

## **Paid Time Off (PTO)**

NCO, Inc. believes that employees should have opportunities to enjoy time away from work to help balance their lives. NCO, Inc. recognizes that employees have diverse needs for time off from work, this paid time off (PTO) policy has been established to meet those needs. The benefits of PTO are that it promotes a flexible approach to time off. Employees are accountable and responsible for managing their own PTO hours to allow for adequate reserves if there is a need to cover vacation, personal, illness, bereavement, emergencies, or other situations that require time off from work.

### **Eligibility**

PTO is accrued upon hire or transfer into a full-time position. (35 hrs per week) New hires can start to accrue PTO after 90 days of full-time employment. Part-time employees (less than 35 hrs per week) are not eligible to accrue PTO.

### **Cost of Coverage**

NCO, Inc. provides PTO plan as a benefit at no cost to employee.

### **Accrual and Payment of PTO**

Accruals are made at each pay period. Length of full-time employment determines the rate at which the employees will accrue PTO. PTO is accrued on actual hrs. worked. PTO does not accrue during unpaid leaves of absence. Employees become eligible for the higher accrual rates on the first day of the pay period in which the employee's full-time anniversary date falls.

- PTO accrues at 100 percent of your regular straight-time rate of pay up to a maximum of 40 hrs. per work week.
- PTO is not used in the computation of overtime.
- PTO is paid at the employee's straight time rate of pay or for exempt employees, your weekly salary.

### **Accrual hours calculation base on a 40 hr. work week per pay period**

- 0-1 yr.  $3.6922 \times 26 = 96$  hrs.
- 1-2 yrs.  $6.1538 \times 26 = 160$  hrs.
- 3 yrs.  $6.7691 \times 26 = 176$  hrs.
- 4-5 yrs.  $7.6921 \times 26 = 200$  hrs.
- 6-9 yrs.  $9.2307 \times 26 = 240$  hrs.
- 10+ yrs.  $10.7691 \times 26 = 280$  hrs.

## **Annual PTO Caps**

The PTO annual caps are based on years of service. Once an annual cap has been reached, no further days will be added until hours have been used. Unused hours will carry over to the next year, but cannot exceed annual caps.

### **Annual caps are based on years of service**

- 1-2 yrs of service: 160 hours per year available with an annual cap of 344 hours
- 3 yrs of service: 176 hours per year available with an annual cap of 376 hours
- 4-5 yrs of service: 200 hours per year available with an annual cap of 424 hours
- 6-9 yrs of service: 240 hours per year available with an annual cap of 504 hours
- 10+ yrs of service: 280 hours per year available with an annual cap of 584 hours

## **PTO Requirements**

After the first full year of employment, any employee with minimum of 184 hours must take 5 consecutive days during that year. Employees with 4-6 years of service and a minimum 224 hours must take an additional non-consecutive week out of their PTO bank. Employees with 7-10 years of services and a minimum of 264 must take a third week away from work-can be a day at a time. Employees with 10 + years of services and 304 hours must take a fourth week away from work-can be one day at a time. PTO is subject to supervisor approval.

## **Use and Scheduling of PTO**

Employees are required to use available PTO when taking time off from work with the exception of a company-required absence due to low workload or absences occasioned by the company. PTO may be taken in increments of as low of one hour. However, PTO may not be used for missed time because an employee reports late to work, except during inclement weather.

PTO is always subject to supervisory approval, department/client needs, and established departmental procedures. Unscheduled absences will be monitored. An employee will be counseled when the frequency of unscheduled absences adversely affects the work environment/clients. All approved absences must be used as PTO. PTO must be taken for any work absence longer than 3 hours. PTO must be scheduled in advance 3 days with the exception of unforeseen circumstances, subject to supervisory approval. PTO must be schedule in advance of 30 days when block scheduling a work week (5 consecutive days or 40 hrs.) In the event of conflicting dates when scheduling PTO between employees of the same organizational level, the employee with the greater length of service time will have preference. Employees may not borrow against their PTO banks: therefore, no advance leave will be granted.

### **Payment upon separation**

Upon resignation, or retirement employees will be paid any unused PTO hours within thirty (30) days of their departure. NCO, Inc. has the discretion to determine whether accumulated PTO will be paid to employees who resign their employment with NCO, Inc. The employee will typically have the opportunity to sell back the remaining accumulated PTO time at 100 percent at the employee's straight time rate of pay or for exempt employees, your weekly salary up to 240 hrs. if he or she has met the following 1.) Submits written two week notice and works each scheduled day of the notice period. 2.) Has been an active employee for at least a year.

Employees that resign without notice, are terminated, or fail to fully complete the notice period forfeit any PTO they have accumulated.

### **Donating PTO time**

Employees may donate, anonymously if they wish, accrued PTO hours to other employees who have exhausted their leave to use in emergency cases (i.e. Bereavement, Personal leave, Personal illness or family)

- Employees shall not donate PTO to other employees for vacation purposes, or to avoid losing their PTO when the PTO cap is reached.
- Donating employees may only donate accrued PTO.
- Donating employee must submit donation request to Human Resources in writing.

### **Family and Medical Leave Act and PTO**

Under the company's Family and Medical Leave Act (FMLA), all accrued time is taken before the start of the unpaid FMLA

### **Reserved Rights**

This plan is a guideline and NCO, Inc. reserves the right to change and interpret as needed. NCO, Inc. reserves the right to review on a case to case situation, consider appropriate action, and make exceptions as need. All exceptions must be granted by NCO, Inc. Board of Directors.