



CITY OF HOT SPRINGS PTO CONVERSION POLICY

The information contained in this policy was a result of extensive research and commitment by the PTO Committee along with comments from Department Heads and Human Resources.

5/11/2011
Revised 9/17/2011

CITY OF HOT SPRINGS

REGULAR FULL-TIME NON-UNIFORMED EMPLOYEES

CONVERSION TO PAID TIME OFF (PTO) POLICY

WHAT IS PTO

Paid Time-Off (PTO) is a concept for compensated time off from work that replaces the traditional vacation, discretionary and sick days hereinafter termed “traditional system”. It is intended to be used by employees for scheduled time off with pay subject to workplace staffing requirements in individual departments. The PTO system also requires employees to assume responsibility for their own PTO management and to keep enough leave time in reserve throughout the year to cover any unforeseen illness or emergency that may arise.

Unscheduled PTO hours are not considered “hours worked” for the purpose of calculating overtime.

1.0 TRANSITION FROM TRADITIONAL LEAVE TO PTO FOR EMPLOYEES HIRED BEFORE JULY 9, 2011

All regular full-time non-uniformed employees hired **BEFORE July 9, 2011** that have unused vacation, discretionary, sick time, and extended leave time will have their accrued time converted as follows:

1. 100% of the employees’ unused vacation time and/or unused discretionary time will be combined and converted to PTO.
2. 100% of the employees’ unused sick time from their regular sick time bank will become known as “Frozen Sick Leave Bank” (FSLB) under PTO and will be placed in the employee’s newly formed bank.
3. 100% of the employee’s Extended Sick Leave time from the traditional system will become known as the new “Extended Sick Leave Bank” (ESLB) under PTO. **(see 1.11)**

1.1 PTO ELIGIBILITY

Regular full-time non-uniformed employees hired **AFTER July 9, 2011** will be eligible for PTO leave after the completion of ninety (90) calendar days of employment.

Regular full-time non-uniformed employees hired **PRIOR TO July 9, 2011** will be eligible for PTO leave immediately, provided they have completed ninety (90) calendar days of employment.

1.2 PTO ACCRUAL RATES

Beginning July 9, 2011, regular full-time non-uniformed employees will begin earning PTO per pay period at the new rate according to the following schedule based on years of uninterrupted service:

Non-Uniformed Employees PTO Accrual Rates		
Uninterrupted Service	Max PTO Accrual (in Hrs)	Max PTO Accrual (in Days)
0 through 3rd Year	168 hrs. per year(6.47 hrs/pp)	21 days
4 th through 7th Year	184 hrs. per year(7.08 hrs/pp)	23 days
8 th through 11th Year	224 hrs. per year(8.62 hrs/pp)	28 days
12 Years +	248 hrs. per year(9.54 hrs/pp)	31 days

Annual PTO will accrue on a biweekly basis beginning with employee's date of hire but will not be available for use until completion of ninety (90) calendar days of service. Advance scheduling and approval by your supervisor or department head will be required for all usage of PTO leave.

1.3 PTO CARRY-OVER

Employees may carry-over into a new calendar year the amount of PTO equivalent to their maximum annual accrual for their uninterrupted years of service level.

As a buffer against forfeiture, at the end of the calendar year any excess PTO beyond the allowed carryover will be converted to Extended Sick Leave at a rate of 2:1 (i.e. 24 hours of excess PTO automatically becomes 12 hours of Extended Sick Leave).

1.4 INSUFFICIENT & EXCESS PTO

PTO taken in excess of your PTO accrued and/or donated can result in progressive disciplinary action up to and including termination. Time off taken in excess of PTO immediately available by virtue of accrual and/or donation will be taken as Unpaid Leave and for that duration the employee will become temporarily ineligible for PTO accrual.

There will be no provisions to accommodate PTO bank deficits in the computation of an employee's repeated unauthorized time off. Department heads will insure that all PTO taken is supported by accrued PTO.

