

LUTHER COLLEGE

POLICIES AND PROCEDURES

Department: Human Resources
Subject: Paid Time Off
Date Issued: January 1, 2020
Date Revised: March 4, 2020
Approved By: Reviewed by Cabinet, Approved by President, March 11, 2020

I. Policy

This policy sets forth the process for paid time off (PTO) for exempt and non-exempt staff as of January 1, 2020.

II. Purpose

The college provides a Paid Time Off (PTO) program for providing staff with the opportunity to take time away from work without loss of compensation. The policy provides for an opportunity to build a bank of hours to be used for time off to take a vacation, illnesses for employee or family, or for personal reasons, as needed. The PTO program does not include paid time off for the regularly scheduled holidays. Employees are encouraged to both use PTO for vacations, illnesses, doctor appointments, etc., but also be diligent in saving PTO to cover the unexpected circumstances and illnesses that occur.

III. Scope

The college provides a PTO program for all benefit-eligible staff with at least .50 FTE.

IV. Terms and Definitions

- Accrued time – is the amount of PTO owed to employees as of a specified date for the amount of PTO pay that has been earned but has not been taken.

V. Procedures and Guidelines

A. PTO Accrual

- PTO will begin to accrue upon hire or transfer into a benefit-eligible position. The accrual rate will be based on employee's length of benefit-eligible years of service. PTO for staff with less than 1.0 FTE will be pro-rated. 1.0 FTE staff will earn at the following rates:
 - 0 – 5 years = 240 hours annually
 - 5 – 10 years = 256 hours annually
 - 10 or more = 280 hours annually
- PTO will accrue on regular, PTO, holiday, funeral leave, jury duty, paid military leave, and paid parental leave hours reported.
- PTO will not accrue during authorized unpaid leaves of absence, limited disability leave, and unpaid FMLA leave.
- Maximum PTO accrual will be 360 hours. Once an employee has reached this maximum, they will not accrue additional PTO until they use PTO.

B. Usage of PTO

- Employees are expected to request and receive their supervisor's approval in advance of when PTO is to be used. The college reserves the right to deny PTO requests that may have an adverse effect on its operations, or cancel previously approved PTO requests if unexpected circumstances arise which require the staff's attendance at work.
- The college realizes that emergencies arise and it may be necessary to take time off unexpectedly. In these instances, it is the employee's responsibility to notify their supervisor no later than the start of the absence and explain the need for unscheduled time off. The employee must coordinate with the supervisor for each unscheduled absence.
- In addition, the college may require certification or documentation of absences longer than three days and such absences may be designated as Family and Medical Leave Act (FMLA) leave.
- Employees are accountable and responsible for managing their own PTO hours to allow adequate reserve to cover vacation, illness, appointments, emergencies or other purposes that require time off from work.

C. PTO Reporting and Payroll Processing

- Nonexempt staff
 - Nonexempt staff will report PTO hours taken during each pay period by recording the PTO in Norse Hub in 15-minute increments.
 - PTO is paid at the employee's base pay rate at the time of absence. It does not include overtime or any special forms of compensation.
- Exempt staff
 - Exempt staff will report PTO hours taken during each pay period by recording the PTO in Norse Hub in 15-minute increments. Exempt staff must submit each month's time entry by the 17th of the month.
 - Supervisors must approve monthly time entry by midnight on the 18th of the month.
 - Employees should email their supervisor with changes that occur after the 18th of the month. The supervisor will then email hr@luther.edu. HR staff will update the employee's PTO record.
 - PTO is paid at the employee's base pay rate at the time of absence
- When processing the payroll, PTO will be deducted from current PTO balance and then the accrual will be applied. The new balance will be available for use in the next pay period.
- Employees may not borrow against their PTO banks; therefore, no advance of leave will be granted when the balance is zero. Any time taken will be unpaid.
- When PTO is used, an employee is required to request payment of PTO hours according to their regularly scheduled workday.
 - Example: if an employee works a six-hour day, they would request no more than six hours of PTO when taking that day off.
 - An employee's actual work time and PTO cannot exceed the number of hours the employee is scheduled to work.
 - The maximum number of regular hours paid in a week is 40 hours.
- In general, employees are required to use all available accrued PTO prior to taking time off without pay. However, employees who take leave covered by USERRA (Uniformed Services Employment and Reemployment Rights Act) are not required to use PTO to cover these leaves. If an employee elects not to use PTO (or Limited Disability Leave Benefits, if applicable) for leave covered by USERRA then that leave will be unpaid.
 - Employees who are taking leave under the Family Medical Leave Act are not required to use PTO during a person's protected FMLA leave.
 - Employees are required to use any accrued PTO during the Limited Disability Leave Two Week Waiting Period.

- Employees who are on Limited Disability Leave may use accrued PTO to supplement their pay in order to receive 100% pay during the LDL benefit period (see Limited Disability Leave Policy)

D. Payout at Separation of Employment

- Luther College will pay out 50% of the employee's final PTO balance. Accordingly, the maximum payout will be 180 hours.
- As employees give their resignation notice, they should work with their supervisor to plan their timing and utilization of PTO.
- PTO will not be paid out if employment is terminated "for cause," such as financial malfeasance, serious misconduct, or other reasons, at the discretion of the President and Human Resources.

E. Other paid leave plans

- Holidays, parental leaves, funeral leaves, and other paid leaves as defined in the Staff Handbook are handled separately and are not part of the PTO program.