2010, the employee’s fifth anniversary date is January 1, 2015, the tenth anniversary is January 1, 2020 and the fifteenth anniversary date is January 1, 2025.)

Part Time employees hired on or after 10/1/17, Seasonal and On-Call employees are not eligible to accrue PTO.

Accrued PTO is credited each pay date. Paid PTO time will not be counted as hours worked for the purposes of calculating overtime wages for non-exempt employees. Paid PTO time must be accrued before it can be

taken, which means it cannot be used in the pay period in which it is accrued. All PTO time must be taken prior to taking any time off without pay (except on approved Voluntary Unpaid Furloughs).

All District Imported Sick (DIS) time is required to be used prior to using any PTO time.

Minimum Usage Requirement

PTO can be used in minimum one (1) hour increments (or less?). This means that an employee may be required to use more time than is actually needed in order to meet the 80 hour per pay period amount. *(For example: Joe has worked 79.50 hours during a pay period. He will need to use one (1) hour of PTO time to meet the minimum 80 hour requirement. Joe will be paid 79.50 regular hours and 1.00 hours of PTO for a total of 80.50 regular hours.)*

Maximum Allowed Balance

The maximum accrual for PTO is 600 hours. Once an employee's balance reaches 600 hours, all PTO accruals will stop. When the employee uses some PTO time and brings the balance below 600 hours, the accruals will resume. This means that in pay periods in which the maximum accrual balance of 600 hours is reached, only full accrual amounts will be granted, so if a full accrual amount will bring the balance over 600, there will be no PTO time credited for that pay period. **Employees are expected to manage their PTO balances and plan use of PTO during non-peak operational times. Supervisors are not obligated to approve PTO simply because an employee will be reaching the maximum accrual of 600 hours.**

PTO Usage Restrictions Between May 15th and September 15th

Except when serious personal circumstances require an exception to be approved by the Executive Director, PTO/DIS requests of more than four consecutive days (including weekends) will not be authorized for operational Mosquito Control employees from May 15th through September 15th of each year. The employee's Deputy Director must authorize and approve all PTO requests for more than one day for all operational mosquito control employees. Operational Mosquito Control employees include everyone except Hyacinth employees and employees in the Accounting Department.

Request and Approval Process

Time Off Request Forms (both paper and electronic) for PTO time by all employees must be approved in writing and electronically by the employee's supervisor in advance. In emergency and unforeseen circumstances when advance approval is not possible, the employee should notify his or her supervisor as soon as possible in accordance with Call In procedures and submit a Time Off Request Form (both paper and electronic) to his or her supervisor as soon as possible upon returning to work. Paper and electronic Time Off Requests should be approved and submitted no later than 10:00 on Payroll Monday. **Time Off Request Forms (both paper and electronic) that are incomplete, incorrect, missing, not approved or otherwise not completed by 10:01 am on Payroll Monday will be not be processed and the time off will be without pay.**

Regular attendance is a requirement for every position at the Districts. The fact that PTO can be used for any reason the employee wishes, does not mean that the employee can take PTO at any time s/he wishes, nor does it mean that the Districts may not inquire as to the reasons for an employee's absence(s). Excessive use of unscheduled PTO disrupts operations and will be monitored by Supervisors and abuse of this benefit may be cause for disciplinary action. Every effort will be made to accommodate requests for

PTO, however, the Districts reserves the right to deny a request for time off if it interferes with operational needs. Supervisors may inquire as to the reason for PTO requests in order to assess whether or not operational needs can support the approval of the time off.

Please refer to the Requesting Paid Time Off Request Procedures for complete instructions.

Taking Time Off For Medical Reasons

The Districts are obligated to adhere to the American with Disabilities Act (ADA) and the Family Medical Leave Act (FMLA) regulations and as such, absences that are due to either the employee's medical condition or an employee's family member's medical condition must be reported to Human Resources so that applicability of these regulations may be assessed. Employees are required to inform his or her supervisor if they are missing time, regardless of whether or not PTO is being used or the time is unpaid, due to a medical condition of their own or because of a family member's medical condition.

Supervisors are required to notify Human Resources if an employee has missed more than one consecutive week, or is regularly missing time, or plans to miss time on a regular basis, due to any medical reason for either themselves or a family member.

When an employee is out due to a medical condition of their own that is either covered by the Workers Comp insurance and/or STD policy, the employee is only allowed to use PTO to make their salary amount equal to 100%, and will not be allowed to take PTO in any amount that would exceed 100% of normal pay without overtime.

Donation of PTO Time – (add section?)

PTO Payout

All employees, regardless of the reason for separation of employment from the Districts will be paid out his or her accrued PTO balance into the 401a plan in accordance with the provisions of the plan documents at the end of his/her employment. PTO/DIS balances that have a value of \$5,000.00 or less, will be paid out in the employee's last pay check and are not eligible to be paid into the 401(a) plan. Employees will be paid up to 600 hours of PTO time at the time he or she enters into DROP into the 401a plan in accordance with the provisions of the plan documents. Paid Sick Leave that has been converted to DIS time cannot be included in the FRS Average Final Compensation (AFC); however it can be included in the payout into the 401a or at the time of separation.

Effective Date: 10/01/17 Last Revised: ~~05/26/17~~06/02/17