1.5 PTO INELIGIBILITY

Full-time non-uniformed employees in a no-pay status will cease to accrue PTO and Extended Sick Leave for the duration of the time that they are off. These benefits will resume automatically upon the employee's return to paid status.

1.6 PTO REQUEST

Non-uniformed employees wishing to schedule PTO for non-emergency purposes must notify their immediate supervisor and/or department head, in writing by filling out and submitting a *PTO REQUEST FORM* (available from your department, the Human Resources Office or on the City's Intranet) to obtain approval. Advance scheduling and approval by your supervisor or department head will be required for all leave.

Employees wishing to take less than eight (8) hours of PTO should make efforts to schedule leave so as to not disrupt operations, and must provide reasonable advance notice (as determined by their department head).

1.6.1 RESPONSE TO PTO REQUEST

Immediate supervisors or department heads will base their decision to approve or deny PTO requests in accordance with departmental policies and will render a decision based on those factors in a reasonable amount of time (as determined by their department head) following initial receipt of the employee's request.

Department heads will be responsible for ensuring that the employee receives a copy of the *PTO REQUEST FORM* "*approved, pending or denied*" clearly marked and dated when received. In the case of "*denied*", there should be a brief explanation of the circumstances that warrant the denial. The original *PTO REQUEST FORM* (with the date and supervisor's or department head's response recorded thereon) will be maintained on file by that department for one (1) year.

Pre-dating, post-dating or otherwise falsifying a *PTO REQUEST FORM* by employees or supervisors will be treated in the same manner as falsification of any official document and may result in disciplinary action, up to and including termination.

1.7 UNSCHEDULED PTO

It is understood that unforeseen circumstances or illness can, and do, occur which may require an occasional unplanned absence. Continued or habitual use of unscheduled PTO will be reviewed and dealt with progressively on a case-by-case basis. In every case, the totality of the circumstances leading to the employee's behavior will be taken into consideration. **If an employee has 3 or more instances of unscheduled PTO in a rolling 90 calendar days, disciplinary action up to and including termination may result.**

Employees who excessively use unscheduled PTO may be asked to support their absence(s) with verifiable documentation such as a physician's excuse, police report, or other official means of verifying that reasonably excusable circumstances occurred.

1.8 HOLIDAY PAY

To be eligible for holiday pay, employees must work on their last scheduled workday before the holiday and on their first scheduled workday after the holiday unless prior authorization for PTO, ESLB or FSLB use has been granted.

1.9 ILLNESS *Please see updated change to this section at the end of this document

The first 3 days of an absence for any reason will be deducted from the PTO bank. After 3 days, if an employee remains out on a continuous absence and the reason is due to **personal illness**, then employees can choose which bank (PTO, Extended Sick Leave or Frozen Sick Leave) hours to be used and this time will run concurrently with FMLA. If an employee's continued absence is longer than 3 days and not due to a personal illness or injury, PTO hours will be used. **Any family qualifying FMLA event will come out of the PTO Bank. If the PTO Leave Bank is depleted, then the employee will be in a no-pay status under FMLA.**

1.10 FROZEN SICK TIME BANKS

All full-time non-uniformed employees hired prior to **JULY 9, 2011** will be allowed to retain their regular sick leave (herein referred to as "frozen sick leave") that was accrued under the previous traditional vacation/sick time system. This time was preserved for those employees' future use or payment but "frozen" (reserved) for use under specific conditions. The Frozen Sick Banks will not accrue additional time and will not replenish. **Once exhausted, Frozen Sick Leave Banks will be discontinued.**

1.11 EXTENDED SICK LEAVE BANK

The term “employee” in this section refers to any regular full-time non-uniformed employee who has completed at least ninety (90) days of continuous, uninterrupted employment in that capacity and is working in a paid status.

