

DEPARTMENT: Team Member Services
POLICY NAME: Paid Time Off
POLICY NUMBER: IV-05
OWNER: Team Member Services
EFFECTIVE DATE: 06/22

SCOPE

This policy applies to all Meritus Health team members in a position that are regularly scheduled to work a minimum of 24 hours biweekly (0.3 FTE or higher). Exclusion: temporary team members.

PURPOSE

Meritus offers all eligible team members the opportunity to earn Paid Time Off ("PTO") and the flexibility to determine the purpose for using their time. This policy provides stipulations and information related to paid time off.

POLICY

- A. PTO is defined as the time that may be used for vacation, holidays, team member's own illness, illness of team member's family members, personal reasons or other reasons covered under the Maryland Healthy Working Families Act (MHWFA).
- B. Each pay period that an eligible team member is paid, PTO will accumulate based on the team member's budgeted FTE, length of service, employment classification, and organizational level. Refer to the end of this policy for a detailed chart of accrual rate eligibility. (Note: School health program team members are not eligible for PTO accumulation. See the procedure for their PTO outlined under "PTO Stipulations" below).
- C. PTO will be maintained for the team member's use for time off as scheduled and approved by their coach. When time off is requested, both the needs of the health system and the team member are considered before approval is granted.
- D. PTO STIPULATIONS:
 - 1. To ensure proper payment for non-exempt team members, the time record should be coded "PTO." PTO is to be taken consistent with the team member's daily scheduled hours and, as such, PTO may be paid in excess of the team member's authorized weekly hours, but only if the PTO time was pre-scheduled time off.
 - a. PTO will be paid for any shift(s) called off for illness or other reasons.
 - b. If a team member works shifts in addition to the regular schedule in the same week of scheduled PTO, the team member will be paid PTO for the scheduled

time off and be paid for hours worked on the additional shifts (may result in pay in excess of team member's authorized weekly hours).

2. Non-exempt team members may only use accrued PTO up to the maximum shown in the "Balance" on the previous pay advice (i.e., PTO balances cannot be negative except in cases when a holiday falls immediately after initial employment and before sufficient PTO accrual exists in the team member's PTO bank to pay the holiday). PTO cannot be used during the same pay period that it is accrued.
3. Use of time off without pay is not permitted when a positive PTO balance exists except possibly during a formal suspension by the health system under corrective counseling or attendance control policies in accordance with applicable laws. In cases of a mandatory work reduction, impacted team members can choose to apply PTO to the hours that they were reduced or take the missed time as leave without pay.
4. If a non-exempt team member requests time off but does not have a sufficient balance of PTO available to be applied to the requested time off, it is at the discretion of the department leadership to approve the time off without pay.
5. Please reference the Human Resources policy III-16 Holidays and Holiday Premium Pay for information on PTO usage related to holidays.
6. Team Members in their probationary period are not eligible for PTO usage or protected leave under the Maryland Healthy Working Families Act SSL. Eligible team members in their probationary period will be charged PTO for payment of observed holidays not worked.
7. For team members hired June 30, 2022, or earlier: Upon separation of employment, retirement, reduction of FTE to one that is not eligible for PTO (i.e., FST, 0.1 FTE, or 0.2 FTE), or reduction of FTE to one that has a maximum PTO bank less than the team member's current available balance at the time of the FTE change, the PTO balance will be paid to the non-probationary team member in one lump sum. Prior to the PTO payout, the team member may elect to change their 401k deferral taken from this lump sum payment in accordance with the plan document and current IRS regulations.

For team members hired July 1, 2022, or later, upon separation of employment, retirement, reduction of FTE to one that is not eligible for PTO (i.e., FST, 0.1 FTE, or 0.2 FTE), or reduction an FTE to one that has a maximum PTO bank less than the team member's current available balance at the time of the FTE change, the PTO balance will only be paid out if the team member has completed 3 **consecutive** years of employment. Any "bridged" service is not included, as it must be 3 consecutive years of employment.

a. Example:

Hire date August 5, 2022.	Termination date June 1, 2024 – NO PTO PAYOUT
Hire date August 5, 2022.	Termination date August 6, 2025 – PTO PAYOUT.

MERITUS HEALTH

8. PTO can accumulate up to the maximum PTO bank balance stated in this policy. Once a team member's accumulated PTO reaches the maximum balance amount, PTO will stop accumulating until enough PTO hours have been used to bring the balance below the maximum.
9. Depending upon the Washington County Public School schedule, school health program team members will receive a set number of PTO days for use during the school year (days are based on the school year holiday calendar).
 - a. PTO hours will be loaded as a lump sum on the first day of the school year at a fixed rate based on the school year calendar and the team member's scheduled hours per day.
 - b. Team members hired prior to the beginning of the school year will receive the full number of annual days of PTO; team members hired after the start of the school year will receive pro-rated PTO days based on the number of scheduled school year holidays which remain for that school year.
 - c. Unused PTO remaining at the end of the school year will be paid as time off in the August following the end school year for those school health team members who continue working in the school health program in the upcoming school year. For school health team members who separate employment after the school year ends, any remaining PTO will be paid as time off on the last paycheck for the school year.

