

POLICY TITLE: Paid Time Off (PTO)

Responsible Department: Human Resources

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SUMMARY & PURPOSE:

To describe the Paid Time Off benefit that replaces traditional vacation, holiday and sick leave plans with a consolidated benefit that provides employees more discretion and flexibility in the use of paid time for planned and unplanned absences.

Layout of PTO Policy (Policy 3800)

Policy:

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POLICY:

See Summary and Purpose section above.

SCOPE/APPLICABILITY:

This policy applies to all Full-time (FT) and Regular Part-time (RPT) Baptist Health employees. Employees paid under the Extra Pay Option (EPO), Per Diem employees and Baptist Health Medical Group (BHMG) Physicians with an employment contract are ineligible for this benefit.

PROCEDURES TO ENSURE COMPLIANCE:

1. Definitions:

- a. Paid Time Off Bank (PTO): A time accrual bank from which an employee can use accrued hours to maintain paid absence from work for recreation, holidays, religious observances, rest, recovery from short term illness and injury, emergencies, family care, and other personal business. Accrued time may also be converted to cash payments.
- b. Extended Illness Bank (EIB): A time accrual bank from which an employee can use accrued hours to maintain paid absence from work due to inpatient hospitalization, ambulatory surgeries as described herein, or extended personal illness or injury after a normal scheduled work week. This bank is "frozen" as of 12/29/01, as no additional hours may be added to it. Accumulated but unused EIB hours have no cash value. See Policy BHSF-3325 Short Term Disability Insurance for alternative coverage.
- c. Pre-Merger Sick Leave Banks (SLB): Banks containing unused sick leave hours from Baptist Hospital (known as "OSL") and South Miami Hospital's unused hours as of 12/31/93 (known as "STD") are superseded by this policy. These banks are "frozen" as no additional hours may be added to them. However, SLB hours may be used for personal illness or injury and may be paid out as described herein.
- d. Fishermen's Sick Leave Bank: A bank containing accumulated but unused sick leave hours from Fishermen's Hospital. This bank is "frozen" as of 7/01/17 and no additional hours may be added to it. Fishermen's Sick Leave Bank hours may be used for personal illness or injury before short-term or long-term disability benefits are paid as described in Section 11. Accumulated but unused Fishermen's Sick Leave Bank hours have no cash value.

2. PTO Accrual:

All full-time and regular part-time (scheduled 20 hours per week or more) employees are eligible for this benefit from the first day of employment.

- a. PTO is accrued in hourly increments, up to a maximum of 80 hours per pay period. It is accrued in the following situations:
 - i. Hours worked at straight time
 - ii. Overtime hours
 - iii. Holiday hours
 - iv. PTO, EIB, Fishermen's Sick Leave Bank hours and SLB hours
 - v. Jury duty
 - vi. Bereavement benefit (up to three days per occurrence)
 - vii. Military leave (up to two weeks for training)
 - viii. Parental Benefit
 - ix. Hospital orientation programs
 - x. Paid conferences, meetings, etc.
 - xi. Paid compensatory time off
 - xii. Hospital convenience leave of absence (HCLOA)

PTO will not accrue for:

- i. Leaves of absence
 - ii. Conversion of pre-merger Sick Leave Bank time when employment is terminated
 - iii. Cash out of PTO time
 - iv. The final pay period when terminating employment
- b. The accrual schedule, below, shows the standard hourly PTO accrual rates for Baptist Health benefit-eligible employees. For illustration purposes it also shows the number of days that would be accrued by

an employee working 40 hours per week. Any time worked in which an employee is in a non-benefit eligible status will not count toward PTO accrual.

<u>Year of Service</u>	<u>Hourly Accrual Rate</u>	<u>Days Per Year</u>
1 through 5	.0923	24
6	.0961	25
7	.1000	26
8	.1039	27
9	.1078	28
10 through 15	.1115	29
16	.1154	30
17	.1193	31
18	.1231	32
19	.1270	33
20	.1308	34

- c. The maximum number of PTO hours that may be banked is based on the employee’s accrual rate or after 20 or more years of service. Accrual of benefit time will cease if the maximum level of hours is reached, but will resume when the hours are reduced below the maximum.