Extended Sick Leave Banks of all full-time non-uniformed employees will accrue as follows:

1. The Extended Sick Leave Banks of employees hired BEFORE July 9, 2011 will initially be funded with the time accrued in their current “Extended Leave Bank”, carried over from the previous traditional system on the date of the implementation of the PTO system.
2. Current Employees who do not have accrued time in existing Extended Leave Banks will each begin at zero and the accrual will begin July 9, 2011.
3. Extended Sick Leave Banks of employees hired AFTER the July 9, 2011 will each begin at zero and accrual will begin on their date of hire.

Each regular full-time non-uniformed employee working in a paid status will accrue **1.54 hours** per pay period that the employee remains in a paid status for a maximum annual accrual of forty (40) hours per calendar year. This accrual will be automatic and independent from all other accruals. Extended Sick Leave Banks will be allowed to accrue up to the maximum of 600 hours at which time accrual will cease. If an employee uses time from the Extended Sick Leave Bank, the leave bank accrual will be restored at the rate of 1.54 hrs. per pay period until it reaches the maximum of 600 hours.

The Extended Sick Leave Bank is a bonus provision and any unused portion of an employee’s Extended Sick Leave Bank will be forfeited, without compensation, at the time of the employee’s separation.

1.12.1 USING THE FROZEN SICK LEAVE OPTION

When an employee is faced with an extended personal illness or injury that first consumes three (3) days of PTO, they may request to use Frozen Sick Time if they choose to do so beginning with DAY 4 or at any time during their extended absence thereafter. Upon the approval of the employee’s department head, any absence after the request is made will be deducted from the employee’s Frozen Sick Leave bank. All Frozen Sick Leave utilized will run concurrently with FMLA. A completed request for FMLA and accompanying documentation

from a physician must be completed. (FMLA packets will be available in each department or Human Resources.)

If the employee returns to work, the event that qualified for Frozen Sick Leave will be considered rectified (except in cases where intermittent FMLA is approved for use). If the employee must take additional leave time later due to recurring issues related to the original circumstances, the employee's 3-day waiting period may be waived until this particular situation is fully resolved.

In any case, if the employee utilizes all of their PTO & Extended Sick Leave, then their entire absence will automatically be deducted from their Frozen Sick Leave bank, provided that the leave was taken exclusively for the purposes of personal illness or injury.

1.12.2 USING EXTENDED SICK LEAVE OPTION

If an employee has a personal FMLA qualifying event and has a continued absence longer than 3 days, then the employee may (with the approval of their department head and the City Manager) utilize the hours accrued in their Extended Sick Leave bank. Requests to use Extended Sick Leave must first be made to the department head and through Human Resources for approval BEFORE such leave can be charged. All Extended Sick Leave will run concurrently with FMLA. A completed request for FMLA and accompanying documentation from a physician must be completed. (FMLA packets will be available in each department or Human Resources.)

Extended Sick Leave is available to employees only to the extent that it has been accrued and no leave shall be taken that is dependent upon future or hypothetical accruals.

Once the Extended Sick Leave Bank and all other leave banks have been exhausted, the employee may be placed on unpaid leave unless they receive additional donated time sufficient to cover their absence through the proper channels.

1.13 DONATING TIME

In extreme circumstances where all other available leave time has been completely exhausted, regular full-time non-uniformed employees who qualify may request a leave time donation. Time donated to an employee automatically becomes part of the recipient's Extended Sick Leave Bank and is subject to all policies related to the use of Extended Sick Leave time.

1.13.1 REQUESTING TIME DONATIONS

To request a leave time donation, the employee must make their plea known in writing to the Department Head or Human Resources Director who will review the circumstances and

determine the requesting employee's eligibility. If the request is valid and applicable, the Human Resources Director will make the employee's request known to the various department heads via memo (electronically or otherwise). The department heads will then ensure that the employees within their respective departments are made aware of the request.

