



Pender Memorial Hospital
an affiliate of New Hanover Regional Medical Center

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PMH Paid Days Off Policy (PDO)

POLICY

Pender Memorial Hospital's Paid Days Off (PDO) Plan provides employees a benefit program that provides payment for scheduled vacation, holiday and personal time off from work from the employee's bank of accrued PDO time.

II. PROCEDURE

1. Eligibility: All "benefit" eligible employees whose FTE status is at least .5 FTE begin earning Paid Days Off (PDOs) as of their date of employment. However, employees are not eligible to use PDOs until the pay period following the completion of their 90-day introductory period of employment. Exempt employees may use PDOs immediately upon accrual. Temporary employees are excluded from this policy.

2. Accrual: Paid Days Off allowance will accrue each pay period based on the employee's FTE and years of benefit eligible service in accordance with the following schedule, provided the employee has at least 40 paid work hours in that pay period:

YOS	0.90 - 1.00 FTE	0.80 FTE	0.75 FTE	0.60 FTE	0.50 FTE
<1 Year	5.54	3.69	3.54	3.08	2.77
≥ 1 Year, but < 3 Yrs	5.54	3.69	3.54	3.08	2.77
≥ 3 Years, but < 15 Yrs	7.08	4.92	4.69	4.00	3.54
≥ 15 Years or more	8.62	6.15	5.85	4.92	4.31

1. PDO Usage

Non-Exempt Staff

Non-Exempt Staff must use PDO for any absence such as vacation, holiday, or personal time, providing the PDO's are available in his/her bank.

Exempt Staff

In accordance with the Fair Labor Standards Act, exempt employees are only required to use PDO when whole days are taken off from work. Exempt staff does not use PDO for partial days absence for vacation,

holiday or personal scheduled time off.

As PDOs are accrued, they are stored in the employee's PDO "bank". After employees satisfactorily complete their introductory period of employment, they must use their accumulated PDOs for any absence such as vacation, holiday, or personal reasons, other than sick. PDO can not be taken in the pay period it's earned.

Employees are **required** to schedule PDOs in advance with their Department Directors or Managers in accordance with their departmental policy. Employees who are absent without authorization from their Department Directors are to be paid PDOs (if accrued and in accordance with eligibility requirements of this policy), but may be subject to disciplinary action in accordance with the PMH's progressive discipline policy. If the organization requires any hourly employee to be absent for such reasons as "a lack of work", the employee has a **choice** to use any of his or her accrued, unused PDOs. Hourly employees, who work in excess of their assigned shift (at management's request) in the same week as scheduled PDO, may choose to use or not use PDO. However, when the employee absences himself or herself from work for any reason other than absences paid thru the Sick Leave Plan, he or she must be paid PDOs, providing they are available in their PDO bank.

4. PDO Sellback: There will be designated sell back periods for PDO each year, typically three – one each in Apr, Aug and Nov. Each employee's accrued unused PDO will be calculated based on the PDO Payout Schedule. PDO sellback will be administered as follows:

- a. Any hours greater than 400 will automatically be paid out in the mid-summer PDO Sellback.
- b. Eligible employees may elect to receive a cash payment at their current regular rate of pay and based upon the PDO Payout Schedule (Section 5.c) for unused, accrued PDO greater than 40 hours. Employees with less than one year of service or less than 40 hours of PDO in their bank **may not participate in the sellback periods.**

5. Termination: Upon termination, employees will receive payment for accrued, unused PDO providing:

- a. They have given working notice equivalent to:
(1) minimum of four (4) weeks for Professional, License Technical, Information Services and/or Exempt Employees, or (2) minimum of two(2) weeks for all other employees;
- b. have not been discharged; and
- c. based on the following **PDO Payout Schedule:**

Length of Service Rate of Payment

- < 1 year 0%
- >= 1 yr but < 3 yrs 50%
- >= 3 yrs but < 5 yrs 75%
- > = 5 years 100%

6. Retirement: Upon retirement, employees eligible to receive pension benefits may elect to:

- a. Receive their PDO on a bi-weekly basis (maximum of 80 hours per pay period). *Please note that employees using this option are **not** eligible to extend benefits beyond their retirement or benefit end date.*
- b. Receive a lump sum cash payment for their unused PDO in accordance with Section 5. Termination.

7. Change in Employment Status: When an eligible full-time or part-time employee permanently changes his

or her employment status to a non-eligible status for PDO, he or she has a choice of leaving their accrued balance for future use or "cashing in" at his or her current rate of pay and subject to the PDO Payout schedule in Section 5. Termination above. Employees who transfer from a non-eligible to an eligible PDO participant status shall begin to accrue PDO in accordance with this policy as of their PDO benefit date. If an eligible employee changes his or her employment status to a non-eligible status and then reverts back to an eligible status without a break in service, he or she will be given credit for all of the years of benefit eligible service. Employees with less than one year of service who move to a non-eligible PDO status, may not cash in PDO until completion of one year of service.