<u>Hourly Accrual Rate/Years of Service</u>	<u>Maximum Hours</u>
.1115 or less	500
.1154 to .1270	600
.1308 or more	1000
More than 20 years of service (beginning with month 240)	1500

3. PTO Usage:

- a. PTO, EIB and SLB time may be reported to Payroll in quarter hour increments.
- b. For non-exempt employees: PTO, EIB, and SLB hours must be used to bring non-exempt employees up to the normal scheduled weekly hours of work of the employee for each week independently. Normal scheduled hours of work are defined as the hours non-exempt employees work) within a payroll week (Sunday to Saturday) according to the departmental posted schedule, up to 40 hours.

Non-exempt employees with sufficient benefit time may not take unpaid time. If the appropriate benefit time is not available, non-exempt employees will be unpaid for hours not worked. In such cases, enter unpaid time off (LOA) hours in KRONOS. If the department closes early on holidays, non-exempt employees’ PTO banks should be charged.

If non-exempt employees work an additional shift(s) in a week in which they also have scheduled or unscheduled time away from work, PTO will be paid for the approved time away from work. In these instances, payment of PTO may result in non-exempt employees being paid more than their normal scheduled hours of work. (PTO does not count as time worked for the computation of overtime.) If non-exempt employees sign up for an extra shift, and subsequently call out or make other arrangements for coverage, they may not be paid PTO. Employees on approved PTO with their department cannot work a shift in another department.

- c. For exempt employees: PTO, EIB, and SLB hours will normally be used for time off from work.

As stipulated by the Fair Labor Standards Act (FLSA), exempt employees are paid on a salary basis which is a predetermined amount that is not subject to reduction because of variations in the quality or quantity of work performed, subject to certain limited exceptions. Baptist Health will not make deductions which are prohibited by the FLSA from its salaried exempt employees' pay.

Exempt employees are required to take PTO time for full day absences on days when the exempt employee's office/department is closed for holidays or for other business reasons.

- d. Leaves of Absence:
 - i. FMLA or Medical Non-FMLA for employee's own illness (Full Day Absences)
 - 1. Pay employee available PTO, EIB or SLB at 100% of normally scheduled weekly hours until notification is received from the Unum Benefits Center that the employee's short-term disability benefit has been approved.
 - 2. Upon approval of the short-term disability benefit, pay the employee available PTO, EIB or SLB at 40% of normally scheduled weekly hours including shift differential.
 - ii. Worker's Compensation
 - 1. Pay employee available PTO, EIB or SLB at 100% of normally scheduled weekly hours for the first week of absence, including shift differential. After confirming employee's worker's compensation eligibility with Employee Health, pay the employee 8 or 12 hours of available PTO, EIB or SLB per week, including shift differential.
 - iii. Personal, Domestic Violence, FMLA for Family Member's or Service member's injury/illness or Work Permit Expiration.
 - 1. Pay employee 100% of normally scheduled weekly hours from available PTO including shift differential.
 - iv. Military Leave
 - 1. PTO is not paid for the first two weeks of military training; enter unpaid time off (LOA) hours in KRONOS.
 - 2. Available PTO can be paid if military training is extended beyond two weeks, including shift differential.
 - v. Intermittent or Reduced Schedule FMLA for Exempt and Non-Exempt Employees (Partial Day Absences)
 - 1. Available PTO is paid for any time the employee does not work, either a full day absence or any part of a work day the employee missed due to an approved intermittent or reduced schedule leave, in increments as short as ¼ hour.
 - vi. If the employee does not have any available PTO, EIB or SLB, then the employee's absence is unpaid and LOA hours are entered in the employee's KRONOS.
- e. Authorization Not to be Paid Supplemental PTO, EIB or SLB – for FMLA approved leaves of absence only
 - i. Employees who are approved for FMLA leave due to their own illness/injury and are receiving short-term disability payments from Unum or worker's compensation benefit payments from WC carrier are eligible to opt out of using their PTO, EIB or SLB, the employee will be required to complete the Employee Authorization Not To Be Paid Supplemental PTO form (provided to employee by Unum Benefits Center or access the form on the intranet in the Leave & Disability Administration web page).
 - ii. If the employee chooses not to supplement their short-term disability or worker's compensation benefit payment with accrued PTO, EIB or SLB, the employee will be required to complete the Employee Authorization Not To Be Paid Supplemental PTO form (located in Employee Self Service) and submit it to their leader.
- f. EIB or SLB Usage Due to Hospitalization or Employee's Own Illness
 - i. Absences for employee's own illness are charged to the employee's PTO bank. However, if an employee has banked EIB hours, EIB will be used after the employee has been absent due to illness for more than one work week (charged to PTO). If the employee is hospitalized as an inpatient, banked EIB time can be used beginning with the first day of hospitalization. EIB time can also begin on the date of an ambulatory surgery other than for cosmetic purposes if it is performed in a surgical facility within Baptist Health (but not outside Baptist Health or in a physician's office). Non-invasive

