

PAID TIME OFF (PTO) POLICY

Company Name: _____

Policy Number: _____

1. Purpose

This Paid Time Off (PTO) Policy is designed to provide employees with flexible paid leave for vacation, personal time, and illness. The policy consolidates all leave types into a single PTO bank to promote work-life balance and ensure compliance with applicable United States labor laws.

2. Eligibility

All full-time employees who have completed their initial probationary period are eligible to accrue and use PTO under this policy. Part-time, temporary, and contract employees are not eligible unless otherwise specified in their employment agreement.

3. Accrual of PTO

PTO accrues on a per-pay-period basis according to the employee's length of service and employment classification. The standard accrual rates are as follows: • 0-1 year: 1.25 days per month • 1-5 years: 1.67 days per month • 5+ years: 2.08 days per month

4. Maximum Accrual and Carryover

Employees may accrue PTO up to a maximum limit of 240 hours. Accruals beyond this limit will be suspended until some PTO is used. Unused PTO may be carried over to the next calendar year but must be used within 12 months of the year accrued; otherwise, it will be forfeited.

5. Use of PTO

Employees must request PTO in advance following company procedures, except in cases of unforeseen illness or emergency. Approval is subject to business needs and supervisor discretion. PTO may be used in increments as small as one hour. Employees are encouraged to schedule PTO to minimize disruption to operations.

6. PTO Payout Upon Termination

Upon termination of employment, employees will be compensated for any unused accrued PTO at their final base rate of pay, provided the employee has given required notice and is not terminated for cause. PTO payout will be included in the final paycheck in compliance with applicable state laws.

7. Recordkeeping

The company will maintain accurate records of PTO accruals, usage, and balances. Employees may review their PTO balance at any time through the Human Resources department or company payroll system.

8. Interaction with Other Leave Policies

This PTO Policy does not replace or alter employee rights under the Family and Medical Leave Act (FMLA), the Americans with Disabilities Act (ADA), or other federal, state, or local leave laws. PTO may be used to supplement unpaid leave under these policies where applicable.

9. Amendments and Exceptions

The company reserves the right to modify, amend, or terminate this PTO Policy at any time, with or without notice, subject to applicable law. Any exceptions to this policy must be approved in writing by Human Resources and senior management.

10. Employee Acknowledgment

By signing below, the employee acknowledges receipt of this PTO Policy, understands its terms, and agrees to abide by its provisions.

EMPLOYEE SIGNATURE

Signature: _____

Print Name: _____

Date: _____

HR REPRESENTATIVE SIGNATURE

Signature: _____

Print Name: _____

Date: _____

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