

Corporate Policy:
Paid Time Off

Effective Date: December 26, 2022

POLICY

Paid time off (PTO) consolidates traditional vacation, sick and personal time into a single bank of paid time-off hours.

ELIGIBILITY

All full-time and part-time regular status employees whose standard work hours are 20 hours or more per week are eligible for PTO. Temporary status (TEMP) employees (employees in positions the Company anticipates will last for six months or less) and part-time employees working less than 20 hours per week are eligible to accrue PTO for sick time purposes only, which are described more fully below.

ACCRUAL

PTO accrues based upon the number of hours worked by the employee in a pay period. Time recorded as PTO, Holiday, Jury Duty, and Bereavement are considered hours worked for purposes of accrual.

The amount of PTO accrued by the employee is reflected in the employee’s earnings statement issued following the completion of each bi-weekly pay period.

The specific amount of PTO that employees may accrue depends upon their years of service as set forth in the following schedule:

Paid Time Off (PTO) Schedule				
Service Year	Max PTO Days Equivalent	Annual PTO Capped Hours	Approx. Biweekly Accrual Rate	Hourly Rate
1*	20	155	5.97	0.077
2	20	155	5.97	0.077
3	20	155	5.97	0.077
4	20	155	5.97	0.077
5	21	162.75	6.26	0.081
6	21	162.75	6.26	0.081
7	22	170.5	6.56	0.085
8	22	170.5	6.56	0.085
9	23	178.25	6.86	0.089
10	24	186	7.16	0.093
11	25	193.75	7.46	0.097
12	26	201.5	7.75	0.100
13	26	201.5	7.75	0.100
14	27	209.25	8.05	0.104
15	27	209.25	8.05	0.104
16	28	217	8.35	0.108
17	28	217	8.35	0.108
18	29	224.75	8.65	0.112
19	29	224.75	8.65	0.112
20	29	224.75	8.65	0.112
21+	30	232.5	8.95	0.116

*Year 1 is first calendar year of hire

For purposes of the above schedule, one day is the company's standard workday of 7.75 hours. The bi-weekly accrual rate in the above chart is based upon the company's standard workweek of 38.75 hours.

Employees accrue PTO at the hourly rate applicable to their service year. Salaried exempt employees shall be presumed to have worked the company's standard workweek of 38.75 hours. Hourly employees accrual of PTO in a bi-weekly pay period may fluctuate based upon the actual number of hours worked in the pay period.

Employees, regardless of category, will not accrue PTO while on a leave of absence or in a No Pay status where they are not actively working. Further, employees will not be permitted to accrue PTO in a calendar year beyond the annual PTO capped hours in the schedule.

Salaried exempt employees working 20 or more hours per week but less than 38.75 hours, and full-time employees whose standard hours are greater than 38.75 accrue PTO based upon their fractional equivalent to a full-time employee according to their standard hours.

Part-time employees working less than 20 hours per week and TEMP employees accrue based upon the accrual rate required by applicable law for sick time.

If employees will not have sufficient PTO to cover an anticipated absence, they may request approval to borrow up to 77.5 hours of their anticipated accrual of PTO in the calendar year. Such requests must be submitted to the employee's direct supervisor or manager. Supervisors and managers should evaluate the requests based upon the stated purpose of the PTO (Vacation or Sick Time) and as if the employee had already accrued sufficient PTO to cover the absence. Vacation and Sick Time are discussed more fully below.

PURPOSE AND USE OF PTO

PTO may be used to cover work absences for any of the following purposes:

1. Vacation – time off that is taken for vacation or personal reasons; or
2. Sick Time – time off that is taken for:
 - (a) the diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or employee's family member. This includes attendance at routine medical appointments, as well as travel to or from an appointment or pharmacy or other locations related to care;
 - (b) the purpose of addressing the psychological, physical or legal effects of domestic violence, sexual assault, or stalking of the employee or the employee's dependent child; or
 - (c) other permissible purposes under applicable state or local law concerning paid sick time.

Hourly employees may use PTO in no less than 15-minute increments. Salaried employees may use PTO in no less than half-day increments. Salaried employees will not be charged PTO for an unscheduled and unforeseen partial day off (such as illness or personal emergencies) and will be paid in full for the day.

PTO is not considered hours worked for any purpose and is paid according to the employee's regular rate of pay.

PTO Taken For Vacation Purposes

Employees must request permission from their supervisor or manager in advance of taking PTO for Vacation purposes in accordance with the employee's department-specific time-off request procedures. Requests are subject to approval and at the discretion of management. When evaluating requests for PTO for Vacation Purposes, supervisors and managers will consider staffing, operational needs of their department or organization, and whether the timing of PTO will interfere with the business needs of the Company. Requests to use PTO for Vacation Purposes may be denied based upon these factors or if the employee has not provided sufficient notice.