- diagnostic procedures are not covered by EIB. If EIB is not available, the employee may utilize accrued hours in the SLB banks, if any.
- ii. If an employee is using EIB or SLB, comes back to work, and during the first eight hours of work becomes ill again, as it relates to the initial illness, EIB or SLB may be used instead of PTO.
 - iii. If an employee is on vacation and becomes ill or injured while on vacation, use PTO for the first week and EIB or SLB thereafter. If the absence results in hospitalization, pay EIB or SLB from the date of hospitalization.
 - iv. For absences due to hospitalization or the employee's own illness, the employee and/or leader must contact the Unum Benefits Center at 877-663-7437 within seven calendar days of the leave start date.
- g. Full Day Absences: An exempt employee with sufficient accrued PTO, EIB or SLB must utilize such accrued paid time for any full day absence due to illness or injury (including FMLA (Family Medical Leave of Absence) or work related injuries), or any other personal (non-business) reason (subject to the limitations stated in this policy concerning the reasons for which EIB and SLB may be used). If the exempt employee does not have sufficient PTO, EIB or SLB time, deductions from the employees' salary may be made for such full day absences. In such cases, enter unpaid time off (LOA) hours in KRONOS.
 - h. Partial Day/Week Absences: During the employee's initial or final week of employment, the employee will be paid only a proportionate part of the employee's salary based upon the time actually worked.
 - i. Some new employees may have insufficient PTO accrued when holidays occur. Other employees may be caught short for emergencies. An employee may borrow up to 24 hours of PTO time with approval of the department leader. As accrued time is earned, it reduces any advanced PTO time.
 - j. It is important that employees have time away from work for rest and rejuvenation. This leads not only to greater personal satisfaction but also to fewer workplace accidents and higher productivity. Therefore, all full-time employees are recommended to use a minimum of 80 hours PTO time each calendar year. Department leaders are responsible for assuring staff have and use opportunities for time off.
 - k. PTO, EIB, and SLB hours will be paid at the employee's base rate plus applicable shift differential. The employee must be assigned to the second or third shift to receive shift differential premium for PTO hours. Shift differential will not be paid for PTO and Baptist Health pre-merger SLB hours when cashed out or paid upon termination. South Miami Hospital pre-merger SLB hours will be cashed-out upon termination at the 12/31/93 rate of pay. For interpretation of pre-merger PTO, EIB and SLB accruals, please contact the Benefits department.
4. PTO Cash Conversion:
To conform to IRS regulations and to avoid immediate taxation of all PTO hours, as they are accrued, Baptist Health authorizes conversion of PTO into a cash payment with the following restrictions and penalties for expenses generally incurred over the last 12 months.

If the PTO cash out requested under any of the options listed below would reduce the PTO bank below 40 hours, the cash out amount will be reduced to leave 40 hours in the PTO bank.

- a. Prior Election:
Each year, during Annual Benefits Enrollment, an employee may elect to cash out, via Employee Self Service (ESS), up to 120 PTO hours annually. This election will apply to the following calendar year's PTO. Employees with 10 years of service (as of December 31 of the year in which the election is made) may cash out up to 160 PTO hours annually. Cash outs made through prior election will be paid -in June and/or December in the calendar year following the election.