8. Leaves of Absence:

- a. Eligible employees will **not** accrue PDO for each pay period they are on a leave of absence.
- b. Employees are required to use available PDO when they go on an authorized LOA (other than military LOA), after they have exhausted any accrued, unused sick leave benefit.
- c. Eligible employees who are out of work on a LOA, other than a military LOA, for a duration of 30 consecutive days or longer, will have their PDO benefit date adjusted by the length of the leave.
- d. In accordance with FMLA regulations, exempt staff who are authorized to take Intermittent FMLA, use PDO for partial day absences in hourly increments, after they have exhausted any accrued, unused sick leave benefit.
- e. While on FMLA, an employee may spread out PDO's and use less than their normal scheduled hours only to ensure that there is enough pay during the FMLA to cover the cost of benefits for each pay period, after they have exhausted any accrued, unused sick leave benefit.

9. Department Directors and/or Managers have the responsibility to maintain a staff adequate to provide quality services in their respective areas. They have the authority to deny requests for PDO or change scheduled PDO as necessary to fulfill this responsibility. Fair and objective judgment in the best interests of all concerned must be exercised at all times.

10. PDO may not be taken in advance of eligibility accrual for any reason.

11. PDO, except for uncontrolled emergency situations, must be requested in writing and in advance in accordance with departmental policy. The Department Director and/or Manager must approve all paid absences.

12. Days off jury duty or funeral leave are not PDO under this policy and shall not be considered as PDO taken by the employee.

13. Payment of PDO to hourly employees will be authorized on each employee's time record as a separate entry by the Department Director, Manager or Kronos Supervisor.

15. Holidays: Pender Memorial Hospital recognizes seven holidays a year - New Years Day, Good Friday, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas. Benefit eligible employees (26-40 hours a week) who are scheduled to be off on the observed holiday due to their department closing fully or partially, will be paid at their current regular rate for the holiday and have scheduled work hours deducted from their PDO bank.

- a. If an employee is scheduled to work a holiday and fails to report to work, his or her absence will be considered unauthorized. The employee will not be paid for the unauthorized absence and may not receive PDO. This penalty may be waived only in very unusual circumstances after investigation by the Department Director/Manager who determines that the employee's absence was for unusual, legitimate

and acceptable reason(s). For example:

1. There was an untimely death in the employee's immediate family shortly before the beginning of the shift;
 2. The employee was involved in an accident on the way to work;
 3. The employee suddenly becomes very ill and unable to work. A call-in is required, and a physician's note may be required.
 4. Severe inclement weather conditions prevail, such as a hurricane, which prevents employees from coming to work and calling in to report the absence.
- b. An unauthorized absence on the last scheduled day before, during, or the first scheduled work day after a holiday will result in loss of pay for the missed day(s).
- c. If the Department Director/Manager determined that an employee should not be paid for a holiday due to (a) and (b) above, he/she must document this on an employee's time record in Kronos.
- d. An employee, who is assigned to be off, can only be paid up to the maximum available hours accrued in their PDO bank.

16. Unpaid days off for personal reasons will not be approved for employees who have PDO in their bank and work less than their normally scheduled number of hours.

17. PDO generally are not counted as "hours worked" for overtime premium pay purposes. PDO will count as hours worked for overtime premium for employees who are On-call and are called back to work. (See Call Pay Policy)

18. PDO for non-authorized time off, illness and/or other uncontrolled emergency situations will be counted as an "occasion" under the attendance policy. Benefit eligible employees who are absent from work for an entire work shift, or a part thereof, must be paid accrued PDO, but may be subject to the PMH's disciplinary procedures dependent upon the judgment of the Department Director/Manager. Consult with Human Resources for any needed clarification or guidance.

19. **PDO Donations:** Employees may donate PDO to other employees who experience a personal illness, family illness, FMLA, disability, military LOA, or personal tragedy (hurricane, flood, fire, earthquake, etc.).

In order to donate PDO the following guidelines must be followed:

1. A completed PDO Donation form must be completed and returned to the Human Resources Department one week prior to the date the employee wishes to use the PDO.
2. The person who wishes to donate hours must maintain a minimum balance of 40 hours.
3. Donations are strictly voluntary; coercion is prohibited.
4. Solicitation by the employee is prohibited. Managers may, with permission of the employee, notify staff that PDO donations would be appreciated.
5. Employees may not donate PDO to others while working a termination notice or during a notice period prior to transferring to a casual status.
6. Once donations are submitted to the Human Resources Department, the employee who submitted the donation cannot retrieve the donated hours.
7. The value of the PDO hours will be computed at the current rate of pay of the donor and converted to PDO hours at the current rate of pay of the recipient.

8. PDO may not be donated to employees who are not actively employed in a benefits-eligible position.

The "banked" hours of the donor will decrease and the "banked" hours of the recipient will increase and the net expense to PMH will remain the same. There is no tax consequence to the donor and the recipient will pay taxes on the PDOs when used.

Exceptions to the PDO Policy can only be made by the Vice President of Human Resources.

END

ONCE PRINTED THIS DOCUMENT IS CONSIDERED UNCONTROLLED

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Attachments

No Attachments

Approval Signatures

Step Description	Approver	Date
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	Ruth Glaser: CEO-Pender	03/2020

Applicability

Pender Memorial Hospital