**PTO Policy**

1. Purpose

We recognize that our team members, each and individually, have diverse needs for time off from work. Kahn Mechanical Contractors has established this paid time off (PTO) policy to respectfully provide beneficial time to meet personal needs. The benefit to PTO is promotion of a flexible approach to time off, by combining vacation, sick, and personal leave.

Kahn Mechanical Contractors also pays for holidays as described herein, although this is handled independently of PTO compensation.

1. Eligibility

This policy only applies to full time team members, and no benefits exist for part-time team members at this time.

To be eligible for PTO leave, the team member must:

1. be considered full-time defined as follows: a team member who works on a full-time basis and who usually works at least forty (40) hours each week, whether paid by salary or an hourly wage;
2. be on the payroll for ninety (90) days (from their beginning accrual date or hired date);
3. PTO leave during June, July, August, and December will be Subjected to the discretion of the company.
4. Procedures

Team members are accountable and responsible for managing their own PTO. Each individual team member should allow for adequate reserves if there is a need to cover vacation, illness or disability, appointments, emergencies, or other situations that require time off from work.

1. **Availability:**

PTO accruals are available for use in the pay periods following completion of ninety (90) days of employment and the above eligibility statements.

1. **Accrual Guidelines:**

The amount of PTO you accrue each year is based on your length of service and accrues according to the chart below. PTO is accrued as you work and is based on a team member having 1,920 paid hours per year (40 hours per week x 48 weeks per year).

(Accrual Guidelines, cont.)

|  |  |  |  |
| --- | --- | --- | --- |
| **Accrual Period** | **Accrual Rate (PTO hours earned per hour worked)** | **Earned Hours a Year \*** | **Earned Days a Year \*** |
| Year 1 | 0.02083 | 40 | 5 |
| Year 2 | 0.04167 | 80 | 10 |
| Years 3 to 5 | 0.06250 | 120 | 15 |
| Years 6 to 10 | 0.06667 | 128 | 16 |
| Years 11 to 15 | 0.07083 | 136 | 17 |
| Years 15 to 20 | 0.07500 | 144 | 18 |
| Years 21 – 25 | 0.07917 | 152 | 19 |
| 26 Yrs + | 0.08334 | 160 | 20 |

*\* based upon working 1,920 hours (48 weeks x 40 hours/week)*

1. **Notice and Scheduling:**

You are required to provide your supervisor, no less than two weeks’ notice and obtain approval, prior to using PTO. This allows for you and your supervisor to prepare for your time off and assure that all staffing needs are met. There may be occasions, such as sudden illness, when you cannot notify your supervisor in advance. In those situations, you must inform your supervisor of your circumstances as soon as possible.

1. **PTO Increments:**

PTO can be used in full day eight (8) hour increments or half-day four (4) hour increments.

1. **Rollover and Maximum Time Accumulated (CAP):**

The company will allow up to twenty-for (24) hours to rollover to the team members’ accrual bank at the end of each eligibility year.

There is a maximum, or CAP amount of PTO time you can accumulate. This encourages you to use your PTO and allows the company to manage its financial obligations responsibly. The company may adjust this from time to time. Currently, CAP for accrual is two hundred hours (200). Once you reach your CAP, you will not accumulate any more PTO until you utilize enough PTO in your account to drop below the CAP.

1. Partial List of Reasons to use PTO

|  |  |
| --- | --- |
| Bereavement | Medical |
| Community Service | Military leave |
| Family Matter | Transportation Issue |
| Jury Duty | Vacation |
| Maternity/Paternity | Other – prefer not to disclose |

1. Cash Out Option

With prior approval from your direct supervisor, hourly employees can request consideration to obtain cash-out PTO in lieu of being paid for a day off. We will pay cash in lieu of paid time off only in special circumstances, and offer supervisors the following suggested guidelines:

1. Cash-out PTO should only be used when other options for meeting a short-term financial need are not available.
2. In no cases do we recommend allowing a team member’s accrual balance to fall below 24 hours. This recommended floor is to ensure future needs for paid time off are available without requiring special consideration.
3. Please consider the Caring Committee as an alternative when addressing an emergency need. Company Values and the Caring Committee will be our guide.
4. Although we make no guarantee that cash-out PTO requests will be fulfilled, it is our sincere hope that every instance be handled in a respectful manner by all involved.
5. PTO Closeout upon Change in Employment Status

The Company exclusively pays accrued PTO leave to team members who are currently employed by the Company. Any decisions on unused PTO leave, upon a team member's work separation, are solely at the discretion of the Company.

However, unused PTO leave may be paid out under the following circumstance:

* If a team member is **involuntarily separated** from employment for economic reasons as part of a company reorganization or a reduction in the workforce, the team member will receive the full balance of accrued, but unused PTO leave.

In addition, unused PTO leave will not be paid out in the following circumstance:

* In the event a team member is **terminated by employer for cause**, regardless of the team member’s eligibility for PTO leave, the team member will NOT receive any paid PTO compensation.

*Paid or unpaid leave time may not be counted towards a notice period under this policy.*

1. Caring Fund

The company maintains a Caring Fund to support each other in times of need. We encourage Team Member to recognize when it makes sense to support each other. Each circumstance is unique, treated with respect, and handled with prayerful consideration by our Caring Committee.

We encourage, and do not discount, individuals who request help for their own needs**.**

1. Holiday Pay

Holiday pay will be accrued and paid separately from PTO leave.

1. **Paid Holidays are as follows:**
* New Year's Day
* Independence Day
* Labor Day
* Thanksgiving Day
* Christmas Day

Should a holiday fall on a weekend, the holiday will be observed on the workday closest to the holiday, following guidelines from our Federal Government.

1. **Eligibility:**

To be eligible for holiday pay, the team member must:

1. be on the payroll for (90) days.
2. be present at work on his or her last scheduled day prior to the holiday and the first scheduled day after the holiday, UNLESS on a pre-authorized PTO leave day.
3. **Conditions:**
4. Holiday pay will not be considered as time worked for the purpose of overtime calculations.
5. Holiday pay is computed at an individual team member’s then current base rate of pay.
6. If a team member is scheduled to work on a holiday, the team member will be paid his or her regular hourly rate of pay - plus eight hours of holiday pay at team member’s then current hourly rate.
7. Holidays will not be paid to team members who are currently on any form of unpaid leave of absence.
8. Holidays falling within an approved PTO absence will be recorded as holiday pay and paid as such.