Your elections must be made by the established deadline to be eligible for cash out under this provision. No modifications or revision of the election may be made thereafter.
- b. Financial Hardship:
Emergency cash out of PTO hours is authorized when an employee needs immediate cash due to one of the following:
 - i. Financial hardship resulting from the impact of natural catastrophes such as fire, flood, tornado, and hurricane.

- ii. Financial hardship resulting from non-reimbursed healthcare expenses incurred from an accident or illness involving the employee, an employee's spouse or dependent children or living in the employee's home.
- iii. Financial hardship resulting from funeral expenses for a parent, spouse or child.
- iv. To avoid imminent eviction or loss of a home in which the employee resides, provided the funds are not reasonably available from other financial resources.

The Corporate Director, Benefits will be the reviewing authority for determination of financial hardship.

c. Penalty Reduction:

PTO cash out at 6.0% penalty cash reduction is authorized during the year for the following reasons:

- i. Use of cash to purchase a principal residence within normal commuting distance from the place of work. You must enter into a binding contract to purchase the residence.
- ii. Use of cash to pay the current year's post-secondary educational institution expenses to include tuition fees, books, supplies, meals, and lodging for the employee, spouse, or dependent children. Post-secondary institutions are defined as an accredited college, university, or vocational school.
- iii. Use of cash to purchase a vehicle when it is the only means of transportation to work, or for vehicle repairs greater than \$500.
- iv. Use of cash to pay employee legal fees for domestic and child custody issues.

Cash out checks will be issued within the normal payroll cycle.

Note: The value of the penalty cash reduction will be contributed by Baptist Health to the Sunshine Fund.

d. Donations of PTO to Charitable Causes:

Throughout the year, employees will be given an opportunity to make an election to donate PTO hours to the United Way or the Baptist Health Foundation. All PTO hours donated to these charitable causes will be cashed out in the calendar year following the election. The cash out of donated hours will be paid, all at once, at the employee's base rate less twenty-five percent federal withholding tax rate in addition to FICA taxes and deductions.

e. Donating PTO to Other Baptist Health Employees:

For more details on the opportunity to voluntarily donate earned PTO to another Baptist Health employee, please refer to Policy BHSF-3450 Leave Sharing.

5. Payout of Pre-Merger Sick Leave Banks (SLB) of Time:

a. South Miami Hospital/Homestead Hospital:

Upon termination (other than discharge) an employee will be paid for unused hours in the pre-merger Sick Leave bank at their rate of pay as of 12/31/93 and years of service to termination according to this schedule:

<u>Consecutive Years of Service</u>	<u>Amount of SLB Payable</u>
5	25%
10	50%
15	75%
20	100%

b. Baptist Hospital:

Upon termination other than discharge an employee will be paid for unused hours in the pre-merger Sick Leave bank at their current base rate as follows:

4 Hours to 239 Hours =	60%
240 Hours to 1,439 Hours =	75%
1,440 Hours or more =	75%

On April 3, 2019, the payout of unused SLB hours upon termination for less than 240 hours shall be at the next higher percentage up to the maximum 75% rate. For example, an employee with 200 unused SLB hours would be eligible for 60% payout on termination now but would receive 75% if termination were April 3, 2019.

If an employee retires from Baptist Health and is eligible to receive a benefit from the Baptist Health Retirement Plan, 100% of unused SLB hours will be paid, provided the employee has accumulated at least 1,440 hours. Less than 1,440 hours will be paid in accordance with the above schedule.

In the event of an employee's death for reasons other than suicide or self-inflicted injuries, this plan will pay the greatest of 50% of the employee's accrued SLB or the actual percentage earned according to the number of SLB hours accrued. This benefit will be paid to the most current beneficiary designated on file for life insurance.

6. Personal Business, Vacations and Holidays:

- a. Employees are to submit requests for time away from work to their leader in accordance with departmental policies. Such requests will be granted to the extent that the department's staffing needs can be met during that period.
- b. The department leader shall create a practice for equitably determining who shall be granted time off when more than one employee requests time off for the same date or week and not all can be approved. If the department leader desires assistance in developing the practice, Human Resources are available to assist.
- c. Employees should be encouraged to take time off during "slow periods" of entity activity.