E. ADDITIONAL PROVISIONS FOR EXEMPT TEAM MEMBERS

1. Upon Vice President's approval, up to 40 hours of PTO may be taken during the probationary period in addition to hours for holidays not worked. Use of this time should be limited to pre-employment offer negotiations and the team member's own illness.
2. A negative balance of up to 40 hours may be permitted. If an exempt team member separates from employment with a negative PTO balance, no adjustment to the payment of actual hours worked will occur.

F. LEAVE OF ABSENCE (UNPAID)

A team member cannot accrue PTO while on a continuous unpaid leave of absence. A team member taking intermittent leave of absence will accumulate PTO based on their FTE status.

G. MERITUS PTO BUY BACK PROGRAM

1. The optional PTO buy-back program is open to all team members eligible for PTO, both exempt and non-exempt; management and non-management team members who have at least 3 years of consecutive service. The team member must make the buy-back

election **during the annual benefit open enrollment period for the following calendar year** up to maximum hour-increment, as follows:

- a. A maximum total of 80 hours may be sold back to the organization in the calendar year.
 - b. Team members may elect to sell back up to 40 hours of PTO (whole numbers from 1-40 hours) on the first paycheck in June and/or up to 40 hours of PTO (whole numbers from 1-40 hours) on the first pay check in December.
2. A PTO balance of 80 hours is required after each buy-back has occurred in order for the election to be paid. Determination of this amount is determined before the accrual for the following pay period is added to the team member’s PTO balance. If a team member elects to buy back hours of PTO at one of these two times but has not accrued enough PTO to maintain 80 hours in their bank after the buy-back is processed, the payment will not occur.
 3. Buy-back program payments are at the team member’s base pay rate, excluding shift differential. Payments are made as a separate payment from the normal paycheck and are subject to any applicable taxes, which may result in different tax withholdings than a normal paycheck. PTO hours paid out in a lump sum through the buy-back program are not considered in calculating overtime.
 4. In accordance with IRS guidelines, team members may not change their buy-back election in the same year in which the buy-back is paid.

H. ACCRUAL SCHEDULE – IN HOURS

NON-EXEMPT (HOURLY) TEAM MEMBERS								
CURRENT ACCRUAL SCHEDULE AS OF PAY DATE JULY 1, 2022								
FTE	Length of Service 0 thru 3 Years		Length of Service 4 thru 9 Years		Length of Service 10 thru 18 Years		Length of Service 19+ Years	
	Biweekly Accrual	Max PTO Bank	Biweekly Accrual	Max PTO Bank	Biweekly Accrual	Max PTO Bank	Biweekly Accrual	Max PTO Bank
0.3	2.22	87	2.58	101	3.23	126	3.70	144
0.4	2.95	115	3.45	135	4.31	168	4.93	192
0.5	3.69	144	4.31	168	5.38	210	6.15	240
0.6	4.43	173	5.18	202	6.46	252	7.38	288
0.7	5.17	202	6.03	235	7.54	294	8.62	336
0.8	5.90	230	6.90	269	8.62	336	9.85	384
0.9	6.64	259	7.76	303	9.70	378	11.08	432
1.0	7.38	288	8.62	336	10.77	420	12.31	480

EXEMPT (SALARIED) TEAM MEMBER						
CURRENT ACCRUAL SCHEDULE AS OF NOVEMBER 1, 2020						
	Length of Service 0 thru 5 Years		Length of Service 6 thru 15 Years		Length of Service 16+ Years	
FTE	Biweekly Accrual	Max PTO Bank	Biweekly Accrual	Max PTO Bank	Biweekly Accrual	Max PTO Bank
0.3	2.58	101	3.23	126	3.70	144
0.4	3.45	135	4.31	168	4.93	192
0.5	4.31	168	5.38	210	6.15	240
0.6	5.18	202	6.46	252	7.38	288
0.7	6.03	235	7.54	294	8.62	336
0.8	6.90	269	8.62	336	9.85	384
0.9	7.76	303	9.70	378	11.08	432
1.0	8.62	336	10.77	420	12.31	480

DIRECTORS AND EXECUTIVE DIRECTORS						
CURRENT ACCRUAL SCHEDULE AS OF NOVEMBER 1, 2020						
	Length of Service 0 thru 4 Years		Length of Service 5 thru 13 Years		Length of Service 14+ Years	
FTE	Biweekly Accrual	Max PTO Bank	Biweekly Accrual	Max PTO Bank	Biweekly Accrual	Max PTO Bank
0.5	4.61	180	5.38	210	6.15	240
1.0	9.23	360	10.77	420	12.31	480

ALLOWANCE FOR ELIGIBLE NURSING TEAM MEMBERS HIRED PRIOR TO APRIL 1, 2010

Eligible nursing team members who were in the previous 12-hour-shift-full-time program prior to April 1, 2010, will also be grandfathered to receive a PTO accumulation equal to that of a 1.0 FTE (80 hours) team member as long as he/she remains in a 0.9 FTE (72 hours) position. A team member who transfers to a part-time FTE will accrue based on his/her FTE level. If the team member never leaves PTO accrual eligibility and returns to a .9, they will re-enter the eligibility to accrue as a 1.0 FTE (80-hour) team member.

RELATED POLICIES

- HR-V-38: Attendance Control
- HR-IV-13: Leave of Absence
- HR-II-22: Length of Service and Retirement Milestone Recognition
- HR-IV-20: Short-Term Disability Policy
- HR-V-01: Corrective Counseling Policy
- HR-III-16: Holidays and Holiday Premium Pay