



Sample PTO Policy *Template*





PTO is the combined allocation of an employee’s days off that can be used for vacation time, sick time, bereavement or personal time and is provided as an employee benefit, usually for full-time workers.

Did you know?

Employers aren’t required by law to provide paid vacation leave; however, specific states, cities and federal contractors must, by law, provide paid sick leave. Establishing clear and compliant employee policies, especially related to paid time off (PTO) is essential to avoiding costly lawsuits. This sample PTO policy can help you get started.

How to Use this Document:

You will first see the Sample PTO Policy. Following this is a second version with fully editable text so you can customize the policy to the needs of your organization.

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SAMPLE PTO POLICY

Paid Time Off (PTO) starts accruing [upon hire, after 60 days, after six months]. Eligible employees must regularly work at least XX hours per week. Employees working less than XX hours per week are not eligible for PTO.

Use and Scheduling of PTO

You must use PTO when taking time off from work for any reason, and PTO can be taken in increments as low as one hour.

All PTO requests are subject to your supervisor's approval as well as team or department staffing needs. We understand that unscheduled absences occasionally happen; however, when possible, PTO should be scheduled in advance. If the frequency of unscheduled absences becomes excessive, corrective actions will be taken, up to and including termination.

You must use your PTO hours according to your normal workday. For example, if you work an eight-hour day and need to take off a full day, you must request eight hours of PTO. PTO is paid at your regular pay rate and is not subject to overtime.

Availability

You can use your PTO accruals in the pay period following completion of XX [days, weeks, months] of employment. All hours you accrue after that time can be used in the pay period following the period they are accrued in.

Accrual and Payment of PTO

Accruals are based upon paid hours of up to 2,080 hours (40 hours per week) per year, excluding overtime. If you work fewer than 40 hours per week, but at least XX hours per week, you will earn prorated PTO hours. Time in service with [the company] will determine the rate you accrue PTO. You will not accrue PTO on unpaid leaves of absence. You are eligible for the next level of accrual on the first day of the pay period of your employment anniversary according to the table below.

Years of Service	Accrual Rate per Bi-Weekly Pay Period	Annual PTO Accrual	Maximum Accrual
Less than one year	4 hours	13 days (104 hours)	13 days (104 hours)
1-3 years	4.62 hours	15 days (120 hours)	33 days (264 hours)
4-10 years	6.15 hours	20 days (160 hours)	42 days (336 hours)
More than 10 years	7.69 hours	25 days (200 hours)	48 days (384 hours)

You cannot borrow against your PTO bank; therefore, advance leave is not allowed.

Payment upon Termination

Note: Employers should check their state laws regarding payment on termination, as state laws can vary

Cash Out

Every December, you can elect to cash out up to a maximum of 80 hours of the unused PTO you earned over the past year, providing that at least 40 hours of leave remain to cover unplanned absences.

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