7. Parental Benefit:

- a. Employees may be eligible to receive the equivalent of one week's base pay (not to exceed 40 hours) during an absence to care for his/her newborn child or the placement of a child for adoption or foster care. Employees must contact Unum Benefits Center at 877-663-7437 and their leader to request the leave prior to the baby's expected date of delivery or placement date. In addition, the employee should notify the Leave and Disability Administration department within three days of the child's birth, adoption or placement to begin the benefit payment process. Refer to Policy BHSF-3405, Parental Benefit, for additional details.

8. Status Changes/Transfers:

- a. An employee will begin accrual of PTO time as of the effective date of the status change from Per Diem to either regular part-time or full-time status.
- b. If an employee's status changes from regular full-time or part-time, to Per Diem status, the PTO time previously accrued and not used will be cashed out as of the effective date of the status change. All hours accrued but not used in the EIB and SLB banks will be suspended and reinstated if the employee changes to benefit eligible status in the future. Per Diem, Temporary and Extra Pay Option status employees do not accrue any PTO time.

9. Termination Benefits:

- a. Release, Disability Termination, Retirement and Death: Employees (or beneficiaries) will be paid for all hours accrued in the PTO bank. Any hours remaining in the Pre-Merger Sick Leave banks will be paid in a lump sum per the conversion schedules listed herein. Exception: Per Diem employees will receive payout of unused SLB hours based on the conversion value at the time of their most recent status change to per diem.
- b. Resignation: Employees who resign are eligible to receive lump sum payment of accrued PTO and SLB hours per the preceding paragraphs if they a) provide written notice of their intent to resign, b) that notice is at least two weeks for all employees, and may be up to four weeks for leadership employees if deemed necessary by the line vice president and vice president of Human Resources, and c) they work their scheduled shifts during the entire notice period. Employees who do not provide adequate notice or work out the time will forfeit their accrued benefits.
- c. Discharge: Employees terminated by Baptist Health as a "Discharge" may not be eligible for payment of any accrued time in the PTO and SLB banks. Certain discharge reason will forfeit an employee's eligibility for payment.

- d. Upon termination of any kind, if the employee has not accrued all borrowed time, any remaining time will be treated as a payroll advance, deductible from wages due.
 - e. Any applicable PTO and Sick Leave Bank hours will be paid on the final paycheck after the termination transaction is received and processed.
 - f. Accumulated but unused Extended Illness Bank (EIB) and Fishermen's Sick Leave Bank hours have no cash value and are not paid upon termination.
10. Transition to Retirement:
- a. Employees who meet the criteria for early retirement (age 55 and 10 years of service), have given notice to Baptist Health of their intent to retire and have been requested by Baptist Health to remain employed during the transition period, may receive payment of their accumulated but unused Pre-Merger Sick Leave Banks (OSL for Baptist Hospital or STD for South Miami or Homestead) with approval from the Benefits Department.
 - b. Employees who have been requested by Baptist Health to assist during the transition period will be reclassified to per diem or temporary status.
11. Fishermen's Sick Leave Bank: This section applies to former employees of Fishermen's Hospital only. The accumulated but unused sick leave bank with Fishermen's Hospital will be 'frozen' as of 7/01/17 and no additional hours may be added to it. The accumulated but unused sick leave bank will have no cash value upon termination of employment with Baptist Health. The Fishermen's Sick Leave Bank hours will be reflected on the paycheck and referred to in this section as "EIB", however, the "EIB" rules in the previous sections of this policy do not apply to the Fishermen's Sick Leave Bank.