PTO Taken for Sick Time Purposes

For foreseeable or prescheduled uses of PTO for Sick Time Purposes, employees must provide as much advance notice as possible in accordance with their department specific procedures. For unforeseeable absences, the timing of notice must be based upon what is reasonable under the circumstances.

For multi-day absences for Sick Time Purposes, the Company may require the employee to provide the Company with notification of the expected duration of the absence or, if unknown, then on a daily basis by either telephone, email or text message to their Supervisor at least one hour before the employee's scheduled start time, unless circumstances make such notice unreasonable.

The Company may also require, where permitted by applicable law, employees who have used PTO for Sick Time Purposes to submit a written verification that they have used PTO for one of the Sick Time Purposes enumerated in this policy. In doing so, the Company will not require the employee to disclose the nature of the illness or the details of the domestic violence, assault, or stalking, if applicable.

Where the employee's absence for Sick Time Purposes exceeds 24 consecutively scheduled work hours or three (3) consecutive days on which the employee was scheduled to work, if permitted by law, the Company may require the employee to submit documentation from a healthcare provider confirming the use of PTO was for an authorized Sick Time Purpose. Where PTO was taken for domestic violence purposes, the Company may require documentation, as permitted by law, confirming such purpose.

PTO and Expectations Regarding Attendance

The Company expects every employee to be able to sustain regular and reliable attendance. Employees may not use PTO for Sick Time Purposes as an excuse to be late to work. If an employee is on PTO for Sick Time Purposes, but engages in activities that are inconsistent with such purposes, the employee may be subject to corrective action. If an employee has no available PTO, does not report to work at their scheduled time, and is not otherwise on an approved leave of absence under other Company policies, the employee may be subject to corrective action. Employees are not permitted to unilaterally elect to not report to work and take the day as unpaid in order to preserve PTO for later use. Employees engaging in such practice may also be subject to corrective action.

Inclement Weather

Employees who choose to leave work early or to not report to work because of inclement weather must use PTO, if available, for those absences. Employees may not be required to use PTO when technology prohibits their ability to work and there are no alternative solutions.

Carry Over

Employees are eligible to carry over a maximum of five PTO days (38.75 hours) into the next calendar year. Unused PTO in excess of the five days is forfeited at the end of each year. Where local and state regulations otherwise prohibit forfeiture of PTO, employees will be paid for any remaining PTO in excess of five days at the end of each year. This pay-out is subject to all applicable taxes.

SEPARATION FROM EMPLOYMENT

At the time an employee separates, accrued unused PTO will be paid out according to the separation date. If an employee terminates his or her employment with a negative PTO balance, the value of the negative PTO balance will be deducted from the employee's last two paychecks, if permitted to do so under applicable local, state, and federal law.

This policy will be applied in a manner that is consistent with applicable federal, state, and local law. The Company reserves the right in its sole discretion to modify or alter this policy to the extent permitted by law. For further assistance, please contact Human Resources.

New Mexico Supplement

The New Mexico Healthy Workplaces Act (the New Mexico Act) requires employers to provide to employees working in New Mexico paid sick leave accruing at a rate of one hour for every thirty hours worked. The Company provides the paid sick leave required under the New Mexico Act through this policy as PTO taken for Sick Time purposes, as described above. This policy shall be applied in a manner that is consistent with the requirements of the New Mexico Act for employees working in New Mexico.

Specifically, notwithstanding the provisions set forth above, in order to comply with the New Mexico Act, the following shall apply to employees working in New Mexico:

- Employees shall be eligible to use PTO under this policy from their first day of work;
- Employees shall be permitted to carry over up to 64 hours of PTO per year;
- Employees may use PTO in 0.25 hour increments;
- Use of PTO for Sick Time purposes shall also include meetings at the employee's child's school or place of care related to the child's health or disability;
- The Company will permit the use of PTO for Sick Time upon the oral or written request of an employee or an individual acting on an employee's behalf. When possible, the employee must include the expected duration of the absence;
- The employee should notify the Company in advance when use of sick leave is foreseeable and make reasonable effort to schedule the leave so it does not disrupt business operations. When use of sick leave is not foreseeable, the employee must notify the Company as soon as practicable;
- Where applicable, employees may be permitted to accrue PTO beyond the maximum hourly accruals listed in the schedules listed in this policy; and
- If employees exhaust their PTO for absences that are not related to Sick Time, such as vacation, they will not have PTO available in case of illness.