

Category: 300

Number: 341

Subject: **PAID TIME OFF (PTO)**

1. **PURPOSE:** It is the purpose of this policy to establish a uniform system regulating the accrual and use of paid time off hours. PTO leave is intended to be used to compensate for vacation leave, earned sick time, personal leave, paid time off and paid medical leave as required under the Paid Medical Leave Act.
2. **AUTHORITY:** The Saginaw County Board of Commissioners.
3. **APPLICATION:** The rules and regulations herein set forth apply to all employees paid by Saginaw County, pursuant to Policy #301.
4. **RESPONSIBILITY:** The Controller/CAO of Saginaw County shall be responsible for the implementation and administration of this policy.
5. **DEFINITIONS:** For purpose of this policy, regular full-time employees and regular part-time employees, who are otherwise eligible, may hold probationary status and qualify for PTO.
6. **POLICY:**

6.1 Rate of Accrual.

6.1.1 Each regular full-time employee shall accrue Paid Time Off hours at the following rate. Regular part-time, part-time, and on-call employees who work on an average of more than 25 hours per week during the immediately preceding calendar year shall accrue Paid Time Off hours at one-half the below rate, as long as the accrued time equals at least 40 hours.

	<u>Annual Rate</u>	<u>Biweekly Rate</u>
First day of the month following		
30 days* - 3 years continuous service	136 hours	5.2308 hours
3 - 5 years " "	152 hours	5.8462 hours
5 - 10 years " "	168 hours	6.4615 hours
10 - 15 years " "	184 hours	7.0769 hours
15 - 20 years " "	200 hours	7.6923 hours
20 or more years " "	216 hours	8.3077 hours

*PTO accrued during the waiting period (date of hire – first day of the month following thirty days of service) shall be credited on the first day of the month following 30 days of service.

6.2 Accumulation of Paid Time Off (PTO) Hours. Accumulation of PTO hours shall be limited to 700 hours.

- 6.2.1 When an employee's continuous length of service reaches a point entitling him/her to the next higher rate of PTO accrual, earning at the new rate will begin on the first day of the current pay period.
- 6.2.2 Employees shall be paid during PTO leave on the basis of the normal workweek for the classification of work in which they are normally employed and at the rate of pay prevailing during the period that the time is taken.
- 6.3 Separation. Upon separation from County employment, an eligible employee shall receive pay for 50% of the unused accumulated PTO hours up to a maximum of 600 hours or 75 days (or actual pay-off at 300 hours, or 37.5 days), or as negotiated in employment contracts. Upon retirement, PTO pay will count toward the employee's final average compensation, for those having defined benefit pensions, unless otherwise provided by employment contracts. Compensation for unused PTO hours will be paid at the regular rate (not overtime) prevailing on the employee's last working day.
- 6.4 Holidays. If a holiday, as defined in the Holiday Policy, falls within an employee's PTO period, it shall not be counted as a PTO day unless the employee was scheduled to work on the holiday.
- 6.5 Leave of Absence. PTO leave shall not accrue during an employee's unpaid leave of absence.
- 6.6 PTO Scheduling/Management. Employees are responsible for managing their PTO accounts. It is important for employees to plan ahead for how it will be used. Employees should develop a plan for taking vacations, as well as doctor's appointments and personal business. Employees should hold a reasonable amount of PTO time in reserve which allows for the unexpected, such as emergencies and illness.
 - 6.6.1 PTO Used for Vacation. Vacation schedules for employees shall be developed and approved by Department Heads. It shall be the practice of each Department Head to schedule vacations over as wide a period as possible in order to obviate the need for temporary increases in staffing. The schedule may be changed by the employee only if approved by the Supervisor/Department Head.
 - 6.6.2 The use of PTO hours for "personal" reasons other than vacations is a request and therefore, it requires supervisory approval. Requests shall be made in advance and in accordance with Department policies/practices. There may be occasions such as an illness or emergency, when an employee cannot request use of PTO in advance and/or obtain prior supervisory approval. If an illness or emergency exists which prevents an advanced request from being made, employees must discuss the absence

with their supervisor. Subject to FMLA, documentation of the illness and/or emergency may be required by the Department Head.