1.13.2 DONATION RECIPIENTS - ELIGIBILITY AND TERMS

To be eligible to borrow leave time, an employee:

- Must have completed **1 year of** continuous full time employment
- Must have completely exhausted their accrued PTO, Frozen Sick Leave, and Extended Sick Leave Banks
- Must be eligible for leave
- Must not be or have been in an unpaid status as a result of a disciplinary action within the last year from the date of the request

In any case, the maximum cumulative donation that an employee may receive (from all donations and all potential donors combined) may not exceed an amount equal to the total number of hours in the employee's leave banks at the time of the qualifying event up to a **maximum of 240 hours**.

Employees may not directly solicit any leave time donation from any other City employee. All requests must go through the Department Head or Human Resources Director; however, this does not preclude fellow employees from making the need known on the employee's behalf. Direct solicitation, harassment, coercion, intimidation, or other pressure asserted by any employee to donate leave time will result in disciplinary action. **Employees using borrowed or donated PTO will continue to accrue PTO and Extended Sick Leave in their own banks at their normal rate.**

1.13.3 TIME DONORS – ELIGIBILITY AND TERMS

To be eligible to donate leave time, an employee:

- Must have completed 1 year of continuous full time employment
- Must not, as a result of the donation, exhaust any one leave bank of their own
- Must not have donated time to another employee in the last one (1) calendar year
- Must have the approval of their department head and the City Manager as well as the approval of the department head of the employee receiving the donated leave.

Employees donating leave time will have the option of determining how much to donate and from which of their accruals the donated leave time will be deducted from. Once an employee has donated any amount of leave time to an employee, they may not donate time to the same employee again for a period of one (1) calendar year. Donors may opt to donate time from their

PTO, Frozen Sick Leave or Extended Sick Leave banks, but they may not donate any leave time that they have not yet accrued.

1.14 DISPOSITION OF LEAVE BANKS AT TERMINATION

Regular full-time non-uniformed employees are entitled to payment for any unused PTO following the termination of their employment with the City of Hot Springs. Unused PTO will be paid at the employee's hourly rate at the time of separation.

Employees hired before **JULY 9, 2011** that completed 10 or more years of continuous service will receive compensation for ANY time remaining in their Frozen Sick Leave Bank.

UPON TERMINATION OF EMPLOYMENT, THE MAXIMUM ACCRUAL THAT A NON-UNIFORMED EMPLOYEE CAN RECEIVE COMPENSATION FOR (PTO & FROZEN SICK LEAVE) SHALL NOT EXCEED 888 HOURS (NOTE: Maximum under the traditional system was 800 hours).

Under no circumstances will you receive pay or credit for any accrued hours in your Extended Sick Leave Bank. Upon termination of employment (for any reason), you will not be permitted to donate any of your extended leave to another employee.




TO: All Non-uniformed City of Hot Springs Employees
FROM: Minnie Lenox, Human Resources Director
DATE: October 15, 2015
RE: Change to PTO Policy Section 1.9 Illness

Below is a change to the PTO Policy Section 1.9 – Illness that went into effect on September 26, 2015.

1.9 ILLNESS

The first 3 days of an absence for any reason will be deducted from the PTO bank. After 3 days, if an employee remains out on a continuous absence and the reason is due to **personal illness**, then employees can choose which bank (PTO, Extended Sick Leave or Frozen Sick Leave) hours to be used and this time will run concurrently with FMLA. If an employee's continued absence is longer than 3 days and not due to a personal illness or injury, PTO hours will be used. **Employee's that have a Frozen Sick Bank and their continued absence is longer than 3 days and due to a family qualifying FMLA event, may utilize up to two weeks of their Frozen Sick Bank. Any family qualifying FMLA event for those employee's that do not have a Frozen Sick Bank, it will come out of the PTO Bank. If the PTO Leave Bank is depleted, then the employee will be in a no-pay status under FMLA. Extended Sick Leave Banks are not eligible for any type of Family qualifying FMLA event.**

Approved: 

Date: 10/12/15