



Policy and Procedure

Title:	Paid Days Off (PDO)		
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Approval(s):			
_____ Jack Barto, President & Chief Executive Officer		_____ Keith Strawn, Vice President, Human Resources	

I. POLICY

New Hanover Regional Medical Center's Paid Days Off Plan provides employees a benefit program that provides payment for scheduled and unscheduled time off from work from the employee's balance of accrued time.

II. PROCEDURE

1. **Eligibility:** All "benefit" eligible employees (see Classification Policy #15) whose FTE status is at least .4 FTE and are paid at least 32 hours per pay period; begin earning Paid Days Off (PDOs) as of their date of employment. However, employees are not eligible to use PDOs until after they have satisfactorily completed their introductory period of employment with the Medical Center. PDO's will not be available for use until the pay period following the completion of the 90-day introductory period. Management employees may use PDOs immediately upon accrual. All Residents, and temporary employees are excluded from this policy.
2. **Accrual:** The annual Paid Days Off allowance will accrue on per pay period basis on hours paid, up to a maximum of 80 hours paid per pay period, and years of service in accordance with the following schedule:

Years of Benefit Eligible Service	Hours Accrued Per Hour Paid
< 1 year	0.1000
>= 1 year, but < 5 years	0.1115
>= 5 years, but <15 years	0.1308
>= 15 years	0.1500

3. PDO Usage

1. Non-Exempt Staff:

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

2. Exempt Staff:

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

Exception: In accordance with FMLA regulations, exempt staff taking intermittent FMLA, use PDO for partial day absences.

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, sick time, or any other reasons. 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 Medical Center's progressive discipline policy. If the Medical Center 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/her earned but 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 him/herself from work for any reason, he/she must be paid PDOs, providing they are available in his/her PDO bank.

4. PDO Sellback: There will be designated sell back periods for PDOs each year, typically three. Each employee's accrued but unused PDOs will be calculated based on the PDO Payout Schedule. Employees will then be awarded the following options:

- a. Any hours greater than the 480 maximum will automatically be paid out in the mid-summer PDO Sellback, and/or
- b. Receive a cash payment at their current regular rate of pay and based upon the PDO Payout Schedule, for unused accrued PDOs. Employees who elect this option cannot reduce their PDO bank below 96 hours. Employees with less than one year of service or less than 96 hours of PDOs in their bank **may not participate in the sellback periods.**

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

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

<u>Length of Service</u>	<u>Rate of Payment</u>
< 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 PDOs 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 PDOs in accordance with section five (5).

7. Change in Employment Status: When an eligible full-time or part-time employee permanently changes his/her employment status to a non-eligible status for PDOs, he/she has a choice of leaving their accrued balance for future use or "cashing in" at his/her current rate of pay and subject to the PDO Payout schedule in Section 5 above. Employees who transfer from a non-eligible to an eligible PDO participant status shall begin to accrue PDOs in accordance with this policy as of their PDO benefit date. If an eligible employee changes his/her employment status to a non-eligible status and then reverts back to an eligible status without a break in service, he/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 PDOs until completion of one year of service.

8. Leaves of Absence:
 - a. Eligible employees will not accrue PDOs for each pay period they are on a leave of absence.
 - b. Employees are required to use available PDOs when they go on an authorized LOA other than military LOA.
 - c. Eligible employees who are out of work on a LOA, other than a military LOA, for 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 that is authorized to take Intermittent FMLA, uses PDO for partial day absences in hourly increments.
 - 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.

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 PDOs or change scheduled PDOs as necessary to fulfill this responsibility. Fair and objective judgment in the best interests of all concerned must be exercised at all times.

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

11. PDOs, except for illness or other 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 for jury duty or funeral leave are not PDOs under this policy and shall not be considered as PDOs taken by the employee.

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

14. PDOs can be used for any reason as long as it is approved by the Department Director/Manager. However, employees who are using PDOs for LOA must be placed on LOA status.
15. Holidays: The Medical Center recognizes seven holidays a year - New Years Day, Good Friday, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas. Benefit eligible employees (16-40 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/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 his/her PDO bank.
16. Unpaid days off for personal reasons will not be approved for employees who have PDOs in their bank and work less than their normally scheduled number of hours.
17. PDOs generally are not counted as "hours worked" for overtime premium pay purposes. PDOs will count as hours worked for overtime premium for employees who are On-call and are called back to work. (See Call Pay Policy #3)
18. PDOs for non-authorized time off, illness and/or other uncontrolled emergency situations will be counted as an "occasion" under the Medical Center's attendance policy. Benefit eligible employees who are absent from work for an entire work shift, or a part thereof, must be paid accrued PDOs, but may be subject to the Medical Center's disciplinary procedures dependent upon the judgment of the Department Director/Manager. Consult with Human Resources for any needed clarification or guidance.
19. PDOs and the Medical Center Foundation: Employees who work at least 16 hours a week and earn PDOs may contribute the value of one or more hours of PDOs to the Medical Center Foundation. Conversion of PDOs as donations to the Medical Center Foundations will be calculated at the current rate of pay.

20. PDO Donations: Employees may donate PDO to other employees of a personal illness, family illness, FMLA, Other Medical leave of Absence, disability, military LOA, or personal tragedy (hurricane, flood, fire, earthquake, etc.).

In order to donate PDOs 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. Forms can be located found on Capsuleslive/Forms & Documents/HR Forms/PDO Donation Form.
2. The person who wishes to donate hours must maintain a minimum balance of 96 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's 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 the Medical Center 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 or the Chief Executive Officer.

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