Usage:

- a. Former Fishermen's Hospital employees with a sick leave bank must use their accumulated hours before short-term or long-term disability benefits are paid. Fishermen's Sick Leave Bank hours (EIB) will be used to pay for approved extended absences due to the employee's own illness or injury, after one week of consecutive absence (7 consecutive calendar days). If hospitalized as an inpatient, the Fishermen's Sick Leave Bank hours (EIB) can be used beginning with the first day of hospitalization.
- b. Employees may use PTO to maintain a paid leave during the first work week of consecutive absence due to their own illness or injury. If the employee remains unable to work after one work week, the employee will be required to use the accumulated Fishermen's Sick Leave Bank hours (EIB) to maintain pay during the short-term disability elimination period. The elimination period is the greater of the accumulated Fishermen's Sick Leave Bank hours (EIB) or 14 calendar days. If the employee does not have a Fishermen's Sick Leave Bank (EIB) after 14 days of absence, the employee may be eligible for short-term disability benefits from Unum if the leave of absence is certified and the disability is met. See Policy BHSF-3325 Short Term Disability for details.

1. Leaves of Absence:

(a) FMLA or Medical Non-FMLA for employee's own illness (Full Day Absences)

- 1. Pay employee available PTO at 100% of normally scheduled weekly hours for one week (7 consecutive calendar days). After one week, if the employee has a Fishermen's Sick Leave Bank (EIB), pay 100% of the Fishermen's Sick Leave Bank hours (EIB) until the hours are exhausted. If the employee remains unable to work, then Short Term Disability benefits would apply. (See Section d. Leaves of Absence, i., 2. on page 5).
- 2. Once the employee has exhausted the Fishermen's Sick Leave Bank hours (EIB) and upon approval of the short-term disability benefit, pay the employee available PTO at 40% of normally scheduled weekly hours including shift differential, unless the employee chooses not to supplement their short-term disability benefit. If an eligible employee chooses not to supplement their short-term disability benefit payment with accrued PTO or Fishermen's Sick Leave Bank (EIB) hours, the employee will be required to complete the Employee Authorization Not To Be Paid Supplemental PTO form (provided to employee by Unum Benefits Center or access

- the form on the intranet in the Leave & Disability Administration web page) and submit to their leader.
3. If the employee does not have any available PTO for the first week of absence, the employee's absence for the first week is unpaid and LOA hours are entered in the employee's KRONOS. Fishermen's Sick Leave Bank (EIB) hours can be used after the first week of unpaid absence. Fishermen's Sick Leave Bank (EIB) hours can be used until exhausted or medical leave ends whichever ends first.
 4. If an employee is using Fishermen's Sick Leave Bank (EIB) hours, returns to work, and during the first eight hours of work becomes ill again, as it relates to the initial illness, Fishermen's Sick Leave Bank (EIB) hours may resume.
 5. If the absence results in hospitalization, pay Fishermen's Sick Leave Bank (EIB) hours from the date of hospitalization.
- c. For absences due to hospitalization or the employee's own illness, the employee and/or leader must contact the Unum Benefits Center at 877-663-7437 within seven calendar days of the leave start date.
 - d. Once the Fishermen's Sick Leave Bank (EIB) hours have been exhausted, the PTO usage rules of this policy will apply. (See Section d. Leaves of Absence, i.2. on page 5).

SUPPORTING/REFERENCE DOCUMENTATION:

N/A

RELATED POLICIES, PROCEDURES, AND ASSOCIATED FORMS:

- BHSF Administrative Policies – Human Resources
 - 2550 Extra Pay Option
 - 3325 Short Term Disability
 - 3375 Work Related Non-FMLA Leave of Absence
 - 3400 Family Medical Leave of Absence (FMLA)
 - 3410 Medical Non-FMLA Leave of Absence
 - 3425 Personal Leave of Absence
 - 3450 Leave Sharing
 - 5600 Termination of Employment
 - 3405 Parental Benefit
 - 6610 Omnibus Accountability Policy for Leaders
- Employee Authorization Not To Be Paid Supplemental PTO form (Available on the intranet in the Leave & Disability Administration web page).

ENFORCEMENT & SANCTIONS:

Violations of this policy may be referred to the appropriate HR leadership level. See BHSF-5250 and BHSF-5300 for applicable sanctions.

Violation of this policy may lead to disciplinary action, up to and including termination of employment.

Enforcement of this policy will be performed by Baptist Health Human Resources Department.