- 6.6.3 PTO, once approved, must be taken in chronological and sequential order in accordance with the excused absence(s) during the payroll-reporting period.
- 6.7 Subject to FMLA, taking time off without the accrued PTO available is prohibited. Absence from work without the use of authorized PTO may result in discipline, up to and including discharge.
- 6.8 PTO Increments. PTO can be taken in increments of fifteen (15) minutes.
- 6.9 PTO Donation. The purpose of PTO donation is to allow County employees to support fellow employees who have a medical emergency pursuant to FMLA, or must take unexpected time off from work to support a family member who does, or for the reasons enumerated in the Paid Medical Leave Act. County employees may donate earned PTO hours to a voluntary leave bank with the understanding that the recipient member accepts all tax liability. Donations must be in eight (8) hour increments and the donor's personal PTO bank cannot fall below eighty (80) hours as a result of the donation. Each employee may donate no more than an accumulated total of eighty (80) hours per calendar year. Donations are irrevocable. Donor cannot specify who receives time once it is donated to the leave bank. Donations can be made through Payroll by completing a PTO donation request form.
 - 6.9.1 A family member can be defined as a spouse, parent, or child.
 - 6.9.2 A medical emergency is defined as a medical condition that is likely to require the employee to be absent from work for a prolonged period and results in a substantial loss of income due to lack of available PTO or other paid leave. A substantial loss of income is an unpaid absence of 24 work hours or more. Said hours do not have to result from a continuous absence, but can result from time taken on an intermittent basis related to the same condition or illness.

In order to receive donated PTO, an employee who is being personally affected by a medical emergency or for the reasons enumerated in the Paid Medical Leave Act, must submit a request in writing using the designated form. This will include stating the details of their medical emergency or the reasons listed in the Paid medical leave Act, the amount of time they are requesting, and certifying they have exhausted all other paid leave available to them. The requesting employee will be required to provide medical or other documentation to verify eligibility. Written requests shall be submitted to the Payroll and Benefits Supervisor for consideration. Employee requests for donated PTO will be considered on a first come, first served basis.

The County may notify employees when a request for donated PTO has been received but the PTO Donation Bank has insufficient time available to cover the request. Such notifications will be made exclusively by the Controller's Office.

Applicants are only eligible to receive leave after their request has been approved and it has been confirmed that all other available paid leave has been exhausted. Employees reserving PTO in accordance with the FMLA, disability or any other leave policy are not eligible for leave donation. Employees may receive a total donation of no more than the time needed to cover the leave time requested. For employees with intermittent need for leave, the bank will be reviewed periodically to ensure sufficient, but not excessive levels of PTO. Employees not otherwise eligible for PTO are not eligible for the donation program.

Once received, donated PTO will be placed in a separate bank for that recipient employee. Any donated PTO not used at the conclusion of the medical emergency or for those reasons listed in the Paid Medical Leave Act or within one year of receipt will be returned to the PTO donation bank. Liquidation of donated PTO for cash is not permissible.

Doctor's slips or other documentation will be required as proof of how leave was used and must be submitted to Payroll when donated PTO is used.

Donors cannot claim an expense, a tax deduction or a charitable contribution for any leave donated under the plan. All paid leave granted to the recipient employee is considered wages and is subject to appropriate tax withholding. Recipient employees will receive paid leave at his/her normal rate.

Management shall have the exclusive right to approve or deny the use of PTO under this provision, and any decision made relative thereto shall not be subject to the grievance procedure unless management acted arbitrarily or capriciously.

- 6.10 Compliance with Laws. It is the intent of the County that this policy complies with the Paid Medical Leave Act. (Public Act 338 of 2018 and Public Act 369 of 2018; MCL 408.961 *et. Seq.*). Any provisions of this policy that are in conflict with the Paid Medical Leave Act shall be superseded thereby.

7. ADMINISTRATIVE PROCEDURES: NONE

8. CONTROLLER/CAO LEGAL COUNSEL REVIEW: The Controller/CAO has determined that this policy as submitted to the Board of Commissioners contains the necessary substance in order to carry out the purpose of the policy. County Civil Counsel has determined that this policy as submitted contains content that appears to be legal activities of the Saginaw County Board of Commissioners.

Approved as to Substance:

Approved as to Legal Content:

Saginaw County Controller/CAO

Saginaw County Civil Counsel

ADOPTED: April 23, 2002

AMENDED: November 15, 2005 (Section 6.2); April 25, 2006; November 20, 2018;
March 19, 2019; January 19, 2021