

PAID TIME OFF (PTO) POLICY

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This Paid Time Off Policy (this "Policy") is adopted as of [EFFECTIVE DATE] (the "Effective Date") by [COMPANY LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. limited liability company] with its principal place of business at [COMPANY ADDRESS] (the "Company"), and applies to the employees described in Section 1 (each, an "Employee").

Recitals. The Company recognizes that time away from work supports the health, well-being, and productivity of its employees. This Policy describes how paid time off ("PTO") is earned, requested, used, and paid, and how it interacts with other leave. PTO accrual, carryover, and payout rules vary significantly by jurisdiction; this Policy defers to applicable state and local law wherever such law sets a more protective standard.

1. Eligibility

1.1 Eligible employees. This Policy applies to [FULL-TIME / REGULAR] employees. [PART-TIME / TEMPORARY / SEASONAL] employees are eligible only as stated here: [STATE ELIGIBILITY OR "NOT ELIGIBLE"].

1.2 Waiting period. Unless applicable law requires otherwise, a new Employee [BEGINS ACCRUING PTO ON HIRE / BECOMES ELIGIBLE TO USE PTO AFTER [NUMBER] DAYS].

1.3 Classification changes. If an Employee's status changes (for example, between full-time and part-time), the Company will adjust PTO eligibility and accrual prospectively as of the change, consistent with applicable law.

1.4 Interaction with statutory leave. This Policy is separate from leave required by law (such as protected sick leave, family or medical leave, jury duty, or voting leave), which is governed by the applicable statute and any separate Company policy.

2. Accrual

2.1 Accrual rate. Eligible Employees accrue PTO at the rate of [NUMBER] hours per [PAY PERIOD / MONTH / YEAR], equal to approximately [NUMBER] days per year at full-time hours.

2.2 Accrual cap. An Employee may accrue up to a maximum balance of [NUMBER] hours. Once the cap is reached, no additional PTO accrues until the balance falls below the cap, except where applicable law requires otherwise.

2.3 Proration. PTO accrual is prorated for Employees who work fewer than full-time hours, based on [METHOD, e.g. scheduled hours].

2.4 Unpaid status. PTO does not accrue during unpaid leaves of absence except as required by applicable law or as the Company otherwise specifies in writing.

3. Requesting and Using PTO

3.1 Advance request. Except for unforeseen circumstances, an Employee should request PTO at least **[NUMBER]** days in advance through **[METHOD, e.g. manager approval / HR system]**.

3.2 Approval. PTO is subject to supervisor approval based on business needs, staffing, and the timing of the request. The Company will administer approvals consistently and in good faith and will not deny PTO used as legally protected leave where the law requires it to be granted.

3.3 Increments. PTO may be taken in minimum increments of **[NUMBER]** hours.

3.4 Pay during PTO. PTO is paid at the Employee's regular base rate in effect when the PTO is taken and does not include overtime, bonuses, or other premium pay unless required by law.

3.5 Insufficient balance. An Employee generally may not use more PTO than they have accrued. Any advance of PTO is at the Company's discretion and, if approved, is subject to repayment terms communicated in writing.

4. Carryover and Year-End

4.1 Carryover. At the end of each **[CALENDAR / ANNIVERSARY]** year, an Employee may carry over up to **[NUMBER]** hours of unused PTO, subject to the accrual cap in Section 2.2, unless applicable law requires a different treatment.

4.2 Forfeiture limits. Where applicable law restricts forfeiture of accrued PTO ("use it or lose it"), this Policy yields to that law, and accrued PTO will be carried over or paid out as the law requires.

4.3 Scheduling at year-end. The Company may encourage Employees to use PTO before year-end and may, consistent with law, schedule the use of PTO that would otherwise exceed carryover limits.

5. Separation and Payout

5.1 Payout on separation. On separation of employment, the Company will pay out accrued, unused PTO **[IN ACCORDANCE WITH APPLICABLE STATE LAW / AS STATED HERE: [DESCRIBE]]**. Where state law requires payout of accrued PTO, that law controls regardless of any contrary statement in this Policy.

5.2 Timing of final pay. Any PTO payout will be made within the time required by applicable state final-pay law.

5.3 Negative balance. If an Employee has used more PTO than accrued at separation, the Company may recover the advanced amount to the extent permitted by applicable law.

5.4 Rehire. A rehired Employee's prior PTO balance is **[NOT REINSTATED / REINSTATED AS DESCRIBED]**, subject to applicable law.

6. Holidays and Other Time Off

6.1 Company holidays. The Company observes **[LIST OR REFERENCE HOLIDAY SCHEDULE]**. Paid holidays are separate from PTO and do not draw down the PTO balance.

6.2 Holiday during PTO. If a Company-observed holiday falls during an Employee's scheduled PTO, that day is charged as a holiday, not as PTO.

6.3 Other leave. Bereavement, jury duty, military leave, and other categories of leave are governed by separate Company policy and applicable law and are not charged to PTO unless the Company and the Employee agree otherwise where permitted.

7. Administration

- 7.1 **Recordkeeping.** The Company will maintain accurate records of PTO accrual, use, and balances and will make balance information reasonably available to Employees.
- 7.2 **Abuse.** Misrepresenting the reason for PTO, falsifying records, or patterns of misuse may result in corrective action up to and including termination, consistent with applicable law.
- 7.3 **Coordination with pay.** PTO is reflected on the Employee's pay statement as required by applicable law.
- 7.4 **Questions.** Questions about this Policy should be directed to **[HR CONTACT / TITLE]**.

8. General Provisions and Acknowledgment

- 8.1 **Amendment.** The Company may amend or discontinue this Policy at any time, prospectively and consistent with applicable law, and will communicate material changes to Employees.
- 8.2 **Not a contract.** This Policy describes a benefit and is not an employment contract and does not alter the at-will nature of employment where applicable.
- 8.3 **Severability.** If any provision of this Policy is found unenforceable, the remaining provisions remain in effect.
- 8.4 **Governing law.** This Policy is administered under the laws of the State of **[STATE]**, without regard to its conflict-of-laws rules, and is subject to all mandatory protections of applicable local and state law, which control over any conflicting provision of this Policy.
- 8.5 **Acknowledgment.** By signing below, the Employee confirms that they have received, read, and understood this Policy.

ACKNOWLEDGMENT OF RECEIPT

EMPLOYEE	COMPANY
Signature: _____	Signature: _____
Printed name: [NAME]	Printed name: [NAME]
Title: [TITLE or N/A]	Title: [TITLE]
Date: _____	Date: _____

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